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

FORM 10-K

☑
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended June 27, 2015
OR

o **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)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class:	Name of Each Exchange on which Registered
Common Stock, par value $.01 per share	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.Yes ☑ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.Yes o No ☑

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. Yes ☑ No o

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 ☑ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

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 ☑ Accelerated filer o Non-accelerated filer o Smaller reporting company o

Indicate by check mark whether the registrant is a shell Company (as defined in Rule 12b-2 of the Act).Yes o No ☑

The aggregate market value of Coach, Inc. common stock held by non-affiliates as of December 26, 2014 (the last business day of the most recently completed second fiscal quarter) was approximately $10.2 billion. For purposes of determining this amount only, the registrant has excluded shares of common stock held by directors and officers. Exclusion of shares held by any person should not be construed to indicate that such person possesses the power, direct or indirect, to cause the direction of the management or policies of the registrant, or that such person is controlled by or under common control with the registrant.

On July 31, 2015, the Registrant had 276,627,052 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Documents	Form 10-K Reference
Proxy Statement for the 2015 Annual Meeting of Stockholders	Part III, Items 10 – 14

COACH, INC.

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SPECIAL NOTE ON FORWARD-LOOKING INFORMATION

This document, and the documents incorporated by reference in this document, in our press releases and in oral statements made from time to time by us or on our behalf, contain certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, and are based on management's current expectations. These forward-looking statements can be identified by the use of forward-looking terminology such as “believes,” “may,” “will,” “should,” “expect,” “confidence,” “trends,” “intend,” “estimate,” “on track,” “are positioned to,” “on course,” “opportunity,” “continue,” “project,” “guidance,” “target,” “forecast,” “anticipated,” “plan,” “potential,” the negative of these terms or comparable terms. The Company assumes no obligation to revise or update any forward-looking statements for any reason, except as required by law.

Coach, Inc.'s actual results could differ materially from the results contemplated by these forward-looking statements due to a number of important factors, including those discussed in the sections of this Form 10-K filing entitled “Risk Factors” and “Management's Discussion and Analysis of Financial Condition and Results of Operations.” These factors are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of the forward-looking statements contained in this Form 10-K.

INFORMATION REGARDING HONG KONG DEPOSITARY RECEIPTS

Coach's Hong Kong Depositary Receipts are traded on The Stock Exchange of Hong Kong Limited under the symbol 6388. Neither the Hong Kong Depositary Receipts nor the Hong Kong Depositary Shares evidenced thereby have been or will be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold in the United States or to, or for the account of, a U.S. Person (within the meaning of Regulation S under the Securities Act), absent registration or an applicable exemption from the registration requirements. Hedging transactions involving these securities may not be conducted unless in compliance with the Securities Act.

In this Form 10-K, references to “we,” “our,” “us” "Coach" and the “Company” refer to Coach, Inc., including consolidated subsidiaries. Unless the context requires otherwise, references to the "Coach brand" do not include the Stuart Weitzman brand and references to the "Stuart Weitzman brand" do not include the Coach brand. The fiscal years ended June 27, 2015 ("fiscal 2015"), June 28, 2014 (“fiscal 2014”), and June 29, 2013 (“fiscal 2013") were each 52-week periods.

PART I

ITEM 1. BUSINESS

Coach, Inc. (the "Company") is a leading New York design house of modern luxury accessories and lifestyle brands.

NARRATIVE DESCRIPTION OF COACH BRAND

The Coach brand is one of the most recognized fine accessories brands in both North America and in targeted international markets, and has a rich heritage of pairing exceptional leathers and materials with innovative design.

We offer premium lifestyle accessories to a loyal and engaged customer base and provide consumers with fresh, compelling and innovative products that are extremely well made, at an attractive price. Our product offering uses a broad range of high quality leathers, fabrics and materials. In response to our customer’s demands for both fashion and function, Coach offers updated styles and multiple product categories which address an increasing share of our customer’s accessory wardrobe. Coach presents a sophisticated, modern and inviting environment to showcase our product assortment and reinforce a consistent brand positioning wherever the consumer may shop. We utilize a flexible, cost-effective global sourcing model, in which independent manufacturers supply our products, allowing us to bring our broad range of products to market rapidly and efficiently.

We offer a number of key differentiating elements that set us apart from the competition, including:

A Distinctive Brand — The Coach brand represents a blend of classic American style with a distinctive New York spirit, offering a design that is known for a distinctive combination of style and function. Coach offers lifestyle products that are relevant, extremely well made and provide excellent value.

A Market Leadership Position With Growing International Recognition — The Coach brand is a global leader in premium handbags and lifestyle accessories. Our long-standing reputation and distinctive image have been consistently developed across an expanding number of products, sales channels and international markets, including within North America and Japan. Coach also continues to gain traction in mainland China and other Asian markets, Europe and Latin America.

A Loyal And Involved Consumer — Consumers have a strong emotional connection with the Coach brand. Part of our everyday mission is to cultivate consumer relationships by strengthening this sentiment and brand loyalty.

A Multi-Channel Global Distribution Model — Products are available in image-enhancing environments globally wherever our consumer chooses to shop including: retail and outlet stores, directly operated concession shop-in-shops, online, and department and specialty stores. This allows us to maintain a dynamic balance as results do not depend solely on the performance of a single channel or geographic area. Our stores showcase the world of our products and enhance the shopping experience while reinforcing the image of our brand. The modern store design creates a distinctive environment to display our products. We continue to be committed to the elevation and enhancement of our in-store imagery through strategic investments in Coach branded stores and wholesale locations. Furthermore, store associates are trained to maintain high standards of visual presentation, merchandising and customer service.

Innovation With A Consumer-Centric Focus — Coach listens to its consumer through rigorous consumer research and strong consumer orientation. To truly understand globalization and its related impact, we also need to understand the local context in each market, learning about our consumer wherever our products are sold. The Coach brand also works to anticipate the consumer’s changing needs by keeping the product assortment fresh and compelling.

NARRATIVE DESCRIPTION OF STUART WEITZMAN BRAND

Stuart Weitzman Intermediate LLC ("Stuart Weitzman") is a global leader in designer footwear, and is built upon the concept of crafting a beautifully-constructed shoe, merging fashion and function. Stuart Weitzman is a leading women's premium footwear brand in North America, with a strong opportunity for growth both within North America and international markets. The design team, under Mr. Stuart Weitzman, is responsible for conceptualizing and directing the design of all products, and works closely with its manufacturing partners, primarily in Spain, to construct a broad mix of footwear styles. These manufacturers in aggregate support a broad mix of materials and seasonal influx of new, fashion oriented styles, which allows the Stuart Weitzman brand to quickly meet marketplace demands and changing consumer preferences.

Stuart Weitzman products, which substantially consist of footwear, are sold primarily through wholesale concepts (including shop-in-shops) as well as through retail concepts (including directly operated stores and e-commerce sites). As of June 27, 2015, Stuart Weitzman employed approximately 500 people globally, including both full and part time employees, but excluding seasonal and temporary employees. Of these employees, approximately 300 were retail employees in the global retail field. The Company owns all of the material worldwide trademark rights (including the Stuart Weitzman trademark) used in connection with the production, marketing and distribution of Stuart Weitzman products. In addition, the Company owns registrations for design patents and applications for utility patents for Stuart Weitzman products.

GENERAL DEVELOPMENT OF BUSINESS

Founded in 1941, Coach Inc. was acquired by Sara Lee Corporation ("Sara Lee") in 1985. In June 2000, Coach was incorporated in the state of Maryland. In October 2000, Coach was listed on the New York Stock Exchange and sold approximately 68 million shares of common stock, split adjusted, representing 19.5% of the then outstanding shares. In April 2001, Sara Lee completed a distribution of its remaining ownership in Coach via an exchange offer, which allowed Sara Lee stockholders to tender Sara Lee common stock for Coach common stock.

Coach's international expansion strategy is to enter into joint ventures and distributor relationships to build market presence and capability. To further accelerate brand awareness, aggressively grow market share and to exercise greater control of our brand, Coach has historically acquired its partner's interests.

- In June 2001, Coach Japan was initially formed as a joint venture with Sumitomo Corporation. On July 1, 2005, we purchased Sumitomo's 50% interest in Coach Japan.
- In fiscal 2011, the Company purchased a non-controlling interest in a joint venture with Hackett Limited to expand the Coach business in Europe. Through the joint venture, the Company opened retail locations in Spain, Portugal and the United Kingdom in fiscal 2011, in France and Ireland in fiscal 2012 and in Germany in fiscal 2013. In the beginning of fiscal 2014, the Company purchased Hackett Limited's remaining 50% interest in the joint venture, and has continued to expand its presence in Europe.
- Coach acquired the domestic retail businesses from its distributors as follows:
    - Fiscal 2009: Hong Kong, Macau and mainland China ("Greater China").
    - Fiscal 2012: Singapore and Taiwan.
    - Fiscal 2013: Malaysia and South Korea.

On May 4, 2015, the Company completed the acquisition of luxury footwear company Stuart Weitzman to complement its current leadership position in premium handbags and accessories. The operating results of the Stuart Weitzman brand have been consolidated in the Company's operating results commencing on May 4, 2015.

SEGMENTS

In fiscal 2015, the Company has three reportable segments:

- North America, which includes sales to North American consumers through Coach-branded stores (including the Internet) and sales to wholesale customers. This segment represented approximately 59% of Coach's total net sales in fiscal 2015.
- International, which includes sales to consumers through Coach-branded stores (including the Internet) and concession shop-in-shops in Japan and mainland China, Coach-operated stores and concession shop-in-shops in Hong Kong, Macau, Singapore, Taiwan, Malaysia, South Korea, the United Kingdom, France, Ireland, Spain, Portugal, Germany, Italy, Belgium and the Netherlands as well as sales to wholesale customers and distributors in approximately 45 countries. This segment represented approximately 39% of total net sales in fiscal 2015.
- Other, which consists of sales and expenses generated by the Coach brand in other ancillary channels, including licensing and disposition. Other also consists of sales and expenses generated by the Stuart Weitzman brand during the final two months of fiscal 2015. This segment represented approximately 2% of total net sales in fiscal 2015.

North America Segment

North American Retail Stores — Coach retail stores are located in regional shopping centers and metropolitan areas throughout the U.S. and Canada. The retail stores carry an assortment of products depending on their size, location and customer preferences. Our flagship stores, which offer the broadest assortment of Coach products, are located in high-visibility locations.

In fiscal 2015, we have reduced the number of retail stores and total square footage, as we continue to optimize our real estate position. We expect this trend to continue in the next fiscal year with the anticipated closure of approximately 15-20 North America retail stores in the fiscal year ending July 2, 2016 ("fiscal 2016"), attributable to our Transformation Plan, as described in Note 3, "Transformation and Other Actions."

	Fiscal Year Ended		
	June 27, 2015	June 28, 2014	June 29, 2013
Retail stores	**258**	332	351
Net decrease vs. prior year	**(74)**	(19)	(3)
% decrease vs. prior year	**(22.3)%**	(5.4)%	(0.8)%
Retail square footage	**728,833**	910,003	952,422
Net decrease vs. prior year	**(181,170)**	(42,419)	(6,677)
% decrease vs. prior year	**(19.9)%**	(4.5)%	(0.7)%
Average square footage	**2,825**	2,741	2,713

North American Outlet Stores — Coach's outlet stores serve as an efficient means to sell manufactured-for-outlet product, including outlet exclusives, and to a lesser extent, discontinued inventory outside the retail channel. These stores operate under the Coach name and are geographically positioned primarily in established outlet centers that are generally in close proximity to major markets.

Coach’s outlet store design, visual presentations and customer service levels support and reinforce the brand's image. Through these outlet stores, Coach targets value-oriented customers.

The change in the number of North America Coach outlet stores and their total and average square footage is shown in the following table:

	Fiscal Year Ended		
	June 27, 2015	June 28, 2014	June 29, 2013
Outlet stores	**204**	207	193
Net (decrease) increase vs. prior year	**(3)**	14	24
% (decrease) increase vs. prior year	**(1.4)%**	7.3%	14.2%
Outlet square footage	**1,189,018**	1,132,714	982,202
Net increase vs. prior year	**56,304**	150,512	192,503
% increase vs. prior year	**5.0 %**	15.3%	24.4%
Average square footage	**5,829**	5,472	5,089

Over the next few years, we expect to continue to see modest to no growth in outlet store square footage as we continue to optimize our real estate position across channels by expanding our most productive stores to accommodate a broader expression of lifestyle assortment while continuing to assess opportunities to close under-performing stores.

Internet — Coach views its www.coach.com website as a key communications vehicle for the brand to promote traffic in Coach retail stores and department store locations and build brand awareness, as well as an additional channel to sell Coach brand products directly to customers. With approximately 64 million unique visits to www.coach.com in fiscal 2015, our online store provides a showcase environment where consumers can browse through a selected offering of the latest styles and colors. Our e-commerce programs also include our invitation-only outlet Internet sales site, where we have considerably reduced the number of promotional events since fiscal 2014.

North America Wholesale — Coach began as a U.S. wholesaler to department stores and this channel continues to remain a part of our overall consumer reach. Today, we work closely with our partners to ensure a clear and consistent product presentation. Coach enhances its presentation through the creation of shop-in-shops with proprietary Coach fixtures within the department store environment. Coach custom tailors its assortments through wholesale product planning and allocation processes to match the attributes of our department store consumers in each local market. Coach continues to closely manage inventories in this channel given the highly promotional environment at point-of-sale. Coach utilizes automatic replenishment with major accounts in an effort to optimize inventory across wholesale doors. Over the next year, we expect to continue investing in the elevation of shop-in-shop environments.

Coach brand's products are sold in approximately 1,000 wholesale locations in the U.S. and Canada. Our most significant U.S. wholesale customers are Macy’s (including Bloomingdale's), Dillard's, Nordstrom, Lord & Taylor, The Bay, Bon Ton, Belk and Von Maur. Coach products are also available on these customers' websites.

International Segment

Our International Markets operate department store concession shop-in-shop locations and freestanding flagship, retail and outlet stores as well as e-commerce websites. Flagship stores, which offer the broadest assortment of Coach products, are located in select high-visibility shopping districts.

The following table shows the number of international directly-operated locations and their total and average square footage:

	Fiscal Year Ended		
	June 27, 2015	June 28, 2014	June 29, 2013
Coach International:			
Locations:	**503**	475	409
Net increase vs. prior year	**28**	66	41
% increase vs. prior year	**5.9%**	16.1%	11.1%
Square footage:	**1,030,695**	918,995	768,567
Net increase vs. prior year	**111,700**	150,428	103,171
% increase vs. prior year	**12.2%**	19.6%	15.5%
Average square footage	**2,049**	1,935	1,879

We expect our International segment to reflect modest growth in store count over the next few years, particularly within mainland China and Europe.

International Wholesale — In addition to our company-operated stores, this channel includes sales to international wholesale distributors and authorized retailers. Travel retail represents the largest portion of our customers’ sales in this channel. However, we continue to drive growth by expanding our distribution to reach local consumers in new markets. Coach has developed relationships with a select group of distributors who sell Coach products through department stores and freestanding retail locations in approximately 45 countries. Coach's current network of international distributors serve the following domestic and/or travel retail markets: Argentina, Australia, Austria, Bahamas, Bahrain, Benelux, Brazil, Canada, Chile, Greater China, Colombia, Denmark, Dominican Republic, Finland, France, Germany, Indonesia, Italy, Japan, South Korea, Kuwait, Lebanon, Malaysia, Mexico, New Zealand, Norway, Panama, Peru, Philippines, Portugal, Qatar, Saudi Arabia, Singapore, Spain, Sweden, Switzerland, Taiwan, Thailand, the United Arab Emirates, the United Kingdom, Uruguay, U.S. & Territories, Venezuela and Vietnam.

For locations not in freestanding stores, Coach has created shop-in-shops and other image enhancing environments to increase brand appeal and stimulate growth. Coach continues to improve productivity in this channel by opening larger image-enhancing locations, expanding existing stores and closing less productive stores. Coach's most significant international wholesale customers are the DFS Group, Everrich DFS Corp, Lotte Group, Shilla Group and Vantage Point. Coach's products are sold in approximately 430 wholesale locations.

Other Segment

Stuart Weitzman — The Stuart Weitzman brand is sold primarily through department stores in North America and international distributors, including approximately 600 wholesale locations, and within numerous independent third party distributors. Its most significant wholesale customers include Nordstrom, Saks, and Neiman Marcus. Furthermore, Stuart Weitzman products are also sold in freestanding flagship and retail stores, and e-commerce websites. As of June 27, 2015, Stuart Weitzman had 54 directly operated stores with a total square footage of 91,101 and an average square footage of 1,687.

Licensing — In our worldwide licensing relationships, Coach takes an active role in the design process and controls the marketing and distribution of products under the Coach brand. Licensing revenue was approximately $31.9 million and $27.9 million in fiscal 2015 and fiscal 2014, respectively. Our key licensing relationships as of June 27, 2015 are as follows:

		Date	
Category	**Partner**	**Introduction**	**Expiration**
Footwear	Jimlar Corporation	1999	2017
Eyewear	Luxottica(1)	2012	2016
Watches	Movado	1998	2020
Fragrance	Estee Lauder(2)	2010	2015
Fragrance	Interparfums(2)	2015	2026

(1) The Luxottica licensing relationship is expected to automatically renew in June 2016 with a new expiration date in calendar year 2020.

(2) The Estee Lauder licensing relationship expired on June 30, 2015. Coach entered into a new licensing agreement with Interparfums in April 2015, expiring in June 2026.

Products made under license are, in most cases, sold through all of the channels discussed above and, with the Company's approval, these licensees have the right to distribute products selectively through several other channels, including: shoes in department store salons, watches in selected jewelry stores and eyewear and sunwear in selected optical retailers. These venues provide additional, yet controlled, exposure of our brands. Our licensing partners pay royalties on their net sales of our branded products. However, such royalties are not material to our business as they currently comprise less than 1% of the Company's total net sales. The licensing agreements generally give Coach the right to terminate the license if specified sales targets are not achieved.

The Other segment also consists of sales generated in ancillary channels.

See Note 16, "Segment Information" for more information about all segments.

The following discussion - including "Products," "Design and Merchandising," "Marketing," "Manufacturing," "Distribution," "Information Systems," "Trademarks and Patents," "Seasonality," "Government Regulation," "Competition" and "Employees" - is based on the Coach brand.

PRODUCTS

Coach brand's primary product offerings, manufactured by third-party suppliers, include women's and men's bags, small leather goods, footwear, business cases, ready-to-wear including outerwear, watches, weekend and travel accessories, scarves, sunwear, fragrance, jewelry, travel bags and other lifestyle products. The following table shows net sales for each product category represented for the Coach brand (in millions):

	Fiscal Year Ended					
	June 27, 2015		June 28, 2014		June 29, 2013	
	Amount	**% of total net sales**	Amount	% of total net sales	Amount	% of total net sales
Women's Handbags	**$ 2,389.6**	**58%**	$ 2,826.1	59%	$ 3,177.2	62%
Women's Accessories	**709.4**	**17**	860.3	18	954.2	19
Men's	**680.4**	**16**	691.8	14	599.5	12
All Other Products	**369.2**	**9**	428.0	9	344.5	7
Total Sales	**$ 4,148.6**	**100%**	$ 4,806.2	100%	$ 5,075.4	100%

During fiscal 2015, the Company reevaluated its product categories and determined that small accessory handbags and travel bags, which were previously classified as "Women's Accessories" and "All Other Products," respectively, are viewed by management to be part of its "Women's Handbag" product category. Prior periods have been adjusted to reflect the current period classification.

Women's Handbags — Women's handbag collections feature classically inspired designs as well as fashion designs. Typically, there are three to four collections per quarter and four to seven styles per collection. These collections are designed to meet the fashion and functional requirements of our broad and diverse consumer base.

Women's Accessories — Women's accessories include small leather goods and novelty accessories. Women's small leather goods, which complement our handbags, include money pieces, wristlets and cosmetic cases. Key rings and charms are also included in this category.

Men's — Men's bag collections include business cases, computer bags, messenger-style bags and totes. Men's small leather goods consist primarily of wallets, card cases and belts. Novelty accessories include time management and electronic accessories.

All Other Products (excluding the Stuart Weitzman brand) consist of the following:

Footwear — Jimlar Corporation ("Jimlar") has been Coach brand's footwear licensee since 1999. Footwear is distributed through select Coach retail stores our Internet sales sites and U.S. department stores and military locations. Footwear sales are comprised primarily of women's styles.

Wearables — This category is comprised of certain seasonal lifestyle apparel collections, including outerwear, ready-to-wear and cold weather accessories, such as gloves, scarves and hats. These products are primarily women's and contain a fashion assortment in all components of this category.

Jewelry — This category is comprised of bracelets, necklaces, rings and earrings offered in sterling silver, leather and non-precious metals.

Sunwear — Luxottica Group SPA ("Luxottica") has been Coach's eyewear licensee since 2012. This collection is a collaborative effort that combines the Coach aesthetic for fashion accessories with the latest fashion directions, primarily in sunglasses. Our sunglasses are sold in retail stores and on our Internet sales sites, department stores worldwide, select sunglass retailers and optical retailers in major global markets.

Watches — Movado Group, Inc. ("Movado") has been Coach's watch licensee since 1998 and has developed a distinctive collection of watches inspired primarily by women's collections with select men's styles. The Coach watch collection is currently sold in Coach retail stores and on our Internet sales sites, department stores worldwide, and select watch retailers in major global markets.

Fragrance — Upon the expiration of Estée Lauder Companies Inc. ("Estée Lauder") contract in June 2015, Coach entered into a new licensing agreement with Interparfums, which will expire in June 2026. Fragrance is distributed through Coach retail stores, our Internet sales sites, department and specialty stores worldwide, and select perfumeries in major global markets. Coach offers women's fragrance collections which include eau de perfume spray, eau de toilette spray, purse spray, and body lotion. Coach also offers men's fragrance collections.

DESIGN AND MERCHANDISING

Coach brand's design team, led by the Executive Creative Director, Stuart Vevers, is responsible for conceptualizing and directing the design of all products. Designers have access to Coach's extensive archives of product designs created since Coach's inception, which are a valuable resource for new product concepts. Our designers are also supported by a strong merchandising team that analyzes sales, market trends and consumer preferences to identify market opportunities that help guide each season's design process and create a globally relevant product assortment. Merchandisers also manage the product life cycle to maximize sales and profitability across all channels. The product category teams, each comprised of design, merchandising/product development and sourcing specialists help the Coach brand execute design concepts that are consistent with the brand's strategic direction.

Our design and merchandising teams work in close collaboration with all of our licensing partners to ensure that the licensed products (watches, footwear, eyewear and fragrance) are conceptualized and designed to address the intended market opportunity and convey the distinctive perspective and lifestyle associated with our brands.

MARKETING

Coach brand's global marketing strategy is to deliver a consistent, relevant and multi-layered message every time the consumer comes in contact with our brands through our communications and visual merchandising. Coach's image is created and executed by our creative marketing, visual merchandising and public relations teams, as well as with outside creative agencies. Coach also has a sophisticated consumer and market research capability, which helps us assess consumer attitudes and trends.

In conjunction with promoting a consistent global image, Coach uses its extensive customer database and consumer knowledge to target specific products and communications to specific consumers to efficiently stimulate sales across all distribution channels.

Coach engages in several consumer communication initiatives, including direct marketing activities and national, regional and local advertising. Total expenses attributable to Coach brand marketing-related events in fiscal 2015 were $158.9 million, or approximately 4% of net sales, compared to $130.1 million in fiscal 2014, or approximately 3% of net sales.

Coach's wide range of direct marketing activities includes email contacts and catalogs targeted to promote sales to consumers in their preferred shopping venue. In addition to building brand awareness and driving online revenue, Coach's websites serve as an effective brand communication vehicle by providing a showcase environment where consumers can browse through a strategic offering of the latest styles and colors, which drives store traffic and enables the collection of customer data.

As part of the Coach's direct marketing strategy, we use databases primarily consisting of approximately 28 million households in North America, approximately 11 million households in Asia and approximately 380,000 households in Europe. Email contacts and direct mail pieces are an important part of Coach's communication and are sent to selected households to stimulate consumer purchases and build brand awareness. Visitors to Coach's e-commerce sites in the U.S., Canada, Japan and China provide an opportunity to increase the size of these databases, as well as point of sale transactions globally except where restricted.

In fiscal 2015, Coach had informational websites in Brazil, Chile, Colombia, Mexico, Panama, Peru, Venezuela, Australia, Hong Kong, Indonesia, Korea, Malaysia, New Zealand, Singapore, Taiwan, Thailand, Vietnam, France, Ireland, Portugal, Spain, United Kingdom, United Arab Emirates, Saudi Arabia, Kuwait and Bahrain. In addition, the Company utilizes and continues to explore digital technologies such as blogs and social media websites, including Twitter, Facebook, Instagram, Pinterest, WeChat and Sina Weibo, as a cost effective consumer communication opportunity to increase on-line and store sales, acquire new customers and build brand awareness.

The Coach brand also runs national, regional and local marketing campaigns in support of its major selling seasons. In fiscal 2014, Coach refreshed its strategy to expand its marketing campaigns to more clearly message its brand and products under an effortless New York style positioning. We plan to continue to support this strategy in the future through an increased presence in relevant fashion, media events and publications.

MANUFACTURING

Coach carefully balances its commitments to a limited number of “better brand” partners with demonstrated integrity, quality and reliable delivery. Our manufacturers are located in many countries, including Vietnam, mainland China, the Philippines, India, Thailand, Italy, Hong Kong, Myanmar and the United States. Coach continues to evaluate new manufacturing sources and geographies to deliver the finest quality products at the lowest cost and help limit the impact of manufacturing in inflationary markets. During fiscal 2015, the Coach brand had two vendors who each provided slightly over 10% of the Company's total units. These two vendors are geographically dispersed and have multiple locations in different countries. No other individual vendor currently provides more than approximately 10% of Coach’s total units. Before partnering with a vendor, Coach evaluates each facility by conducting a quality and business practice standards audit. Periodic evaluations of existing, previously approved facilities are conducted on a random basis. We believe that all of our manufacturing partners are in material compliance with Coach’s integrity standards.

These independent manufacturers each or in aggregate support a broad mix of product types, materials and a seasonal influx of new, fashion oriented styles, which allows us to meet shifts in marketplace demand and changes in consumer preferences.

Our raw material suppliers, independent manufacturers and licensing partners, must achieve and maintain high quality standards, which are an integral part of our identity. One of Coach's keys to success lies in the rigorous selection of raw materials. Coach has longstanding relationships with purveyors of fine leathers and hardware. Although Coach products are manufactured by independent manufacturers, we maintain a level of oversight in the selection of the raw materials that are used in all of our products. Compliance with quality control standards is monitored through on-site quality inspections at all independent manufacturing facilities.

We maintain control of the supply chain process from design through manufacture. We are able to do this by qualifying raw material suppliers and by maintaining sourcing management offices in Vietnam, Greater China, Hong Kong and the Philippines that work closely with our independent manufacturers. This broad-based, global manufacturing strategy is designed to optimize the mix of cost, lead times and construction capabilities.

DISTRIBUTION

In North America, the Company operates an 850,000 square foot distribution and consumer service facility in Jacksonville, Florida for Coach brand products. This automated facility uses a bar code scanning warehouse management system. Coach's distribution center employees use handheld scanners to read product bar codes, which allow them to more accurately process and pack orders, track shipments, manage inventory and generally provide excellent service to our customers. Coach brand products are primarily shipped to Coach retail stores and wholesale customers via express delivery providers and common carriers, and direct to consumers via express delivery providers.

Outside of North America, the Company has established regional distribution centers, through third-parties, in Shanghai, China and Oldenzaal, The Netherlands for Coach brand products. Coach also operates local distribution centers, through third-parties, in Japan, China, Hong Kong, South Korea, Taiwan, Malaysia, Singapore and Macau for Coach brand products.

INFORMATION SYSTEMS

The foundation of Coach's information systems is its Enterprise Resource Planning (“ERP”) system. This integrated system supports finance and accounting, procurement, inventory control, sales and store replenishment. The system functions as a central repository for Coach's transactional information, resulting in increased efficiencies, improved inventory control and a better understanding of consumer demand.

Complementing its ERP system are several other system solutions, each of which Coach believes is suitable for its needs. The data warehouse system summarizes the transaction information and provides a global platform for management reporting. The supply chain management systems support product development, procurement, inventory planning and reporting functions. In North America, product fulfillment is facilitated by Coach's highly automated warehouse management system and electronic data interchange system, while the unique requirements of Coach's Internet business are supported by Coach’s order management and e-commerce systems. Internationally, Coach selectively relies on the warehouse and distribution systems owned by the third-parties that operate certain of our international distributions centers. Additionally, the point-of-sale system supports all in-store transactions, distributes management reporting to each store, and collects sales and payroll information on a daily basis. This daily collection of store sales and inventory information results in early identification of business trends and provides a detailed baseline for store inventory replenishment. Updates and upgrades of these systems are made on a periodic basis in order to ensure that we constantly improve our functionality.

TRADEMARKS AND PATENTS

Coach owns all of the material worldwide trademark rights used in connection with the production, marketing and distribution of all of its products. In addition, it licenses trademarks and copyrights used in connection with the production, marketing and distribution of certain categories of goods and limited edition collaborative special projects. Coach also owns and maintains worldwide registrations for trademarks in all relevant classes of products in each of the countries in which our products are sold. Major trademarks include COACH, COACH NEW YORK, COACH and Horse & Carriage Design, COACH and Story Patch Design, COACH and Lozenge Design, COACH and Tag Design, Signature C Design, and Op Art C Design and COACH LEATHERWARE EST. 1941 (the "Heritage Logo"). Coach is not dependent on any one particular trademark or design patent although Coach believes that the Coach name is important for its business. In addition, several of Coach's products are covered by design patents and a utility patent application. Coach aggressively polices its trademarks and trade dress, and pursues infringers both domestically and internationally. It also pursues counterfeiters domestically and internationally through leads generated internally, as well as through its network of investigators, the Coach hotline and business partners around the world.

Coach expects that its material trademarks will remain in full force and effect for as long as we continue to use and renew them.

SEASONALITY

Because Coach brand's products are frequently given as gifts, we experience seasonal variations in net sales, operating cash flows and working capital requirements, primarily related to seasonal holiday shopping. During the first fiscal quarter, we build inventory for the holiday selling season. In the second fiscal quarter, working capital requirements are reduced substantially as we generate higher net sales and operating income, especially during the holiday months of November and December. Fluctuations in net sales, operating income and operating cash flows in any fiscal quarter may be affected by other events affecting retail sales, including adverse weather conditions.

GOVERNMENT REGULATION

Most of Coach's imported products are subject to duties, indirect taxes, quotas and non-tariff trade barriers that may limit the quantity of products that Coach may import into the U.S. and other countries or may impact the cost of such products. Coach is not materially restricted by quotas or other government restrictions in the operation of its business, however customs duties do represent a material part of total product cost. To maximize opportunities, Coach operates complex supply chains through foreign trade zones, bonded logistic parks and other strategic initiatives such as free trade agreements. Additionally, Coach operates a direct import business in many countries worldwide. As a result, Coach is subject to stringent government regulations and restrictions with respect to its cross-border activity either by the various customs and border protection agencies or by other government agencies which control the quality and safety of Coach’s products. Coach maintains an internal global trade and customs organization to help manage its import/export activity.

COMPETITION

The premium handbag, footwear and accessories industry is highly competitive. Coach competes primarily with European and American luxury and accessible luxury brands as well as private label retailers, including some of Coach's wholesale customers. Over the last several years these categories have grown, encouraging the entry of new competitors as well as increasing the competition from existing competitors. This increased competition drives consumer interest in this brand loyal category.

EMPLOYEES

As of June 27, 2015, Coach brand employed approximately 15,800 globally, including both full and part time employees, but excluding seasonal and temporary employees. Of these employees, approximately 7,400 and 5,700 were full time and part time employees, respectively, in the global retail field. Coach believes that its relations with its employees are good, and has never encountered a strike or work stoppage.

FINANCIAL INFORMATION ABOUT GEOGRAPHIC AREAS

See the Note 16, "Segment Information" presented in the Notes to the Consolidated Financial Statements for geographic information.

AVAILABLE INFORMATION

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, are available free of charge on our investor website, located at *www.coach.com/investors* under the caption “SEC Filings”, as soon as reasonably practicable after they are filed with or furnished to the Securities and Exchange Commission. These reports are also available on the Securities and Exchange Commission’s website at *www.sec.gov.* No information contained on any of our websites is intended to be included as part of, or incorporated by reference into, this Annual Report on Form 10-K.

The Company has included the Chief Executive Officer (“CEO”) and Chief Financial Officer certifications regarding its public disclosure required by Section 302 of the Sarbanes-Oxley Act of 2002 as Exhibit 31.1 to this report on Form 10-K. Additionally, the Company filed with the New York Stock Exchange (“NYSE”) the CEO’s certification regarding the Company’s compliance with the NYSE’s Corporate Governance Listing Standards (“Listing Standards”) pursuant to Section 303A.12(a) of the Listing Standards, which indicated that the CEO was not aware of any violations of the Listing Standards by the Company.

ITEM 1A. RISK FACTORS

You should consider carefully all of the information set forth or incorporated by reference in this document and, in particular, the following risk factors associated with the business of the Company and forward-looking information in this document. Please also see "Special Note on Forward-Looking Information" at the beginning of this report. The risks described below are not the only ones we face. Additional risks not presently known to us or that we currently deem immaterial may also have an adverse effect on us. If any of the risks below actually occur, our business, results of operations, cash flows or financial condition could suffer.

The successful execution of our multi-year transformation initiatives is key to the long-term growth of our business.

During the fourth quarter of fiscal 2014, we announced a multi-year strategic plan with the objective of transforming the brand and reinvigorating growth, which will enable the Company to return to 'best-in-class' profitability. Key operational and cost elements in order to fund and execute this plan include: (i) the investment in capital improvements in our stores and wholesale locations to drive comparable sales improvement; (ii) the optimization and streamlining of our organizational model as well as the closure of underperforming stores in North America, and select International stores, (iii) the realignment of inventory levels and mix to reflect our elevated product strategy and consumer preferences; (iv) the investment in incremental advertising costs to elevate consumer perception of our brand, drive sales growth and promote our new strategy; and (v) the significant scale-back of our promotional cadence in an increased global promotional environment, particularly within our outlet Internet sales site. The Company believes that long-term growth can be realized through its transformational efforts over time. There is no assurance that such efforts will be successful in achieving long-term growth or changing the perception of the Company from an accessories brand to a global lifestyle brand. Furthermore, actual costs incurred under the Transformation Plan may differ from expectations based on our execution of the key operational and cost elements described above. Refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 3, "Transformation and Other Actions," for further information regarding the Transformation Plan.

If the execution of our transformation plan falls short, our business, financial condition and results of operation could be materially adversely affected.

The growth of our business depends on the successful execution of our growth strategies, including our efforts to expand internationally into a global lifestyle brand.

Our growth depends on the continued success of existing products, as well as the successful design and introduction of new products. Our ability to create new products and to sustain existing products is affected by whether we can successfully anticipate and respond to consumer preferences and fashion trends. The failure to develop and launch successful new products could hinder the growth of our business. Also, any delay in the development or launch of a new product could result in our company not being the first to bring product to market, which could compromise our competitive position.

Additionally, our current growth strategy includes plans to expand in a number of international regions, including Asia and Europe. We currently plan to open additional Coach and Stuart Weitzman stores in mainland China, Europe and other international markets, both directly and through strategic partners. Our brands may not be well-established or widely sold in some of these markets, and we may have limited experience operating directly or working with our partners there. In addition, many of these markets have different operational characteristics, including but not limited to employment and labor, transportation, logistics, real estate, environmental regulations and local reporting or legal requirements.

Furthermore, consumer demand and behavior, as well as tastes and purchasing trends may differ in these countries, and as a result, sales of our product may not be successful, or the margins on those sales may not be in line with those we currently anticipate. Further, such markets will have upfront short-term investment costs that may not be accompanied by sufficient revenues to achieve typical or expected operational and financial performance and therefore may be dilutive to Coach in the short-term. In many of these countries, there is significant competition to attract and retain experienced and talented employees.

Consequently, if our international expansion plans are unsuccessful, or we are unable to retain and/or attract key personnel, our business, financial condition and results of operation could be materially adversely affected.

We face risks associated with operating in international markets.

We operate on a global basis, with approximately 39% of our net sales coming from operations outside of North America. While geographic diversity helps to reduce the Company's exposure to risks in any one country, we are subject to risks associated with international operations, including, but not limited to:

- changes in exchange rates for foreign currencies, which may adversely affect the retail prices of our products, result in decreased international consumer demand, or increase our supply costs in those markets, with a corresponding negative impact on our gross margin rates;
- political or economic instability or changing macroeconomic conditions in our major markets;

- compliance with laws relating to foreign operations, including the Foreign Corrupt Practices Act and the U.K. Bribery Act, which in general concern the bribery of foreign public officials;
- changes in tourist shopping patterns, particularly that of the Chinese consumer;
- natural and other disasters;
- changes in legal and regulatory requirements, including, but not limited to safeguard measures, anti-dumping duties, cargo restrictions to prevent terrorism, restrictions on the transfer of currency, climate change legislation, product safety regulations or other charges or restrictions, resulting in the imposition of new or more onerous trade restrictions, tariffs, embargoes, exchange or other government controls; and
- the repatriation of foreign cash.

Economic conditions could materially adversely affect our financial condition, results of operations and consumer purchases of luxury items.

Our results can be impacted by a number of macroeconomic factors, including but not limited to consumer confidence and spending levels, unemployment, consumer credit availability, raw materials costs, fuel and energy costs (including oil prices), global factory production, commercial real estate market conditions, credit market conditions and the level of customer traffic in malls and shopping centers.

Demand for our products, and consumer spending in the premium handbag and accessories market generally, is significantly impacted by trends in consumer confidence, general business conditions, interest rates, foreign currency exchange rates, the availability of consumer credit, and taxation. Consumer purchases of discretionary luxury items, such as the Company's products, tend to decline during recessionary periods or periods of sustained high unemployment, when disposable income is lower. Unfavorable economic conditions may also reduce consumers' willingness and ability to travel to major cities and vacation destinations in which our stores are located.

Our business may be subject to increased costs due to excess inventories and a decline in profitability as a result of increasing pressure on margins if we misjudge the demand for our products.

Our industry is subject to significant pricing pressure caused by many factors, including intense competition and a highly promotional environment, fragmentation in the retail industry, pressure from retailers to reduce the costs of products, and changes in consumer spending patterns. If we misjudge the market for our products we may be faced with significant excess inventories for some products and missed opportunities for other products. If that occurs, we may be forced to rely on destruction, donation, markdowns or promotional sales to dispose of excess, slow-moving inventory, which may negatively impact our gross margin, overall profitability and efficacy of our brands.

Increases in our costs, such as raw materials, labor or freight could negatively impact our gross margin. Labor costs at many of our manufacturers have been increasing significantly and, as the middle class in developing countries continues to grow, it is unlikely that such cost pressure will abate. The cost of transportation has been increasing as well and it is likely such cost will fluctuate significantly if oil prices remain volatile. We may not be able to offset such increases in raw materials, labor or transportation costs through pricing measures or other means.

Significant competition in our industry could adversely affect our business.

We face intense competition in the product lines and markets in which we operate. Our competitors are European and American luxury brands, as well as private label retailers, including some of the Company's wholesale customers. There is a risk that our competitors may develop new products or product categories that are more popular with our customers. We may be unable to anticipate the timing and scale of such product introductions by competitors, which could harm our business. Our ability to compete also depends on the strength of our brand, whether we can attract and retain key talent, and our ability to protect our trademarks and design patents. A failure to compete effectively could adversely affect our growth and profitability.

Acquisitions may not be successful in achieving intended benefits, cost savings and synergies and may disrupt current operations; the acquired Stuart Weitzman business may underperform relative to our expectations; and the Stuart Weitzman acquisition may cause our financial results to differ from our expectations or the expectations of the investment community.

During fiscal 2015, we acquired Stuart Weitzman Holdings, LLC, a leading designer and manufacturer of women's luxury footwear. We may have difficulty integrating the Stuart Weitzman business into our operations or otherwise successfully managing the expansion of the Stuart Weitzman business. Additionally, while we continually review potential acquisition opportunities, there can be no assurance that we will be able to identify suitable candidates or consummate these transactions on favorable terms or at all. The potential difficulties of integrating the operations of an acquired business, such as Stuart Weitzman, and realizing our expectations for an acquisition, including the benefits that may be realized, include, among other things:

- failure of the business to perform as planned following the acquisition or achieve anticipated revenue or profitability targets;
- delays, unexpected costs or difficulties in completing the integration of acquired companies or assets;
- higher than expected costs, lower than expected cost savings or synergies and/or a need to allocate resources to manage unexpected operating difficulties;
- difficulties assimilating the operations and personnel of acquired companies into our operations;
- diversion of the attention and resources of management or other disruptions to current operations;
- unanticipated issues in integrating manufacturing, logistics, information, communications and other systems;
- unanticipated changes in applicable laws and regulations;
- unanticipated changes in the combined business due to potential divestitures or other requirements imposed by antitrust regulators;
- retaining key customers, suppliers and employees;
- retaining and obtaining required regulatory approvals, licenses and permits;
- operating risks inherent in the acquired business and our business;
- consumers' failure to accept product offerings by us or our licensees;
- assumption of liabilities not identified in due diligence;
- the impact on our or an acquired business' internal controls and compliance with the requirements under the Sarbanes-Oxley Act of 2002; and
- other unanticipated issues, expenses and liabilities.

Our failure to successfully complete the integration of any acquired business, including Stuart Weitzman, and any adverse consequences associated with future acquisition activities, could have an adverse effect on our business, financial condition and operating results.

Completed acquisitions may result in additional goodwill and/or an increase in other intangible assets on our balance sheet. We are required at least annually, or as facts and circumstances exist, to test goodwill and other intangible assets with indefinite lives to determine if impairment has occurred. If the testing performed indicates that impairment has occurred, we are required to record a non-cash impairment charge for the difference between the carrying value of the goodwill or other intangible assets with indefinite lives and the implied fair value of the goodwill or the fair value of other intangible assets with indefinite lives in the period the determination is made. We determined there was no impairment in fiscal 2015, fiscal 2014 and fiscal 2013; however, we cannot accurately predict the amount and timing of any impairment of assets. Should the value of goodwill or other intangible assets become impaired, there could be a material adverse effect on our financial condition and results of operations.

Computer system disruption and cyber security threats, including a privacy or data security breach, could damage our relationships with our customers, harm our reputation, expose us to litigation and adversely affect our business.

We depend on digital technologies for the successful operation of our business, including corporate email communications to and from employees, customers and stores, the design, manufacture and distribution of our finished goods, digital marketing efforts, collection and retention of customer data, employee information, the processing of credit card transactions, online e-commerce activities and our interaction with the public in the social media space. The possibility of a cyber-attack on any one or all of these systems is a serious threat. The retail industry, in particular, has been the target of many recent cyber-attacks. As part of our business model, we collect, retain, and transmit confidential information over public networks. In addition to our own databases, we use third party service providers to store, process and transmit this information on our behalf. Although we contractually require these service providers to implement and use reasonable security measures, we cannot control third parties and cannot guarantee that a security breach will not occur in the future either at their location or within their systems. We also store all designs, goods specifications, projected sales and distribution plans for our finished products digitally. We have confidential security measures in place to protect both our physical facilities and digital systems from attacks. Despite these efforts, however, we may be vulnerable to targeted or random security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming and/or human errors, or other similar events.

Awareness and sensitivity to privacy breaches and cyber security threats by consumers, employees and lawmakers is at an all-time high. Any misappropriation of confidential or personally identifiable information gathered, stored or used by us, be it intentional or accidental, could have a material impact on the operation of our business, including severely damaging our reputation and our relationships with our customers, employees and investors. We may also incur significant costs implementing additional security measures to protect against new or enhanced data security or privacy threats, or to comply with state, federal and international laws governing the unauthorized disclosure of confidential information as well as increased cyber security protection costs such as organizational changes, deploying additional personnel and protection technologies, training employees, and engaging third party experts and consultants and lost revenues resulting from unauthorized use of proprietary information including our intellectual property. Lastly, we could face sizable fines, significant breach-notification costs and increased litigation as a result of cyber security breaches.

In addition, we maintain e-commerce sites in the U.S., Canada, Japan and China and have plans for additional e-commerce sites in other parts of the world. Additionally, Coach has informational websites in various countries, as described in Item I, "Business." Lastly, our e-commerce programs also include an invitation-only Coach outlet flash sale site. Given the robust nature of our e-commerce presence and digital strategy, it is imperative that we and our e-commerce partners maintain uninterrupted operation of our: (i) computer hardware, (ii) software systems, (iii) customer marketing databases, and (iv) ability to email our current and potential customers. Despite our preventative efforts, our systems are vulnerable from time-to-time to damage, disruption or interruption from, among other things, physical damage, natural disasters, inadequate system capacity, system issues, security breaches, email blocking lists, computer viruses or power outages. Any material disruptions in our e-commerce presence or information technology systems could have a material adverse effect on our business, financial condition and results of operations.

The success of our business depends on our ability to retain the value of the Coach brand and the Stuart Weitzman brand and to respond to changing fashion and retail trends in a timely manner.

We believe that the Coach brand, established almost 75 years ago, is regarded as America's preeminent designer, producer, and marketer of fine accessories and gifts for women and men. We attribute the prominence of the Coach brand to the unique combination of our original American attitude and design, our heritage of fine leather goods and custom fabrics, our superior product quality and durability and our commitment to customer service. Furthermore, the Stuart Weitzman brand is viewed as a leading design house of women's luxury footwear within North America, with a strong opportunity for growth globally, and is built upon the idea of crafting a beautifully-constructed shoe, merging fashion and function. Any misstep in product quality or design, customer service, marketing, unfavorable publicity or excessive product discounting could negatively affect the image of our brands with our customers. Furthermore, the product lines we have historically marketed and those that we plan to market in the future are becoming increasingly subject to rapidly changing fashion trends and consumer preferences, including the increasing shift to digital brand engagement and social media communication. If we do not anticipate and respond promptly to changing customer preferences and fashion trends in the design, production, and styling of our products, as well as create compelling marketing campaigns that appeal to our customers, our sales and results of operations may be negatively impacted. Our success also depends in part on our ability to execute on our Transformation Plan. Even if our products, marketing campaigns and retail environments do meet changing customer preferences and/or stay ahead of changing fashion trends, our brand image could become tarnished or undesirable in the minds of our customers or target markets, which could materially adversely impact our business, financial condition, and results of operations.

Our business is exposed to foreign currency exchange rate fluctuations.

We monitor our global foreign currency exposure. In order to minimize the impact on earnings of foreign currency rate movements, we hedge our subsidiaries’ U.S. dollar-denominated inventory purchases in Japan and Canada, as well as the Company's cross currency denominated intercompany loan portfolio. We cannot ensure, however, that these hedges will fully offset the impact of foreign currency rate movements. Additionally, our international subsidiaries primarily use local currencies as the functional currency and translate their financial results from the local currency to U.S. dollars. If the U.S. dollar strengthens against these subsidiaries’ foreign currencies, the translation of their foreign currency denominated transactions may decrease consolidated net sales and profitability. Our continued international expansion will increase our exposure to foreign currency fluctuations. Sales to our international wholesale customers are primarily denominated in U.S. dollars.

As a result of operating retail stores outside of the U.S., we are also exposed to market risk from fluctuations in foreign currency exchange rates. A substantial weakening of foreign currencies against the U.S. dollar could impact consumers’ willingness or ability to travel abroad and/or purchase our products while traveling, as well as require us to raise our retail prices or reduce our profit margin in various locations outside of the U.S. In addition, our sales and profitability could be negatively impacted if consumers in those markets were unwilling to purchase our products at increased prices.

Our stock price may periodically fluctuate based on the accuracy of our earnings guidance or other forward-looking statements regarding our financial performance, including our ability to return value to investors.

Our business and long-range planning process is designed to maximize our long-term strength, growth, and profitability, and not to achieve an earnings target in any particular fiscal quarter. We believe that this longer-term focus is in the best interests of the Company and our stockholders. At the same time, however, we recognize that it is helpful to provide investors with guidance as to our forecast of net sales, earnings per share and other financial metrics or projections. While we generally expect to provide updates to our financial guidance when we report our results each fiscal quarter, we do not have any responsibility to update any of our forward-looking statements at such times or otherwise. In addition, any longer-term guidance that we provide is based on goals that we believe, at the time guidance is given, are reasonably attainable for growth and performance over a number of years. However, such long-range targets are more difficult to predict than our current quarter and fiscal year expectations. If, or when, we announce actual results that differ from those that have been predicted by us, outside investment analysts, or others, our stock price could be adversely affected. Investors who rely on these predictions when making investment decisions with respect to our securities do so at their own risk. We take no responsibility for any losses suffered as a result of such changes in our stock price.

We periodically return value to investors through payment of quarterly dividends. Investors may have an expectation that we will continue to pay our quarterly dividend at certain levels. The market price of our securities could be adversely affected if our cash dividend rate differs from investors' expectations. See "*If we are unable to pay quarterly dividends at intended levels, our reputation and stock price may be harmed*" for addition discussion of our quarterly dividend.

Failure to adequately protect our intellectual property and curb the sale of counterfeit merchandise could injure the brand and negatively affect sales.

We believe our trademarks, copyrights, patents, and other intellectual property rights are extremely important to our success and our competitive position. We devote significant resources to the registration and protection of our trademarks and to anti-counterfeiting efforts worldwide. In spite of our efforts, counterfeiting still occurs and if we are unsuccessful in challenging a third-party's rights related to trademark, copyright, or patent this could adversely affect our future sales, financial condition, and results of operations. We are aggressive in pursuing entities involved in the trafficking and sale of counterfeit merchandise through legal action or other appropriate measures. We cannot guarantee that the actions we have taken to curb counterfeiting and protect our intellectual property will be adequate to protect the brand and prevent counterfeiting in the future. Our trademark applications may fail to result in registered trademarks or provide the scope of coverage sought. Furthermore, our efforts to enforce our intellectual property rights are often met with defenses and counterclaims attacking the validity and enforceability of our intellectual property rights. Unplanned increases in legal fees and other costs associated with defending our intellectual property rights could result in higher operating expenses. Finally, many countries' laws do not protect intellectual property rights to the same degree as U.S. laws.

Our business is subject to the risks inherent in global sourcing activities.

As a Company engaged in sourcing on a global scale, we are subject to the risks inherent in such activities, including, but not limited to:

- unavailability of, or significant fluctuations, in the cost of raw materials;
- compliance by us and our independent manufacturers and suppliers with labor laws and other foreign governmental regulations;
- imposition of additional duties, taxes and other charges on imports or exports;
- increases in the cost of labor, fuel (including volatility in the price of oil), travel and transportation;
- compliance with our Global Business Integrity Program;
- compliance by our independent manufacturers and suppliers with our Global Operating Principles and/or Supplier Selection Guidelines, as applicable;
- compliance with U.S. laws regarding the identification and reporting on the use of "conflict minerals" sourced from the Democratic Republic of the Congo in the Company's products;
- disruptions or delays in shipments;
- loss or impairment of key manufacturing or distribution sites;
- inability to engage new independent manufacturers that meet the Company's cost-effective sourcing model;
- product quality issues;
- political unrest;
- unforeseen public health crises, such as pandemic and epidemic diseases;
- natural disasters or other extreme weather events, whether as a result of climate change or otherwise; and
- acts of war or terrorism and other external factors over which we have no control.

We are subject to labor laws governing relationships with employees, including minimum wage requirements, overtime, working conditions, and citizenship requirements. Compliance with these laws may lead to increased costs and operational complexity and may increase our exposure to governmental investigations or litigation.

In addition, we require our independent manufacturers and suppliers to operate in compliance with applicable laws and regulations, as well as our Global Operating Principles and/or Supplier Selection Guidelines; however, we do not control these manufacturers or suppliers or their labor, environmental or other business practices. Copies of our Global Business Integrity Program, Global Operating Principles and Supplier Selection Guidelines are available through our website, www.coach.com. The violation of labor, environmental or other laws by an independent manufacturer or supplier, or divergence of an independent manufacturer's or supplier's labor practices from those generally accepted as ethical or appropriate in the U.S., could interrupt or otherwise disrupt the shipment of our products, harm our trademarks or damage our reputation. The occurrence of any of these events could materially adversely affect our business, financial condition and results of operations.

We are dependent on a limited number of distribution and sourcing centers. Our ability to meet the needs of our customers and our retail stores and e-commerce sites depends on the proper operation of these centers. If any of these centers were to shut down or otherwise become inoperable or inaccessible for any reason, we could suffer a substantial loss of inventory and/or disruptions of deliveries to our retail and wholesale customers. While we have business continuity and contingency plans for our sourcing and distribution center sites, significant disruption of manufacturing or distribution for any of the above reasons could interrupt product supply, result in a substantial loss of inventory, increase our costs, disrupt deliveries to our customers and our retail stores, and, if not remedied in a timely manner, could have a material adverse impact on our business. Because our distribution centers include automated and computer controlled equipment, they are susceptible to risks including power interruptions, hardware and system failures, software viruses, and security breaches. We maintain a distribution center in Jacksonville, Florida, operated by Coach. To support our growth in mainland China and Europe, we established distribution centers in Shanghai, China and Oldenzaal, The Netherlands, owned and operated by a third-party, allowing us to better manage the logistics in these regions while reducing costs. We also operate distribution centers, through third-parties, in Japan, mainland China, Hong Kong, Singapore, Taiwan, Malaysia, The United States and South Korea. The warehousing of the Company's merchandise, store replenishment and processing direct-to-customer orders is handled by these centers and a prolonged disruption in any center's operation could materially adversely affect our business and operations.

We are subject to risks associated with leasing retail space subject to long-term and non-cancelable leases. We may be unable to renew leases at the end of their terms. If we close a leased retail space, we remain obligated under the applicable lease.

We do not own any of our retail store locations. We lease our corporate-owned stores under long-term, non-cancelable leases, which usually have initial terms ranging from five and ten years, with renewal options typically in five year increments. We believe that the leases we enter into in the future will likely be long-term and non-cancelable and have similar renewal options. Generally, our leases are "net" leases, which require us to pay our proportionate share of the cost of insurance, taxes, maintenance and utilities. We generally cannot cancel these leases at our option. If we determine that it is no longer economical to operate a retail store subject to a lease and decide to close it as we have done in the past and will do in the future, we may remain obligated under the applicable lease for, among other things, payment of the base rent for the balance of the lease term. In some instances, we may be unable to close an underperforming retail store due to continuous operation clauses in our lease agreements. In addition, as each of our leases expire, we may be unable to negotiate renewals, either on commercially acceptable terms or at all, which could cause us to close retail stores in desirable locations. Our inability to secure desirable retail space or favorable lease terms could impact our ability to grow. Likewise, our obligation to continue making lease payments in respect of leases for closed retail spaces could have a material adverse effect on our business, financial condition and results of operations.

Our success depends, in part, on attracting, developing and retaining qualified employees, including key personnel.

The ability to successfully execute against our goals is heavily dependent on attracting, developing and retaining qualified employees, including our senior management team. Competition in our industry to attract and retain these employees is intense and is influenced by: our ability to offer competitive compensation and benefits, employee morale, our reputation, recruitment by other employers, perceived internal opportunities, non-competition and non-solicitation agreements and macro unemployment rates. Our transformation plan and its attendant changes regarding organizational efficiencies may intensify this risk.

We depend on the guidance of our senior management team and other key employees who have significant experience and expertise in our industry and our operations. In recent years, we have experienced turnover of several senior management roles and we have focused time and resources on recruiting or promoting from within the new members of our current senior management team. The continued turnover of senior management or the unexpected loss of one or more of our key personnel or any negative public perception with respect to these individuals could also have a material adverse effect on our business, results of operations and financial condition. We do not maintain key-person or similar life insurance policies on any of senior management team or other key personnel.

Our North American wholesale business could suffer as a result of consolidations, liquidations, restructurings and other ownership changes in the retail industry.

Our North American wholesale business, primarily consisting of the U.S. Wholesale business, comprised approximately 5% of total net sales for fiscal 2015. Continued fragmentation in the retail industry could further decrease the number of, or concentrate the ownership of, stores that carry our and our licensees' products. Furthermore, a decision by the controlling owner of a group of stores or any other significant customer, whether motivated by competitive conditions, financial difficulties or otherwise, to decrease or eliminate the amount of merchandise purchased from us or our licensing partners could result in an adverse effect on the sales and profitability within this channel.

We rely on our licensing partners to preserve the value of our licenses and the failure to maintain such partners could harm our business.

We currently have multi-year agreements with licensing partners for our footwear, eyewear, watches and fragrance products. See Item 1 - "*Business - Products*" for additional discussion of our licensing arrangements. In the future, we may enter into additional licensing arrangements. The risks associated with our own products also apply to our licensed products as well as unique problems that our licensing partners may experience, including risks associated with each licensing partner's ability to obtain capital, manage its labor relations, maintain relationships with its suppliers, manage its credit and bankruptcy risks, and maintain customer relationships. While we maintain significant control over the products produced for us by our licensing partners, any of the foregoing risks, or the inability of any of our licensing partners to execute on the expected design and quality of the licensed products or otherwise exercise operational and financial control over its business, may result in loss of revenue and competitive harm to our operations in the product categories where we have entered into such licensing arrangements. Further, while we believe that we could replace our existing licensing partners if required, our inability to do so for any period of time could materially adversely affect our revenues and harm our business.

As we outsource functions, we will become more dependent on the third parties performing these functions.

As part of our long-term strategy, we look for opportunities to cost effectively enhance capability of business services. While we believe we conduct appropriate due diligence before entering into agreements with these third parties, the failure of any of these third parties to provide the expected services, provide them on a timely basis or to provide them at the prices we expect could disrupt or harm our business. Any significant interruption in the operations of these service providers, over which we have no control, could also have an adverse effect on our business. Furthermore, we may be unable to provide these services or implement substitute arrangements on a timely and cost-effective basis on terms favorable to us.

Our operating results are subject to seasonal and quarterly fluctuations, which could adversely affect the market price of the Company's common stock.

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. Poor sales in Coach's second fiscal quarter would have a material adverse effect on its full year operating results and result in higher inventories. 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.

If we are unable to pay quarterly dividends at intended levels, our reputation and stock price may be harmed.

The dividend program requires the use of a moderate portion of our cash flow. Our ability to pay dividends will depend on our ability to generate sufficient cash flows from operations in the future. This ability may be subject to certain economic, financial, competitive and other factors that are beyond our control. Our Board of Directors ("Board") may, at its discretion, decrease the intended level of dividends or entirely discontinue the payment of dividends at any time. Any failure to pay dividends after we have announced our intention to do so may negatively impact our reputation, investor confidence in us and negatively impact our stock price.

Changes in our credit profile or deterioration in market conditions may limit our access to the credit and capital markets and adversely impact our financial results or our business initiatives.

We have maintained and accessed revolving credit facilities and issued debt securities as a source of liquidity, along with cash flows generated from our operations, our available cash and cash equivalents and short-term investments, our non-current investments, and other available financing options. We remain committed to maintaining a strong financial profile with ample liquidity. Our ability to access the credit and capital markets in the future as a source of funding, and the borrowing costs associated with such financing, is dependent upon market conditions and our credit rating and outlook.

Fluctuations in our tax obligations and effective tax rate may result in volatility of our financial results and stock price.

We are subject to income taxes in many jurisdictions. We record tax expense based on our estimates of taxable income and required reserves for uncertain tax positions in multiple tax jurisdictions. At any one time, multiple tax years are subject to audit by various taxing jurisdictions. The results of these audits and negotiations with taxing authorities may result in a settlement which differs from our original estimate. As a result, we expect that throughout the year there could be ongoing variability in our quarterly tax rates as events occur and exposures are evaluated. In addition, our effective tax rate in a given financial statement period may be materially impacted by changes in the mix and level of earnings. Further, proposed tax changes that may be enacted in the future could negatively impact our current or future tax structure and effective tax rates.

We could experience cost overruns and disruptions to our operations in connection with the construction of, and relocation to, our new global corporate headquarters.

The Company has entered into various agreements relating to the development of the Company's new global corporate headquarters in a new office building to be located at the Hudson Yards development site in New York City. The financing, development and construction of the new building is taking place through a joint venture between the Company and the developers. Construction of the new building has commenced and occupancy in the new global headquarters is currently expected to take place in fiscal 2016. During fiscal 2015, the Company invested $139.1 million in the Hudson Yards joint venture, resulting in a total equity method investment of 320.2 million as of June 27, 2015. The Company expects to invest approximately $210 million in the joint venture over the next two years, with approximately $195 million estimated in fiscal 2016, depending on construction progress. Outside of the joint venture, the Company is directly investing in aspects of the new corporate headquarters. The Company has incurred $34.0 million of capital expenditures to date, including $5.9 million in fiscal 2015, and we expect approximately $185 million of additional expenditures over the remaining period of construction. The Company's allocable share of the joint venture investments and capital expenditures will be financed by the Company with cash on hand, debt-related borrowings and approximately $130 million of proceeds from the sale of its current headquarters buildings.

Due to the inherent difficulty in estimating costs associated with projects of this scale and nature, certain of the costs associated with this project may be higher than estimated and it may take longer than expected to complete the project. In addition, the process of moving our headquarters is inherently complex and not part of our day to day operations. Thus, that process could cause significant disruption to our operations and cause the temporary diversion of management resources, all of which could have a material adverse effect on our business. In addition, we cannot give any assurance that our developer will complete its obligations in a timely manner or at all or how changes in the overall development of the Hudson Yards project may impact the development of, or value of, the building in which our new global headquarters will be located. Further, our developer has financing, construction and development obligations to parties other than us, and we cannot give any assurance as to how those obligations may impact the development of the project.

The ownership of real property, such as the new global corporate headquarters, also subjects us to various other risks, including, among others:

- the possibility of environmental contamination and the costs associated with correcting any environmental problems;
- the risk of financial loss in excess of amounts covered by insurance, or uninsured risks, such as the loss caused by damage to the new building as a result of fire, floods, or other natural disasters; and
- adverse changes in the value of these properties, due to interest rate changes, changes in the neighborhood in which the property is located, or other factors.

Provisions in the Company's charter, bylaws and Maryland law may delay or prevent an acquisition of the Company by a third party.

The Company's charter, bylaws and Maryland law contain provisions that could make it more difficult for a third party to acquire the Company without the consent of our Board. The Company's charter permits its Board, without stockholder approval, to amend the charter to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that the Company has the authority to issue. In addition, the Company's Board may classify or reclassify any unissued shares of common stock or preferred stock and may set the preferences, rights and other terms of the classified or reclassified shares. Although the Company's Board has no intention to do so at the present time, it could establish a series of preferred stock that could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for the Company's common stock or otherwise be in the best interest of the Company's stockholders.

The Company's bylaws can only be amended by our Board. The Company's bylaws also provide that nominations of persons for election to the Company's Board and the proposal of business to be considered at a stockholders meeting may be made only in the notice of the meeting, by the Company's Board or by a stockholder who is entitled to vote at the meeting and has complied with the advance notice procedures of the Company's bylaws. Also, under Maryland law, business combinations, including issuances of equity securities, between the Company and any person who beneficially owns 10% or more of the Company's common stock or an affiliate of such person are prohibited for a five-year period, beginning on the date such person last becomes a 10% stockholder, unless exempted in accordance with the statute. After this period, a combination of this type must be approved by two super-majority stockholder votes, unless some conditions are met or the business combination is exempted by the Company's Board.

Risks relating to our Hong Kong Depositary Receipts ("HDRs")

An active trading market for the Hong Kong Depositary Receipts on the Hong Kong Stock Exchange might not develop or be sustained and their trading prices might fluctuate significantly.

We cannot assure you that an active trading market for the HDRs on the Hong Kong Stock Exchange will develop or be sustained. If an active trading market of the HDRs on the Hong Kong Stock Exchange does not develop or is not sustained, the market price and liquidity of the HDRs could be materially and adversely affected. As a result, the market price for HDRs in Hong Kong might not be indicative of the trading prices of Coach's common stock on the NYSE, even allowing for currency differences.

The characteristics of the U.S. capital markets and the Hong Kong capital markets are different.

The NYSE and the Hong Kong Stock Exchange have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules, and investor bases (including different levels of retail and institutional participation). As a result of these differences, the trading prices of common stock and the HDRs representing them might not be the same, even allowing for currency differences. Fluctuations in the price of our common stock due to circumstances particular to the U.S. capital markets could materially and adversely affect the price of the HDRs. Because of the different characteristics of the U.S. and Hong Kong equity markets, the historic market prices of our common stock may not be indicative of the performance of the HDRs.

We are a corporation incorporated in the State of Maryland in the United States and our corporate governance practices are principally governed by U.S. federal and Maryland state laws and regulations.

We are a corporation incorporated in the State of Maryland in the United States and our HDRs are listed on the Hong Kong Stock Exchange. Our corporate governance practices are primarily governed by and subject to U.S. federal and Maryland laws and regulations. U.S. federal and Maryland laws and regulations differ in a number of respects from comparable laws and regulations in Hong Kong. There are certain differences between the stockholder protection regimes in Maryland and the United States and in Hong Kong.

We have obtained a ruling from the Securities and Futures Commission of Hong Kong (the "SFC") that we will not be regarded as a public Company in Hong Kong for the purposes of the Code on Takeovers and Mergers and the Share Repurchases Code of Hong Kong and hence, these codes will not apply to us. We have also obtained a partial exemption from the SFC in respect of the disclosure of interest provisions set out in the Securities and Futures Ordinance of Hong Kong. In addition, we have been granted waivers or exemptions by the Hong Kong Stock Exchange from certain requirements under its listing rules. Neither our stockholders nor the HDR holders will have the benefit of those Hong Kong rules, regulations and the listing rules of the Hong Kong Stock Exchange for which we have applied, and been granted, waivers or exemptions by the Hong Kong Stock Exchange and SFC.

Additionally, if any of these waivers or exemptions were to be revoked in circumstances including our non-compliance with applicable undertakings for any reason, additional legal and compliance obligations might be costly and time consuming, and might result in issues of interjurisdictional compliance, which could adversely affect us and HDR holders.

As the SFC does not have extra-territorial jurisdiction on any of its powers of investigation and enforcement, it will also have to rely on the regulatory regimes of Maryland state authorities and the SEC to enforce any corporate governance breaches committed by us in the United States. Investors in the HDRs should be aware that it could be difficult to enforce any judgment obtained outside the United States against us or any of our associates.

Furthermore, prospective investors in the HDRs should be aware, among other things, that there are U.S. federal withholding and estate tax implications for HDR holders.

HDR holders are not stockholders of the Company and must rely on the depositary for the HDRs (the "HDR Depositary") to exercise on their behalf the rights that are otherwise available to the stockholders of the Company.

HDR holders do not have the rights of stockholders. They only have the contractual rights set forth for their benefit under the deposit agreement for the HDRs (the "Deposit Agreement"). Holders of HDRs are not permitted to vote at stockholders' meetings, and they may only vote by providing instructions to the HDR Depositary. There is no guarantee that holders of HDRs will receive voting materials in time to instruct the HDR Depositary to vote and it is possible that holders of HDRs, or persons who hold their Hong Kong depositary shares through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote, although both we and the HDR Depositary will endeavor to make arrangements to ensure as far as practicable that all holders of HDRs will be able to vote. As the HDR Depositary or its nominee will be the registered owner of the common stock underlying their HDRs, holders of HDRs must rely on the HDR Depositary (or its nominee) to exercise rights on their behalf. In addition, holders of HDRs will also incur charges on any cash distribution made pursuant to the Deposit Agreement and on transfers of certificated HDRs.

Holders of HDRs will experience dilution in their indirect interest in the Company in the event of an equity offering which is not extended to them.

If we decide to undertake an equity offering (that is not a rights or other offering that is extended to HDR holders), HDR holders may suffer a dilution in their indirect ownership and voting interest in the common stock, as compared to their holdings in the HDRs immediately prior to such an offering.

Holders of HDRs will be reliant upon the performance of several service providers. Any breach of those service providers of their contractual obligations could have adverse consequences for an investment in HDRs.

An investment in HDRs will depend for its continuing viability on the performance of several service providers, including but not limited to the HDR Depositary, the registrar for the HDRs, the custodian and any sub-custodian appointed in respect of the underlying common stock. A failure by any of those service providers to meet their contractual obligations, whether or not by culpable default, could detract from the continuing viability of the HDRs as an investment. The Company will not have direct contractual recourse against the custodian, any sub-custodian or the registrar; hence the potential for redress in circumstances of default will be limited. However, the Company and the HDR Depositary have executed a deed poll in favor of HDR holders in relation to the exercise by them of their rights as HDR holders under the Deposit Agreement against the Company or the HDR Depositary.

Withdrawals and exchanges of HDRs into common stock traded on the NYSE might adversely affect the liquidity of the HDRs.

Our common stock is presently traded on the NYSE. Any HDR holder may at any time request that their HDRs be withdrawn and exchanged into common stock for trading on the NYSE. Upon the exchange of HDRs into common stock, the relevant HDRs will be cancelled. In the event that a substantial number of HDRs are withdrawn and exchanged into Common Stock and subsequently cancelled, the liquidity of the HDRs on the Hong Kong Stock Exchange might be adversely affected.

The time required for HDRs to be exchanged into common stock (and vice versa) might be longer than expected and investors might not be able to settle or effect any sales of their securities during this period.

There is no direct trading or settlement between the NYSE and the Hong Kong Stock Exchange on which the common stock and the HDRs are respectively traded. In addition, the time differences between Hong Kong and New York and unforeseen market circumstances or other factors may delay the exchange of HDRs into common stock (and vice versa). Investors will be prevented from settling or effecting the sale of their securities across the various stock exchanges during such periods of delay. In addition, there is no assurance that any exchange of HDRs into common stock (and vice versa) will be completed in accordance with the timelines investors might anticipate.

Investors are subject to exchange rate risk between Hong Kong dollars and U.S. dollars.

The value of an investment in the HDRs quoted in Hong Kong dollars and the value of dividend payments in respect of the HDRs could be affected by fluctuations in the U.S. dollar/Hong Kong dollar exchange rate. While the Hong Kong dollar is currently linked to the U.S. dollar using a specified trading band, no assurance can be given that the Hong Kong government will maintain the trading band at its current limits or at all.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The following table sets forth the location, use and size of the Company's key distribution, corporate and product development facilities as of June 27, 2015. The majority of the properties are leased, with the leases expiring at various times through 2028, subject to renewal options.

Location	Use	Approximate Square Footage
Jacksonville, Florida	North America distribution and consumer service	850,000
New York, New York	Corporate, design, sourcing and product development	429,000[(1)]
Carlstadt, New Jersey	Corporate offices	65,000
New York, New York	Stuart Weitzman corporate, design, sourcing and product development	37,500
Tokyo, Japan	Coach Japan regional management	32,300
Shanghai, China	Greater China regional management	23,000
Hong Kong	Coach Hong Kong regional management	18,100
South Korea	Coach South Korea regional management	18,000
Shanghai, China	Coach Asia shared service center	17,700
Hong Kong	Corporate sourcing and quality control	17,000[(2)]
Dongguan, China	Corporate sourcing, quality control and product development	16,700
Ho Chi Minh City, Vietnam	Corporate sourcing and quality control	10,200
Fort Lauderdale, Florida	Stuart Weitzman corporate management	9,400
London	Coach Europe regional management	8,000
Taipei City, Taiwan	Coach Taiwan regional management	6,400
Malaysia	Coach Malaysia regional management	3,800
Singapore	Coach Singapore regional management	2,900
Beijing, China	Greater China regional management	2,800
Clark, Philippines	Corporate sourcing and quality control	2,400

(1) Includes approximately 285,000 square feet related to Coach-owned buildings.

(2) Represents a Coach-owned location.

As of June 27, 2015, the Company also occupied 258 Coach retail and 204 Coach outlet leased stores located in North America, 503 Coach-operated concession shop-in-shops within department stores, Coach retail and outlet stores in our international locations, and 54 Stuart Weitzman stores globally. These leases expire at various times through 2036. Coach considers these properties to be in generally good condition and believes that its facilities are adequate for its operations and provide sufficient capacity to meet its anticipated requirements. Refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 3, "Transformation and Other Actions," for further information regarding the Transformation Plan, and its impact on future store trends.

ITEM 3. 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, from time to time, Coach files lawsuits in the U.S. and abroad alleging acts of trademark counterfeiting, trademark infringement, patent infringement, trade dress infringement, copyright infringement, unfair competition, 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 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 effect on Coach's business or consolidated financial statements.

Coach has not entered into any transactions that have been identified by the IRS as abusive or that have a significant tax avoidance purpose. Accordingly, we have not been required to pay a penalty to the IRS for failing to make disclosures required with respect to certain transactions that have been identified by the IRS as abusive or that have a significant tax avoidance purpose.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market and Dividend Information

Coach’s common stock is listed on the New York Stock Exchange and is traded under the symbol “COH.” Coach’s Hong Kong Depositary Receipts have been listed on the Hong Kong Stock Exchange since December 2011 and the issuance from time-to-time of these Hong Kong Depositary Receipts has not been registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States and is being made pursuant to Regulation S of the Securities Act. Accordingly, they may not be re-offered, resold, pledged or otherwise transferred in the United States or to, or for the account of, a “U.S. person” (within the meaning of Regulation S promulgated under the Securities Act), unless the securities are registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, and hedging transactions involving the Hong Kong Depositary Receipts may not be conducted unless in compliance with the Securities Act. No additional common stock was issued, nor capital raised through this listing.

The following table sets forth, for the fiscal periods indicated, the high, low and closing prices per share of Coach’s common stock as reported on the New York Stock Exchange Composite Index.

	High	Low	Closing	Dividends Declared per Common Share
Fiscal 2015 Quarter ended:				
September 27, 2014	$ 37.70	$ 33.39		$ 0.3375
December 27, 2014	37.60	32.72		0.3375
March 28, 2015	43.87	35.65		0.3375
June 27, 2015	43.45	34.00	$ 36.12	0.3375
Fiscal 2014 Quarter ended:				
September 28, 2013	$ 59.58	$ 51.53		$ 0.3375
December 28, 2013	57.95	47.89		0.3375
March 29, 2014	56.72	44.31		0.3375
June 28, 2014	50.86	33.60	$ 34.47	0.3375

As of July 31, 2015, there were 3,809 holders of record of Coach’s common stock.

Any future determination to pay cash dividends will be at the discretion of Coach’s Board and will be dependent upon Coach’s financial condition, operating results, capital requirements and such other factors as the Board deems relevant.

The information under the principal heading “Securities Authorized For Issuance Under Equity Compensation Plans” in the Company’s definitive Proxy Statement for the Annual Meeting of Stockholders to be held on November 4, 2015, to be filed with the Securities and Exchange Commission (The “Proxy Statement”), is incorporated herein by reference.

Performance Graph

The following graph compares the cumulative total stockholder return (assuming reinvestment of dividends) of the Company's common stock with the cumulative total return of the S&P 500 Stock Index and the “former peer set” and "revised peer set" companies listed below over the five-fiscal-year period ending June 27, 2015, the last trading day of Coach’s most recent fiscal year. The graph assumes that $100 was invested on July 3, 2010 at the per share closing price in each of Coach’s common stock, the S&P 500 Stock Index and a peer set index compiled by us tracking the peer group companies listed above, and that all dividends were reinvested. The stock performance shown in the graph is not intended to forecast or be indicative of future performance.

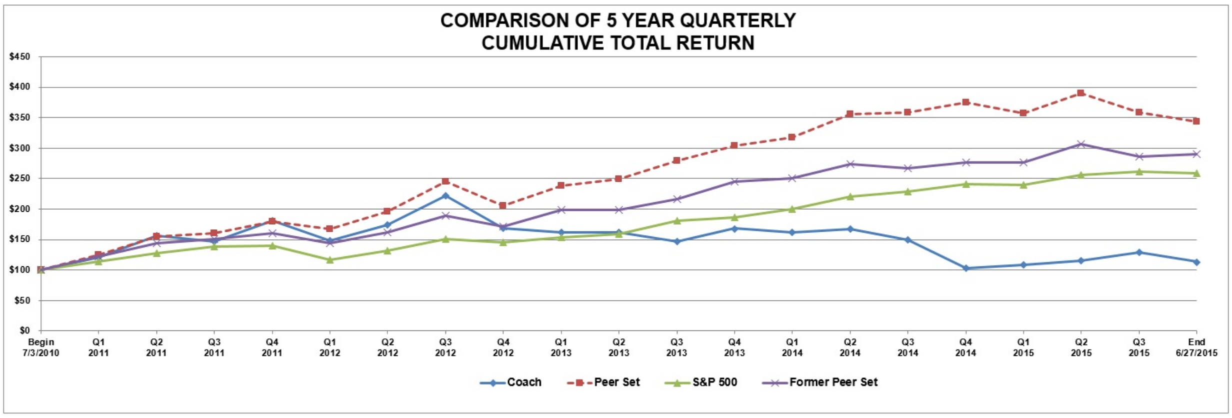
The Company's former peer set consisted of:

- The Gap, Inc.,
- Guess?, Inc.,
- L Brands, Inc.,
- PVH Corp.,
- Ralph Lauren Corporation,
- Tiffany & Co.,
- V.F. Corporation, and
- Williams-Sonoma, Inc.

During fiscal 2015, the Company established a revised peer set consisting of:

- L Brands, Inc.,
- PVH Corp.,
- Ralph Lauren Corporation,
- Tiffany & Co.,
- V.F. Corporation,
- Estee Lauder, Inc.,
- Kate Spade & Company,
- Abercrombie & Fitch Co., and
- Michael Kors Holdings Limited

Coach management selected the “revised peer set” on an industry/line-of-business basis and believes this updated set of companies represent good faith comparables based on their history, size, and business models in relation to Coach, Inc.



	June-10	June-11	June-12	June-13	June-14	June-15
COH	$100.00	$181.04	$168.14	$167.80	$103.33	$113.16
Peer Set	$100.00	$179.00	$205.09	$303.39	$374.33	$343.00
Former Peer Set	$100.00	$159.61	$171.34	$244.34	$276.27	$290.54
S&P 500	$100.00	$139.57	$144.67	$186.60	$240.78	$258.50

Stock Repurchase Program

The Company did not repurchase any shares during the fourth quarter of fiscal 2015. The existing plan, publicly announced on October 23, 2012, expired in June 2015 with zero remaining availability as of June 27, 2015.

ITEM 6. SELECTED FINANCIAL DATA (dollars and shares in millions, except per share data)

The selected historical financial data presented below as of and for each of the fiscal years in the five-year period ended June 27, 2015 has been derived from Coach's audited Consolidated Financial Statements. The financial data should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," the Consolidated Financial Statements and Notes thereto and other financial data included elsewhere herein.

	Fiscal Year Ended[1]				
	June 27, 2015[2][4]	June 28, 2014[3][4]	June 29, 2013[3][4]	June 30, 2012[3][4]	July 2, 2011[4]
Consolidated Statements of Income:					
Net sales	**$ 4,191.6**	$ 4,806.2	$ 5,075.4	$ 4,763.2	$ 4,158.5
Gross profit	**2,908.6**	3,297.0	3,698.1	3,466.1	3,023.5
Selling, general and administrative ("SG&A") expenses	**2,290.6**	2,176.9	2,173.6	1,954.1	1,718.6
Operating income	**618.0**	1,120.1	1,524.5	1,512.0	1,304.9
Net income	**402.4**	781.3	1,034.4	1,038.9	880.8
Net income:					
Per basic share	**$ 1.46**	$ 2.81	$ 3.66	$ 3.60	$ 2.99
Per diluted share	**1.45**	2.79	3.61	3.53	2.92
Weighted-average basic shares outstanding	**275.7**	277.8	282.5	288.3	294.9
Weighted-average diluted shares outstanding	**277.2**	280.4	286.3	294.1	301.6
Dividends declared per common share	**$ 1.350**	$ 1.350	$ 1.238	$ 0.975	$ 0.675
Consolidated Percentage of Net Sales Data:					
Gross margin	**69.4%**	68.6%	72.9%	72.8%	72.7%
SG&A expenses	**54.6%**	45.3%	42.8%	41.0%	41.3%
Operating margin	**14.7%**	23.3%	30.0%	31.7%	31.4%
Net income	**9.6%**	16.3%	20.4%	21.8%	21.2%
Consolidated Balance Sheet Data:					
Working capital	**$ 1,671.8**	$ 1,042.1	$ 1,348.4	$ 1,086.4	$ 859.4
Total assets	**4,666.9**	3,663.1	3,531.9	3,104.3	2,635.1
Cash, cash equivalents and investments	**1,931.8**	1,353.1	1,332.2	923.2	712.8
Inventory	**485.1**	526.2	524.7	504.5	421.8
Total debt	**890.4**	140.5	1.0	23.4	24.2
Stockholders' equity	**2,489.9**	2,420.6	2,409.2	1,992.9	1,612.6

	Fiscal Year Ended[1]				
	June 27, 2015[2]	June 28, 2014[3]	June 29, 2013[3]	June 30, 2012[3]	July 2, 2011
Coach Operated Store Data:					
Stores open at fiscal year-end:					
North American retail stores	**258**	332	351	354	345
North American outlet stores	**204**	207	193	169	143
Coach International	**503**	475	409	368	311
Stuart Weitzman stores	**54**	—	—	—	—
Total stores open at fiscal year-end	**1,019**	1,014	953	891	799
Store square footage at fiscal year-end:					
North American retail stores	**728,833**	910,003	952,422	959,099	936,277
North American outlet stores	**1,189,018**	1,132,714	982,202	789,699	649,094
Coach International	**1,030,695**	918,995	768,567	665,396	544,798
Stuart Weitzman stores	**91,101**	—	—	—	—
Total store square footage at fiscal year-end	**3,039,647**	2,961,712	2,703,191	2,414,194	2,130,169
Average store square footage at fiscal year-end:					
North American retail stores	**2,825**	2,741	2,713	2,709	2,714
North American outlet stores	**5,829**	5,472	5,089	4,673	4,539
Coach International	**2,049**	1,935	1,879	1,808	1,752
Stuart Weitzman stores	**1,687**	—	—	—	—

(1) The Company's fiscal year ends on the Saturday closest to June 30. Fiscal years 2015, 2014, 2013, 2012 and 2011 were each 52-week years.

(2) The Company acquired Stuart Weitzman in the fourth quarter of fiscal 2015.

(3) The Company acquired its international businesses from its former distributors as follows: fiscal 2014 — the remaining 50% interest in Europe; fiscal 2013 — Malaysia and South Korea; fiscal 2012 — Singapore and Taiwan.

(4) For all fiscal years presented below, the Company recorded certain items which affect the comparability of our results. See item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," for further information on the items related to fiscal 2015, fiscal 2014, and fiscal 2013. During Fiscal 2012, the Company decreased its provision for income taxes by $23.9 million, primarily as a result of recording the effect of a revaluation of certain deferred tax asset balances due to a change in Japan's corporate tax laws and the favorable settlement of a multi-year transfer pricing agreement within Japan. The Company used the net income favorability to contribute an aggregate $39.2 million to the Coach Foundation. Fiscal 2011 was impacted by the result of a favorable settlement of a multi-year tax return examination and charitable contributions. The following table reconciles the Company's reported results on a U.S. GAAP basis to our adjusted results that exclude these items:

				Net Income	
Fiscal 2015	**Gross Profit**	**SG&A**	**Operating Income**	**Amount**	**Per Diluted Share**
As Reported: (GAAP Basis)	**$ 2,908.6**	**$ 2,290.6**	**$ 618.0**	**$ 402.4**	**$ 1.45**
Excluding items affecting comparability	**9.7**	**(160.8)**	**170.5**	**128.8**	**0.47**
Adjusted: (Non-GAAP Basis)	**$ 2,918.3**	**$ 2,129.8**	**$ 788.5**	**$ 531.2**	**$ 1.92**

				Net Income	
Fiscal 2014	Gross Profit	SG&A	Operating Income	Amount	Per Diluted Share
As Reported: (GAAP Basis)	$ 3,297.0	$ 2,176.9	$ 1,120.1	$ 781.3	$ 2.79
Excluding items affecting comparability	82.2	(49.3)	131.5	88.3	0.31
Adjusted: (Non-GAAP Basis)	$ 3,379.2	$ 2,127.6	$ 1,251.6	$ 869.6	$ 3.10

				Net Income	
Fiscal 2013	Gross Profit	SG&A	Operating Income	Amount	Per Diluted Share
As Reported: (GAAP Basis)	$ 3,698.1	$ 2,173.6	$ 1,524.5	$ 1,034.4	$ 3.61
Excluding items affecting comparability	4.8	(48.4)	53.2	32.6	0.11
Adjusted: (Non-GAAP Basis)	$ 3,702.9	$ 2,125.2	$ 1,577.7	$ 1,067.0	$ 3.73

				Net Income	
Fiscal 2012	Gross Profit	SG&A	Operating Income	Amount	Per Diluted Share
As Reported: (GAAP Basis)	$ 3,466.1	$ 1,954.1	$ 1,512.0	$ 1,038.9	$ 3.53
Excluding items affecting comparability	—	(39.2)	39.2	—	—
Adjusted: (Non-GAAP Basis)	$ 3,466.1	$ 1,914.9	$ 1,551.2	$ 1,038.9	$ 3.53

				Net Income	
Fiscal 2011	Gross Profit	SG&A	Operating Income	Amount	Per Diluted Share
As Reported: (GAAP Basis)	$ 3,023.5	$ 1,718.6	$ 1,304.9	$ 880.8	$ 2.92
Excluding items affecting comparability	—	(25.7)	25.7	—	—
Adjusted: (Non-GAAP Basis)	$ 3,023.5	$ 1,692.9	$ 1,330.6	$ 880.8	$ 2.92

ITEM 7. 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 consolidated financial statements and notes to those statements, included elsewhere in this document. When used herein, the terms “Company,” "Coach," “we,” “us” and “our” refer to Coach, Inc., including consolidated subsidiaries. Unless the context requires otherwise, references to the "Coach brand" do not include the Stuart Weitzman brand and references to the "Stuart Weitzman brand" do not include the Coach brand.

EXECUTIVE OVERVIEW

Coach, Inc. is a leading New York design house of modern luxury accessories and lifestyle brands. The Coach brand was established in New York City in 1941, and has a rich heritage of pairing exceptional leathers and materials with innovative design.

Coach, Inc. operates in three segments: North America, International and Other (which includes the Stuart Weitzman brand acquired by the Company in the fourth quarter of fiscal 2015). The North America segment includes sales to North American customers through Coach-operated stores (including the Internet) and sales to North American wholesale customers. The International segment includes sales to customers through Coach-operated stores (including the Internet) and concession shop-in-shops in Japan and mainland China, Coach-operated stores and concession shop-in-shops in Hong Kong, Macau, Singapore, Taiwan, Malaysia, South Korea, the United Kingdom, France, Ireland, Spain, Portugal, Germany, Italy, Belgium and the Netherlands, as well as sales to wholesale customers and distributors in approximately 45 countries. Other, consists of sales and expenses generated by the Coach brand in other ancillary channels, including licensing and disposition. Other also consists of sales and expenses generated by the Stuart Weitzman brand during the final two months of fiscal 2015. As the Company's business model is based on multi-channel global distribution, our success does not depend solely on the performance of a single channel or geographic area.

In order to drive growth within our global business, we are focused on four key initiatives, which directly align with the Coach brand Transformation Plan, described below:

- Grow our business in North America and worldwide, by transforming from a leading international accessories Company into a global lifestyle brand, anchored in luxury accessories.
- Leverage the global opportunity for Coach by raising brand awareness and building market share in markets where Coach is under-penetrated, most notably in Asia and Europe. We are also developing the brand opportunity as we expand into South America and Central America.
- Focus on the Men's opportunity for the brand, by drawing on our long heritage in the category. We are capitalizing on this opportunity by opening new standalone and dual gender stores and broadening the men's assortment in existing stores.
- Harness the growing power of the digital world, by accelerating the development of our digital programs and capabilities in North America and worldwide, reflecting the change in consumer shopping behavior globally. Our intent is to rapidly drive further innovation to engage with customers in this channel. Key elements include www.coach.com, our invitation-only outlet Internet site, our global e-commerce sites, marketing sites and social media.

During the fourth quarter of fiscal 2014, Coach, Inc. announced a multi-year strategic plan with the objective of transforming the Coach brand and reinvigorating growth, which we believe will enable the Company to return to ‘best-in-class' profitability. This multi-faceted, multi-year transformation plan (the "Transformation Plan") builds on the core brand equities of quality and craftsmanship with the aim of evolving our competitive value proposition. We believe our strategy offers significant growth opportunities in handbags and accessories, as well as in the broader set of lifestyle categories that we have operated in for some time but are less developed, including footwear and ready-to-wear. This strategy has required an integrated holistic approach, across product, stores and marketing and promotional activities, and entails the roll-out of carefully crafted aspirational marketing campaigns to define the Coach brand and to deliver a fuller and more consistent brand expression.

Key operational and cost measures of the Transformation Plan include: (i) the investment in capital improvements in our stores and wholesale locations to drive comparable sales improvement; (ii) the optimization and streamlining of our organizational model as well as the closure of underperforming stores in North America, and select International stores; (iii) the realignment of inventory levels and mix to reflect our elevated product strategy and consumer preferences; (iv) the investment of approximately $50 million in incremental advertising costs to elevate consumer perception of our Coach brand, drives sales growth and promote our new strategy, which started in fiscal 2015; and (v) the significant scale-back of our promotional cadence in an increased global promotional environment, particularly within our outlet Internet sales site, which began in fiscal 2014. The Company's execution of these key operational and cost measures were on plan through the end of fiscal 2015, and we believe that long-term growth can be realized through these transformational efforts over time. For further discussion of charges incurred in connection with the Transformation Plan, see "Items Affecting Comparability," herein.

Furthermore, as discussed in Note 7, "Acquisitions," the Company acquired luxury designer footwear brand Stuart Weitzman, which we believe will complement our current leadership position in premium handbags and accessories, while immediately adding to the Company's earnings as we continue to make meaningful progress towards our brand transformation. The acquisition was consummated on May 4, 2015, and the brand contributed $43.0 million in net sales in fiscal 2015, included within our Other segment.

Current Trends and Outlook

In addition to the risks surrounding the successful execution of our Transformation Plan initiatives, our outlook reflects a certain level of uncertainty surrounding the global economy. The global economic environment continues to have an impact on consumer confidence, which in turn influences the level of spending on discretionary items. Global consumer retail traffic remained relatively weak and inconsistent, which has led to a more promotional environment in the fragmented retail industry due to increased competition and a desire to offset traffic declines with increased levels of conversion. Macroeconomic and geopolitical events in Greater China and southeast Asia have contributed to volatility in consumer spending within the region. Furthermore, it is still too early to understand the impact, if any, of MERS (Middle East Respiratory Syndrome) on consumer spending in Asia, including the impact on tourism in the region.

Within the U.S., a prolonged and tough winter season impacted demand during the first half of calendar 2015, however certain limited and recent factors within the U.S., including an improvement in the labor market and modest growth in overall consumer spending, suggest a potential moderate strengthening in the U.S. economic outlook. It is still, however, too early to understand what kind of sustained impact this will have on consumer discretionary spending. If the global macroeconomic environment remains volatile or worsens, the constrained level of worldwide consumer spending and modified consumption behavior may continue to have a negative effect on our outlook.

We will continue to monitor these risks and trends and evaluate and adjust our operating strategies and cost management opportunities to mitigate the related impact on our results of operations, while remaining focused on the long-term growth of our business and protecting the value of our brands.

As discussed in Part I, Item 1 - "Business" and as part of our Transformation Plan as described in Note 3, "Transformation and Other Actions," in fiscal 2015, we have reduced the number of retail stores and total square footage within North America, as we continue to optimize our real estate position. We expect this trend to continue in the next fiscal year with the anticipated closure of approximately 15-20 North America retail stores in fiscal 2016, attributable to our Transformation Plan. We expect to continue to see modest to no growth in North America outlet store square footage as we continue to optimize our real estate position across channels by expanding our most productive stores to accommodate a broader expression of lifestyle assortment while continuing to assess opportunities to close under-performing stores. Within our International segment, we are expecting to reflect modest growth in our store count over the next few years, particularly within mainland China and Europe. Lastly, within Stuart Weitzman, we are expecting modest growth in our real estate position over the next year.

For a detailed discussion of significant risk factors that have the potential to cause our actual results to differ materially from our expectations, see Part I, Item 1A - "Risk Factors" included in this Annual Report on Form 10-K.

SUMMARY — FISCAL 2015

In fiscal 2015, Coach, Inc. reported net sales of $4.19 billion (including $43.0 million attributable to the Stuart Weitzman brand), net income of $402.4 million and net income per diluted share of $1.45. This compares to net sales of $4.81 billion, net income of $781.3 million, and net income per diluted share of $2.79 in fiscal 2014.

In fiscal 2015, the comparability of our operating results has been affected by $145.9 million of pretax charges ($107.8 million after tax, or $0.39 per diluted share) related to our Transformation Plan, $24.6 million of pretax charges ($21.0 million after tax, or $0.08 per diluted share) related to acquisition charges associated with the Stuart Weitzman brand. These fiscal 2015 actions taken together increased the Company's selling, general and administrative ("SG&A") expenses by $160.8 million and cost of sales by $9.7 million, negatively impacting net income by $128.8 million, or $0.47 per diluted share.

In fiscal 2014, the comparability of our operating results was affected by $131.5 million of pretax charges ($88.3 million after tax or $0.31 per diluted share) related to our Transformation Plan. These fiscal 2014 actions increased the Company's SG&A expenses by $49.3 million and cost of sales by $82.2 million, negatively impacting net income by $88.3 million, or $0.31 per diluted share.

Our operating performance for fiscal 2015 reflected a decline in net sales of 12.8%, primarily due to our North America business partially offset by a $43.0 million contribution from the Stuart Weitzman brand. Excluding the effects of foreign currency, net sales decreased 10.6%. Our gross profit decreased by 11.8% to $2.91 billion during fiscal 2015 which included the negative impact of charges under our Transformation Plan of $5.0 million and Stuart Weitzman purchase accounting related items of $4.7 million. Excluding our Transformation Plan and acquisition-related charges in fiscal 2015 and fiscal 2014, gross profit decreased by 13.6%, to $2.92 billion. SG&A expenses increased by 5.2% to $2.29 billion during fiscal 2015. Excluding charges under our Transformation Plan and acquisition-related charges in fiscal 2015 and fiscal 2014, SG&A expenses remained fairly consistent.

Net income decreased in fiscal 2015 as compared to fiscal 2014, due to a decrease in operating income of $502.1 million, partially offset by a $131.8 million decrease in our provision for income taxes. Net income per diluted share decreased primarily due to lower net income. Excluding charges under our Transformation Plan and acquisition-related charges in fiscal 2015 and charges under our Transformation Plan in fiscal 2014, net income and net income per diluted share decreased 38.9% and 38.2%, respectively.

FISCAL 2015 COMPARED TO FISCAL 2014

The following table summarizes results of operations for fiscal 2015 compared to fiscal 2014. All percentages shown in the table below and the discussion that follows have been calculated using unrounded numbers.

	Fiscal Year Ended					
	June 27, 2015		June 28, 2014		Variance	
	(dollars in millions, except per share data)					
	Amount	**% of net sales**	Amount	% of net sales	Amount	%
Net sales	**$ 4,191.6**	**100.0%**	$ 4,806.2	100.0%	$ (614.6)	(12.8)%
Gross profit	**2,908.6**	**69.4**	3,297.0	68.6	(388.4)	(11.8)
Selling, general and administrative expenses	**2,290.6**	**54.6**	2,176.9	45.3	113.7	5.2
Operating income	**618.0**	**14.7**	1,120.1	23.3	(502.1)	(44.8)
Interest (expense) income, net	**(6.4)**	**(0.2)**	2.2	—	(8.6)	NM
Provision for income taxes	**209.2**	**5.0**	341.0	7.1	(131.8)	(38.7)
Net income	**402.4**	**9.6**	781.3	16.3	(378.9)	(48.5)
Net income per share:						
Basic	**$ 1.46**		$ 2.81		$ (1.35)	(48.1)%
Diluted	**$ 1.45**		$ 2.79		$ (1.33)	(47.9)%

NM - Not meaningful

Items Affecting Comparability

The Company’s reported results are presented in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The reported gross profit, SG&A expenses, operating income, income before provision for income taxes, provision for income taxes, net income and earnings per diluted share in fiscal 2015 and 2014 reflect certain items which affect the comparability of our results, as noted in the following reconciliation tables. Refer to page 41 for a discussion on the Non-GAAP Measures.

COACH, INC.

GAAP TO NON-GAAP RECONCILIATION
For the Years Ended June 27, 2015 and June 28, 2014

	June 27, 2015				
	GAAP Basis (As Reported)	**Transformation and Other Actions**	**Acquisition-Related Costs**	**Acquisition-Related Purchase Accounting**	**Non-GAAP Basis (Excluding Items)**
	(dollars in millions, except per share data)				
Gross profit	**$ 2,908.6**	**$ (5.0)**	**$ —**	**$ (4.7)**	**$ 2,918.3**
SG&A expenses	**2,290.6**	**140.9**	**17.1**	**2.8**	**2,129.8**
Operating income	**618.0**	**(145.9)**	**(17.1)**	**(7.5)**	**788.5**
Income before provision for income taxes	**611.6**	**(145.9)**	**(17.1)**	**(7.5)**	**782.1**
Provision for income taxes	**209.2**	**(38.1)**	**(3.6)**	**—**	**250.9**
Net income	**402.4**	**(107.8)**	**(13.5)**	**(7.5)**	**531.2**
Diluted net income per share	**1.45**	**(0.39)**	**(0.05)**	**(0.03)**	**1.92**

	June 28, 2014				
	GAAP Basis (As Reported)	Transformation and Other Actions	Acquisition-Related Costs	Acquisition-Related Purchase Accounting	Non-GAAP Basis (Excluding Items)
	(dollars in millions, except per share data)				
Gross profit	$ 3,297.0	$ (82.2)	$ —	$ —	$ 3,379.2
SG&A expenses	2,176.9	49.3	—	—	2,127.6
Operating income	1,120.1	(131.5)	—	—	1,251.6
Income before provision for income taxes	1,122.3	(131.5)	—	—	1,253.8
Provision for income taxes	341.0	(43.2)	—	—	384.2
Net income	781.3	(88.3)	—	—	869.6
Diluted net income per share	2.79	(0.31)	—	—	3.10

Items Affecting Comparability

Fiscal 2015 Items

In fiscal 2015, the Company incurred charges as follows:

- $145.9 million under our Transformation Plan due to accelerated depreciation and lease termination charges as a result of store updates and closures, organizational efficiency charges, and charges related to the destruction of inventory, within North America and select International stores;
- $17.1 million primarily related to acquisition charges of $14.2 million associated with the Stuart Weitzman brand, and to a lesser extent, charges attributable to the contingent earn out payment of the acquisition; and
- $7.5 million related to the short-term impact of purchase accounting, primarily due to the amortization of the fair value of the inventory step-up and order backlog asset.

These fiscal 2015 actions taken together increased the Company's SG&A expenses by $160.8 million and cost of sales by $9.7 million, negatively impacting net income by $128.8 million, or $0.47 per diluted share. Refer to the "Executive Overview" herein and Note 3, "Transformation and Other Actions," for further information regarding the Transformation Plan.

Additional actions under our Transformation Plan will continue into fiscal 2016, with expected incremental charges of around $50 million.

Fiscal 2014 Items

In fiscal 2014, the Company incurred restructuring and transformation related charges of $131.5 million under its Transformation Plan as announced in the fourth quarter of fiscal 2014. The charges recorded in cost of sales and SG&A expenses were $82.2 million and $49.3 million, respectively. These charges, which were primarily associated with our North America business, relate to inventory and fleet related costs, including impairment, accelerated depreciation and severance related to store closures.

Currency Fluctuation Effects

The change in net sales in fiscal 2015 has been presented both including and excluding currency fluctuation effects (primarily attributable to Coach Japan).

Net Sales

Net sales decreased 12.8% or $614.6 million to $4.19 billion in fiscal 2015. Excluding the effects of foreign currency, net sales decreased 10.6% or $511.3 million. This decrease was driven by lower sales in the North America business partially offset by gains in the International business, and a $43.0 million contribution due to the acquisition of Stuart Weitzman. The following table presents net sales by reportable segment for fiscal 2015 compared to fiscal 2014:

	Fiscal Year Ended				
	Total Net Sales			**Percentage of Total Net Sales**	
	June 27, 2015	June 28, 2014	**Rate of Change**	**June 27, 2015**	June 28, 2014
	(dollars in millions)				
North America	**$ 2,467.5**	$ 3,100.5	(20.4) %	**58.9 %**	64.5 %
International	**1,622.0**	1,644.2	(1.3)	**38.7**	34.2
Other[1]	**102.1**	61.5	66.0	**2.4**	1.3
Total net sales	**$ 4,191.6**	$ 4,806.2	(12.8) %	**100.0 %**	100.0 %

(1) Net sales in the Other category consists of Coach brand ancillary channels in fiscal 2015, including licensing and disposition, and sales generated by the Stuart Weitzman brand during the final two months of fiscal 2015.

Comparable store sales measure sales performance at stores that have been open for at least 12 months, and includes sales from the Internet. Coach excludes new locations from the comparable store base for the first twelve months of operation. Comparable store sales have not been adjusted for store expansions.

North America Net Sales decreased 20.4% or $633.0 million to $2.47 billion in fiscal 2015. Excluding the unfavorable impact of foreign currency due to the Canadian dollar, net sales decreased $622.5 million or 20.1%. This decrease was primarily driven by lower comparable store sales of $613.4 million or 22%, due to lower traffic as a result of a decrease in promotional activity, partially offset by higher transaction size. The Internet business had a negative impact of approximately 740 basis points on comparable store sales which is attributable to the Company's decision to both limit access and reduce the promotional cadence on our outlet Internet sales site. North America sales were also negatively impacted by lower wholesale sales of approximately $53.9 million due to lower shipments. These decreases were partially offset by a net increase of $32.4 million related to net sales generated by new store openings which were partially offset by the absence of net sales for those stores that have closed since fiscal 2014. Since the end of fiscal 2014, Coach closed a net 74 retail stores and a net three outlet stores, including the closure of 11 Men’s outlet stores.

International Net Sales decreased 1.3% or $22.2 million to $1.62 billion in fiscal 2015. Excluding the unfavorable impact of foreign currency, primarily due to the Japanese yen, net sales increased $70.8 million or 4.3%. This increase was primarily due to growth in Greater China (which includes Hong Kong and Macau) reflecting an increase of $50.5 million primarily due to net new stores and positive comparable store sales, an increase of $36.7 million related to net new store openings and positive comparable store sales of our business in Europe and an increase of $15.7 million in our international wholesale business partially due to higher shipments. These increases were partially offset by a decrease in net sales in Japan of $37.4 million due to lower traffic as a result of lapping the pull forward in demand in advance of the April 2014 consumption tax increase. Since the end of fiscal 2014, we opened 28 net new stores, with 16 net new stores in mainland China, Hong Kong and Macau and Japan, and 12 net new stores in the other regions.

Other Net Sales increased 66.0% or $40.6 million to $102.1 million, primarily due to the impact of the Stuart Weitzman acquisition.

Gross Profit

Gross profit decreased 11.8% or $388.4 million to $2.91 billion in fiscal 2015 from $3.30 billion in fiscal 2014. Gross margin for fiscal 2015 was 69.4% as compared to 68.6% in fiscal 2014. Excluding items affecting comparability of $9.7 million in fiscal 2015 and $82.2 million in fiscal 2014, gross profit decreased 13.6% or $460.9 million to $2.92 billion from $3.38 billion in fiscal 2014, and gross margin was 69.6% in fiscal 2015 as compared to 70.3% in fiscal 2014. Excluding items affecting comparability, the gross margin decreased 70 basis points, as described below.

North America Gross Profit decreased 21.0% or $418.1 million to $1.57 billion in fiscal 2015. Gross margin decreased 50 basis points from 64.3% in fiscal 2014 to 63.8% in fiscal 2015. The decrease in gross margin is primarily attributable to the impact of decreased promotional activity on an elevated product assortment. Specifically, the impact of a higher mix of elevated product sales primarily in our outlet stores, which contained higher average unit costs, negatively impacted gross margin by 120 basis points. This decrease was mostly offset by lower promotional activity, mainly as a result of the scale-back of promotional events within our outlet channel which favorably impacted gross margin by 90 basis points.

International Gross Profit decreased 3.6% or $46.5 million to $1.25 billion in fiscal 2015. Gross margin decreased 180 basis points from 78.8% in fiscal 2014 to 77.0% in fiscal 2015. The decrease in gross margin is primarily due to a less favorable geographic mix of our sales and unfavorable effects of foreign currency, which in aggregate negatively impacted gross margin by 110 basis points, particularly as a result of a decline in net sales in Japan, coupled with the growth of our international wholesale business, as well as the impact of stronger elevated product sales which carry higher average unit costs, negatively impacting gross margin by 60 basis points and to a lesser extent increased promotional activity.

Other Gross Profit increased 57.2% or $21.1 million to $58.0 million in fiscal 2015. This increase is substantially attributable to the acquisition of the Stuart Weitzman brand during the fourth quarter of fiscal 2015.

Corporate Unallocated Gross Profit increased $55.1 million from a loss of $27.9 million in fiscal 2014 to a profit of $27.2 million in fiscal 2015. Excluding items affecting comparability of $9.7 million in fiscal 2015 and $82.2 million in fiscal 2014, corporate unallocated gross profit decreased by $17.4 million from $54.3 million in fiscal 2014 to $36.9 million in fiscal 2015, primarily due to increased inventory reserves and less favorable production variances.

Selling, General and Administrative Expenses

SG&A expenses are comprised of four categories: (i) selling; (ii) advertising, marketing and design; (iii) distribution and customer service; and (iv) administrative. Selling expenses include store employee compensation, occupancy costs and supply costs, wholesale and retail account administration compensation globally and international operating expenses. These expenses are affected by the number of Company-operated stores open during any fiscal period and store performance, as compensation and rent expenses vary with sales. Advertising, marketing and design expenses include employee compensation, media space and production, advertising agency fees, new product design costs, public relations and market research expenses. Distribution and customer service expenses include warehousing, order fulfillment, shipping and handling, customer service, employee compensation and bag repair costs. Administrative expenses include compensation costs for “corporate” functions including: executive, finance, human resources, legal and information systems departments, as well as corporate headquarters occupancy costs, consulting fees and software expenses. Administrative expenses also include global equity compensation expense.

The Company includes inbound product-related transportation costs from our service providers within cost of sales. The Company, similar to some companies, includes certain transportation-related costs related to our distribution network in selling, general and administrative expenses rather than in cost of sales; for this reason, our gross margins may not be comparable to that of entities that include all costs related to their distribution network in cost of sales.

SG&A expenses increased 5.2% or $113.7 million to $2.29 billion in fiscal 2015 as compared to $2.18 billion in fiscal 2014. As a percentage of net sales, SG&A expenses increased to 54.6% during fiscal 2015 as compared to 45.3% during fiscal 2014. Excluding items affecting comparability of $160.8 million in fiscal 2015 and $49.3 million in fiscal 2014, SG&A expenses increased $2.2 million from fiscal 2014; and SG&A expenses as a percentage of net sales increased, due to deleveraging as net sales have declined, to 50.8% in fiscal 2015 from 44.3% in fiscal 2014.

Selling expenses were $1.53 billion, or 36.6% of net sales, in fiscal 2015 compared to $1.55 billion, or 32.2% of net sales, in fiscal 2014. The $16.5 million decrease represents slightly lower selling expenses related to our North America stores and Internet business, which were partially offset by increases to support growth in our International business (primarily in Europe and Greater China) as well as incremental Stuart Weitzman selling expenses. Excluding items affecting comparability of $4.1 million in fiscal 2015, selling expenses were 36.5% of net sales.

Advertising, marketing, and design costs were $246.8 million, or 5.9% of net sales, in fiscal 2015, compared to $242.3 million, or 5.0% of net sales, during fiscal 2014. The increase was the result of higher costs for marketing-related events which increased by $28.8 million as compared to fiscal 2014, partially offset by fewer promotional events made by the Company, primarily as a result of the Company's decision to limit access to our outlet Internet sales site.

Distribution and consumer service expenses were $69.6 million, or 1.7% of net sales, in fiscal 2015, compared to fiscal 2014 expenses of $87.2 million, or 1.8% of net sales. The decrease was primarily due to lower variable costs as a result of lower sales associated with the Company's decision to limit access to our outlet Internet sales site.

Administrative expenses were $441.5 million, or 10.5% of net sales, in fiscal 2015 compared to $300.5 million, or 6.3% of net sales, during fiscal 2014. Excluding items affecting comparability of $156.7 million in fiscal 2015 and $49.3 million in fiscal 2014, administrative expenses were $284.8 million, or 6.8% of net sales, in fiscal 2015 and $251.2 million, or 5.2% of net sales, in fiscal 2014. The increase is primarily due to higher incentive compensation costs and additional costs incurred particularly related to information technology.

Operating Income

Operating income decreased 44.8% or $502.1 million to $618.0 million during fiscal 2015 as compared to $1.12 billion in fiscal 2014. Operating margin decreased to 14.7% as compared to 23.3% in fiscal 2014. Excluding items affecting comparability of $170.5 million in fiscal 2015 and $131.5 million in fiscal 2014, operating income decreased 37.0% or $463.1 million to $788.5 million from $1.25 billion in fiscal 2014; and operating margin was 18.8%, in fiscal 2015 as compared to 26.0% in fiscal 2014.

The following table presents operating income by reportable segment for fiscal 2015 compared to fiscal 2014:

	(dollars in millions)			
			Variance	
	June 27, 2015	June 28, 2014	Amount	%
North America	**$ 820.5**	$ 1,164.1	$ (343.6)	(29.5)%
International	**480.6**	555.7	(75.1)	(13.5)
Other[(1)]	**25.5**	34.2	(8.7)	(25.4)
Corporate unallocated	**(708.6)**	(633.9)	(74.7)	11.8
Total operating income	**$ 618.0**	$ 1,120.1	$ (502.1)	(44.8)%

(1) Operating income in the Other category consists of sales and expenses in Coach brand ancillary channels in fiscal 2015, including licensing and disposition, and sales and expenses generated by the Stuart Weitzman brand during the final two months of fiscal 2015.

North America Operating Income decreased 29.5% or $343.6 million to $820.5 million in fiscal 2015 reflecting the decrease in gross profit of $418.1 million which was partially offset by lower SG&A expenses of $74.5 million. The decrease in SG&A expenses was due to lower variable selling costs as a result of lower sales in our stores and Internet business. Operating margin decreased 420 basis points to 33.3% in fiscal 2015 from 37.5% during the same period in the prior year due to higher SG&A expense as a percentage of net sales of 390 basis points, primarily due to deleveraging of selling expenses as net sales have declined, and lower gross margin of 50 basis points.

International Operating Income decreased 13.5% or $75.1 million to $480.6 million in fiscal 2015, primarily reflecting a decrease in gross profit of $46.5 million as well as higher SG&A expenses of $28.6 million. The increase in SG&A expenses is related to a $30.8 million increase in Greater China and Asia, excluding Japan, related to new store openings and a $24.9 million increase in Europe to support growth in the business. The increase in SG&A costs were partially offset by foreign currency effects in Japan of $32.2 million. Operating margin decreased 420 basis points to 29.6% in fiscal 2015 from 33.8% during the same period in the prior year primarily due to higher overall SG&A as a percentage of net sales which increased by 240 basis points and lower gross margin of 180 basis points.

Corporate Unallocated Operating Expense increased $74.7 million to $708.6 million in fiscal 2015, an increase of 11.8%. This increase was primarily attributable to higher charges incurred by the Company in fiscal 2015 as part of its Transformation Plan. Excluding items affecting comparability, unallocated operating expenses increased by 8.9% or $44.6 million to $547.0 million from $502.4 million. This increase is primarily due to higher incentive compensation costs and additional costs incurred particularly related to information technology.

Provision for Income Taxes

The effective tax rate was 34.2% in fiscal 2015, as compared to 30.4% in fiscal 2014. Excluding the items affecting comparability, the effective tax rate was 32.1% in fiscal 2015, as compared to 30.6% in fiscal 2014. The increase in our effective tax rate was primarily attributable to the loss of certain foreign tax benefits that expired at the end of fiscal 2014, as well as the acquisition-related impact attributable to Stuart Weitzman. We expect our rate to be lower in fiscal 2016 primarily attributable to the geographic mix of earnings, the expiration of certain statutes, the settlement of audits and the ongoing benefit of available foreign tax credits.

Net Income

Net income decreased 48.5% or $378.9 million to $402.4 million in fiscal 2015 as compared to $781.3 million in fiscal 2014. Excluding items of comparability, net income decreased 38.9% or $338.4 million to $531.2 million in fiscal 2015 from $869.6 million in fiscal 2014. This decrease was primarily due to lower operating income partially offset by lower provision for income taxes.

Earnings per Share

Net income per diluted share decreased 47.9% to $1.45 in fiscal 2015 as compared to $2.79 in fiscal 2014. Excluding items of comparability, net income per diluted share decreased 38.2% or $1.18 to $1.92 in fiscal 2015 from $3.10 in fiscal 2014, due to lower net income.

FISCAL 2014 COMPARED TO FISCAL 2013

The following table summarizes results of operations for fiscal 2014 compared to fiscal 2013. All percentages shown in the table below and the discussion that follows have been calculated using unrounded numbers.

	Fiscal Year Ended					
	June 28, 2014		June 29, 2013		Variance	
	(dollars in millions, except per share data)					
	Amount	% of net sales	Amount	% of net sales	Amount	%
Net sales	$ 4,806.2	100.0%	$ 5,075.4	100.0%	$ (269.2)	(5.3)%
Gross profit	3,297.0	68.6	3,698.1	72.9	(401.1)	(10.8)
Selling, general and administrative expenses	2,176.9	45.3	2,173.6	42.8	3.3	0.2
Operating income	1,120.1	23.3	1,524.5	30.0	(404.4)	(26.5)
Interest income, net	2.2	—	2.4	—	(0.2)	(8.3)
Other expense	—	—	(6.4)	(0.1)	6.4	(100.0)
Provision for income taxes	341.0	7.1	486.1	9.6	(145.1)	(29.9)
Net income	781.3	16.3	1,034.4	20.4	(253.1)	(24.5)
Net Income per share:						
Basic	$ 2.81		$ 3.66		$ (0.85)	(23.2)%
Diluted	$ 2.79		$ 3.61		$ (0.82)	(22.7)%

Items Affecting Comparability

The Company's reported results are presented in accordance with GAAP. The reported gross profit, SG&A expenses, operating income, income before provision for income taxes, provision for income taxes, net income and earnings per diluted share in fiscal 2014 and 2013 reflect certain items which affect the comparability of our results, as noted in the following reconciliation tables. Refer to page 41 for a discussion on the Non-GAAP Measures.

COACH, INC.
GAAP TO NON-GAAP RECONCILIATION
For the Years Ended June 28, 2014 and June 29, 2013
(in millions, except per share data)

	June 28, 2014		
	GAAP Basis (As Reported)	Transformation and Other Related Actions	Non-GAAP Basis (Excluding Items)
Gross profit	$ 3,297.0	$ (82.2)	$ 3,379.2
SG&A expenses	2,176.9	49.3	2,127.6
Operating income	1,120.1	(131.5)	1,251.6
Income before provision for income taxes	1,122.3	(131.5)	1,253.8
Provision for income taxes	341.0	(43.2)	384.2
Net income	781.3	(88.3)	869.6
Diluted net income per share	2.79	(0.31)	3.10

	June 29, 2013		
	GAAP Basis (As Reported)	Restructuring and Transformation-Related Charges	Non-GAAP Basis (Excluding Items)
Gross profit	$ 3,698.1	$ (4.8)	$ 3,702.9
SG&A expenses	2,173.6	48.4	2,125.2
Operating income	1,524.5	(53.2)	1,577.7
Income before provision for income taxes	1,520.5	(53.2)	1,573.7
Provision for income taxes	486.1	(20.6)	506.7
Net income	1,034.4	(32.6)	1,067.0
Diluted net income per share	3.61	(0.11)	3.73

Items Affecting Comparability

Fiscal 2014 Items

In fiscal 2014, the Company incurred restructuring and transformation related charges of $131.5 million under its Transformation Plan announced in the fourth quarter of fiscal 2014. The charges recorded in cost of sales and SG&A expenses were $82.2 million and $49.3 million, respectively. These charges, which are primarily associated with our North America business, relate to inventory and fleet related costs, including impairment, accelerated depreciation and severance related to store closures.

Fiscal 2013 Items

In fiscal 2013, the Company incurred restructuring and transformation related charges of $53.2 million. The charges recorded in selling, general and administrative expenses and cost of sales were $48.4 million and $4.8 million, respectively. The charges include the strategic reassessment of the Reed Krakoff business, streamlining our organizational model and reassessing the fleet of our retail stores and inventories.

Currency Fluctuation Effects

The change in net sales in fiscal 2014 has been presented both including and excluding currency fluctuation effects (primarily attributable to Coach Japan).

Net Sales

Net sales decreased 5.3% or $269.2 million to $4.81 billion in fiscal 2014. Excluding the effects of foreign currency, net sales decreased 3.1% or $155.9 million. The decrease was driven by lower sales in the North America business partially offset by gains in the International business. The following table presents net sales by reportable segment for fiscal 2014 compared to fiscal 2013:

	Fiscal Year Ended				
	Total Net Sales			Percentage of Total Net Sales	
	June 28, 2014	June 29, 2013[1]	Rate of Change	June 28, 2014	June 29, 2013[1]
	(dollars in millions)				
North America	$ 3,100.5	$ 3,478.2	(10.9)%	64.5%	68.5%
International	1,644.2	1,558.1	5.5	34.2	30.7
Other[2]	61.5	39.1	57.3	1.3	0.8
Total net sales	$ 4,806.2	$ 5,075.4	(5.3)%	100.0%	100.0%

(1) In connection with the acquisition of the retail business in Europe, the Company evaluated the composition of its reportable segments and concluded that sales in this region should be included in the International segment. Accordingly, prior year comparable sales have been reclassified to conform to the current year presentation. See Note 7, "Acquisitions" and Note 16, "Segment Information" for more information.

(2) Net sales in the Other category consisted of sales generated in ancillary channels, including licensing and disposition.

Comparable store sales measure sales performance at stores that have been open for at least 12 months, and includes sales from the Internet. Coach excludes new locations from the comparable store base for the first twelve months of operation. Comparable store sales have not been adjusted for store expansions given our planned capital investments in connection with the Transformation Plan.

North America Net Sales decreased 10.9% or $377.7 million to $3.10 billion in fiscal 2014. This decrease was primarily driven by lower comparable store sales of $460.5 million or 15% largely due to lower traffic, and lower wholesale sales of $26.1 million due to lower shipments. The Internet business had a negative impact, of over 1%, on comparable store sales which is attributable to the Company's decision to eliminate third-party Internet events and to limit access to our outlet Internet sales site. This decrease was partially offset by an increase of $143.5 million related to net new stores. In fiscal 2014, Coach opened a net 14 outlet stores, including one Men’s outlet store, and closed a net 19 retail stores.

International Net Sales increased 5.5% or $86.1 million to $1.64 billion in fiscal 2014. Excluding the unfavorable impact of foreign currency, primarily due to the Japanese yen, net sales increased $191.0 million or 12.3%. The increase in net sales was primarily due to double digit growth in Greater China and Asia, excluding Japan, reflecting an increase of $152.4 million due to net new stores and positive comparable store sales, as well as a $40.5 million increase related to the acquisition of the Europe joint venture in the first quarter of fiscal 2014. In fiscal 2014, excluding the impact of acquisitions, we opened 39 net new stores, with 34 net new stores in mainland China, Hong Kong and Macau and Japan, and five net new stores in the other regions. The acquisition of the European joint venture resulted in a transfer of an additional 18 stores to the Company’s direct control. After the acquisition on July 1, 2013, Coach opened seven new stores and transitioned two stores from wholesale to direct control in fiscal 2014.

Gross Profit

Gross profit decreased 10.8% or $401.1 million to $3.30 billion in fiscal 2014 from $3.70 billion in fiscal 2013. Gross margin for fiscal 2014 was 68.6% as compared to 72.9% in fiscal 2013. Excluding items affecting comparability of $82.2 million in fiscal 2014 and $4.8 million in fiscal 2013, gross profit decreased 8.7% or $323.7 million to $3.38 billion from $3.70 billion in fiscal 2013, and gross margin was 70.3% in fiscal 2014 as compared to 73.0% in fiscal 2013.

North America Gross Profit decreased 15.1% or $353.1 million to $1.99 billion in fiscal 2014. Gross margin decreased 310 basis points from 67.4% in fiscal 2013 to 64.3% in fiscal 2014. The decrease in gross margin is due to a 210 basis point decline as a result of increased promotional activity, primarily in our outlet channel, and a 70 basis point decline as a result of selling products with a higher average unit cost as well as increased penetration of our broadened lifestyle categories.

International Gross Profit increased 3.2% or $40.0 million to $1.30 billion in fiscal 2014. Gross margin decreased 180 basis points from 80.6% in fiscal 2013 to 78.8% in fiscal 2014. The decrease in gross margin is primarily due to the negative translation effect of changes in foreign currency, primarily associated with fluctuations in the Japanese Yen. Other factors negatively impacting gross margin were increased promotions, selling products with a higher average unit cost, as well as increased penetration of our broadened lifestyle categories which were partially offset by the lower step-up of inventory as part of the purchase accounting related to our acquisitions.

Corporate Unallocated Gross Profit decreased $92.6 million from $64.7 million in fiscal 2013 to a loss of $27.9 million in fiscal 2014. Excluding items affecting comparability of $82.2 million in fiscal 2014 and $4.8 million in fiscal 2013, gross profit decreased by $15.2 million from $69.5 million to $54.3 million in fiscal 2014, primarily due to less favorable production variances.

Selling, General and Administrative Expenses

SG&A expenses increased 0.2% or $3.3 million to $2.18 billion in fiscal 2014 as compared to $2.17 billion in fiscal 2013, primarily driven by an increase in selling expenses. As a percentage of net sales, SG&A expenses increased to 45.3% during fiscal 2014 as compared to 42.8% during fiscal 2013. Excluding items affecting comparability of $49.3 million in fiscal 2014 and $48.4 million in fiscal 2013, SG&A expenses increased $2.4 million from fiscal 2013; and SG&A expenses as a percentage of net sales increased, primarily due to the increase in selling expenses as a percentage of net sales, to 44.3% in fiscal 2014 from 41.9% in fiscal 2013.

Selling expenses were $1.55 billion, or 32.2% of net sales, in fiscal 2014 compared to $1.51 billion, or 29.8% of net sales, in fiscal 2013. The dollar increase in selling expenses reflected increases in new store openings in our International business including the impact of acquiring our former partner Hackett's 50% interest in our European joint venture. These expenses were mostly offset by a favorable impact of foreign currency exchange rates primarily related to Coach Japan and lower expenses in North America due to the divestiture of the Reed Krakoff business.

Advertising, marketing, and design costs were $242.3 million, or 5.0% of net sales, in fiscal 2014, compared to $265.4 million, or 5.2% of net sales, during fiscal 2013. The decrease was primarily due to the divestiture of the Reed Krakoff business. This decrease was partially offset by increased advertising, marketing, and design costs related to the Company's transformation efforts.

Distribution and consumer service expenses of $87.2 million, or 1.8% of net sales, in fiscal 2014, were fairly consistent with fiscal 2013 expenses of $86.1 million, or 1.7% of net sales.

Administrative expenses were $300.5 million, or 6.3% of net sales, in fiscal 2014 compared to $307.1 million, or 6.1% of net sales, during fiscal 2013. Excluding items affecting comparability of $49.3 million in fiscal 2014 and $48.4 million in fiscal 2013, administrative expenses were $251.2 million, or 5.2% of net sales, in fiscal 2014 and $258.7 million, or 5.1% of net sales, in fiscal 2013. Lower compensation expense was mostly offset by additional costs incurred as part of investments made in the business, particularly related to increased depreciation expense.

Operating Income

Operating income decreased 26.5% or $404.4 million to $1.12 billion during fiscal 2014 as compared to $1.52 billion in fiscal 2013. Operating margin decreased to 23.3% as compared to 30.0% in fiscal 2013. Excluding items affecting comparability of $131.5 million in fiscal 2014 and $53.2 million in fiscal 2013, operating income decreased 20.7% or $326.1 million to $1.25 billion from $1.58 billion in fiscal 2013; and operating margin was 26.0%, in fiscal 2014 as compared to 31.1% in fiscal 2013.

The following table presents operating income by reportable segment for fiscal 2014 compared to fiscal 2013:

	(dollars in millions)			
	June 28, 2014	June 29, 2013	Variance Amount	Variance %
North America	$ 1,164.1	$ 1,460.0	$ (295.9)	(20.3)%
International	555.7	582.2	(26.5)	(4.6)
Other[1]	34.2	30.0	4.2	14.0
Corporate unallocated	(633.9)	(547.7)	(86.2)	15.7
Total operating income	$ 1,120.1	$ 1,524.5	$ (404.4)	(26.5)%

(1) Operating income in the Other category consisted of sales and expenses generated in ancillary channels, including licensing and disposition.

North America Operating Income decreased 20.3% or $295.9 million to $1.16 billion in fiscal 2014 reflecting the decrease in gross profit of $353.1 million which was partially offset by lower SG&A expenses of $57.2 million. The decrease in SG&A expenses was related to the absence of costs in fiscal 2014 related to the divestiture of the Reed Krakoff business and lower variable selling costs as a result of lower sales. Operating margin decreased 450 basis points to 37.5% in fiscal 2014 from 42.0% during the same period in the prior year due to lower gross margin of 310 basis points and higher SG&A expense as a percentage of net sales of 140 basis points.

International Operating Income decreased 4.6% or $26.5 million to $555.7 million primarily reflecting higher SG&A expenses of $66.5 million partially offset by higher gross profit of $40.0 million. The increase in SG&A expenses is related to a $53.7 million increase in Greater China and Asia, excluding Japan, related to higher occupancy and employee costs associated with new store openings and a $45.8 million increase as a result of the recently acquired Europe business. The increase in SG&A costs was offset by foreign currency effects in Japan of $42.6 million. Operating margin decreased 360 basis points to 33.8% in fiscal 2014 from 37.4% during the same period in the prior year primarily due to lower gross margin of 180 basis points and higher overall selling expenses as a percentage of net sales which increased by 180 basis points.

Corporate Unallocated Operating Expense increased $86.2 million to $633.9 million, an increase of 15.7%. This increase was primarily attributable to higher charges incurred by the Company in fiscal 2014 as part of its Transformation Plan. Excluding items affecting comparability, unallocated operating expenses increased by 1.6% or $7.9 million to $502.4 million from $494.5 million.

Provision for Income Taxes

The effective tax rate was 30.4% in fiscal 2014, as compared to 32.0% in fiscal 2013. Excluding the items affecting comparability, the effective tax rate was 30.6% and 32.2% in fiscal 2014 and fiscal 2013, respectively. Both fiscal 2014 and fiscal 2013 benefited from one-time discrete items. In fiscal 2014, the Company recognized a net benefit related to refinements of its various tax accounts which were partially offset by the loss of deductions related to changes in key executives. During fiscal 2013, the Company recognized a favorable tax settlement and the benefit of certain permanent adjustments related to executive compensation. These one-time discrete items favorably impacted our effective tax rate by approximately 220 basis points and 40 basis points in fiscal 2014 and fiscal 2013, respectively.

Net Income

Net income decreased 24.5% or $253.1 million to $781.3 million in fiscal 2014 as compared to $1.03 billion in fiscal 2013. Excluding items of comparability, net income decreased 18.5% or $197.4 million to $869.6 million in fiscal 2014 from $1.07 billion in fiscal 2013. This decrease was primarily due to lower operating income partially offset by lower provision for income taxes.

Earnings per Share

Net income per diluted share decreased 22.7% to $2.79 in fiscal 2014 as compared to $3.61 in fiscal 2013. Excluding items of comparability, net income per diluted share decreased 16.9% or $0.63 to $3.10 in fiscal 2014 from $3.73 in fiscal 2013, due to lower net income.

ITEMS AFFECTING COMPARABILITY OF OUR FINANCIAL RESULTS

Non-GAAP Measures

The Company’s reported results are presented in accordance with GAAP. The reported gross profit, SG&A expenses, operating income, provision for income taxes, net income and earnings per diluted share in fiscal 2015, fiscal 2014 and fiscal 2013 reflect certain items which affect the comparability of our results, including the impact of the Transformation Plan and acquisition-related charges. These metrics are also reported on a non-GAAP basis to exclude the impact of these items.

These non-GAAP performance measures were used by management to conduct and evaluate its business during its regular review of operating results for the periods affected. Management and the Company’s Board utilized these non-GAAP measures to make decisions about the uses of Company resources, analyze performance between periods, develop internal projections and measure management performance. The Company’s primary internal financial reporting excluded these items affecting comparability. In addition, the compensation committee of the Company’s Board will use these non-GAAP measures when setting and assessing achievement of incentive compensation goals.

Additionally, certain increases and decreases in operating results for the Company and its North America and International segment have been presented both including and excluding currency fluctuation effects from translating foreign-denominated amounts into U.S. dollars and compared to the same period in the prior fiscal year.

We believe these non-GAAP measures are useful to investors in evaluating the Company’s ongoing operating and financial results and understanding how such results compare with the Company’s historical performance. Additionally, we believe presenting certain increases and decreases that include and exclude the effect of foreign currency fluctuations helps investors and analysts understand the effect of significant year-over-year currency fluctuations. We believe excluding the items affecting comparability assists investors in developing expectations of future performance. By providing the non-GAAP measures, as a supplement to GAAP information, we believe we are enhancing investors’ understanding of our business and our results of operations. The non-GAAP financial measures are limited in their usefulness and should be considered in addition to, and not in lieu of, U.S. GAAP financial measures. Further, these non-GAAP measures may be unique to the Company, as they may be different from non-GAAP measures used by other companies.

For a detailed discussion on these non-GAAP measures, see Item 6. "Selected Financial Data," and the Results of Operations section within Item 7. "Management’s Discussion and Analysis of Financial Condition and Results of Operations."

FINANCIAL CONDITION

Cash Flows

	Fiscal Year Ended		
	June 27, 2015	June 28, 2014	Change
		(dollars in millions)	
Net cash provided by operating activities	**$ 937.4**	$ 985.4	$ (48.0)
Net cash used in investing activities	**(612.9)**	(707.7)	94.8
Net cash provided by (used in) financing activities	**389.3**	(748.1)	1,137.4
Effect of exchange rate changes on cash and cash equivalents	**(13.9)**	(0.5)	(13.4)
Net increase/(decrease) in cash and cash equivalents	**$ 699.9**	$ (470.9)	$ 1,170.8

The Company’s cash and cash equivalents increased $699.9 million in fiscal 2015 compared to a decrease of $470.9 million in fiscal 2014, primarily due to net cash provided by financing activities in fiscal 2015.

Net cash provided by operating activities

Net cash provided by operating activities decreased $48.0 million primarily due to lower net income of $378.9 million from fiscal 2014 to fiscal 2015, partially offset by changes in our operating asset and liability balances of $331.4 million.

Changes in our operating asset and liability balances were primarily driven by changes in accounts payable, inventory, other balance sheet changes and accrued liabilities. Accounts payable were a source of cash of $64.4 million in fiscal 2015, driven primarily by the timing of inventory purchases and lease termination payments, as compared to a use of cash of $30.2 million in fiscal 2014. Inventory was a source of cash of $29.2 million in fiscal 2015, primarily driven by overall lower inventory purchases in fiscal 2015, as compared to a use of cash of $64.1 million in fiscal 2014. Other balance sheet changes, net, which primarily relate to other assets, were a source of cash of $17.8 million in fiscal 2015 as compared to a use of cash of $64.2 million in fiscal 2014, primarily due to a decrease in tax receivables and changes in deferred tax accounts. Accrued liabilities were a source of cash of $63.2 million in fiscal 2015, primarily driven by increased payroll and incentive compensation accruals, as compared to source of cash of $14.1 million in fiscal 2014.

Net cash used in investing activities

Net cash used in investing activities was $612.9 million in fiscal 2015 compared to $707.7 million in fiscal 2014. The decrease in net cash used of $94.8 million was primarily due to the impact of net proceeds from our investment portfolio of $255.6 million in fiscal 2015, compared to net cash used for purchase of investments of $397.1 million in fiscal 2014, offset by an increase in net cash used of $515.8 million in cash used for acquisitions, related to the Stuart Weitzman acquisition in the fourth quarter of fiscal 2015, as well as an increase in net cash used of $51.9 million related to increased investments in the Hudson Yards joint venture.

Net cash provided by (used in) financing activities

Net cash provided by financing activities was $389.3 million in fiscal 2015 as compared to a use of cash of $748.1 million in fiscal 2014. This increase of cash provided of $1,137.4 million was primarily due to the debt borrowings described in Note 11, "Debt", as well as the absence of cash used for share repurchases during fiscal 2015. The Company received $896.7 million in proceeds from long term debt, net of discount, which was partially offset by net repayments of $140 million under the Company's Amended and Restated Credit Agreement during fiscal 2015, compared to $140 million of net borrowings during fiscal 2014. Furthermore, the Company used $524.9 million for share repurchases in fiscal 2014, compared to no stock repurchases occurring in fiscal 2015.

Working Capital and Capital Expenditures

As of June 27, 2015, in addition to our cash flows generated from our operations, our sources of liquidity and capital resources were comprised of the following (in millions):

	Sources of Liquidity	Outstanding Indebtedness	Total Available Liquidity
Cash and cash equivalents[1]	$ 1,291.8	$ —	$ 1,291.8
Short-term investments[1]	234.0	—	234.0
Non-current investments[2]	85.8	—	85.8
Amended and Restated Credit Agreement[3]	1,000.0	300.0	700.0
4.250% Senior Notes[3]	600.0	600.0	—
International credit facilities	43.0	—	43.0
Total	$ 3,254.6	$ 900.0	$ 2,354.6

(1) As of June 27, 2015, approximately 57% of our cash and short-term investments were held outside the U.S. in jurisdictions where we intend to permanently reinvest our undistributed earnings to support our continued growth. We are not dependent on foreign cash to fund our domestic operations. If we choose to repatriate any funds to the U.S. in the future, we would be subject to applicable U.S. and foreign taxes.

(2) Excludes $320.2 million of our non-current investment related to the Hudson Yards joint venture. Refer to Note 6, "Investments," for further information.

(3) In March 2015, the Company amended and restated its existing $700.0 million revolving credit facility (the "Revolving Facility") with certain lenders and JP Morgan Chase Bank, N.A. as the administrative agent, to provide for a five-year senior unsecured $300.0 million term loan (the “Term Loan”) and to extend the maturity date to March 18, 2020 (the "Amended and Restated Credit Agreement"). The Amended and Restated Credit Agreement contains various covenants and customary events of default, including the requirement to maintain a maximum ratio of adjusted debt to consolidated EBITDAR, as defined in the agreement, of no greater than 4.0 as of the date of measurement. As of June 27, 2015, no known events of default have occurred. Furthermore, in March 2015, the Company issued $600.0 million aggregate principal amount of 4.250% senior unsecured notes due April 1, 2025 at 99.445% of par (the “4.250% Senior Notes”). Our average borrowings outstanding under our Revolving Facility for the fiscal 2015 and fiscal 2014 were $120.4 million and $93.9 million, respectively. Refer to Note 11, "Debt," for further information on our existing debt instruments.

We believe that our Amended and Restated Credit Agreement is adequately diversified with no undue concentrations in any one financial institution. As of June 27, 2015, there were 11 financial institutions participating in the facility, with no one participant maintaining a maximum commitment percentage in excess of 14%. We have no reason at this time to believe that the participating institutions will be unable to fulfill their obligations to provide financing in accordance with the terms of the facility in the event we elect to draw funds in the foreseeable future.

We have the ability to draw on our credit facilities or access other sources of financing options available to us in the credit and capital markets for, among other things, funding our investment in the Hudson Yards joint venture, our transformation-related initiatives, acquisition or integration-related costs, settlement of a material contingency, or a material adverse business or macroeconomic development, as well as for other general corporate business purposes.

Management believes that cash flows from operations, access to the credit and capital markets and our credit lines, on-hand cash and cash equivalents and our investments will provide adequate funds to support our operating, capital, and debt service requirements for the foreseeable future, our plans for acquisitions, further business expansion and transformation-related initiatives. Future events, such as acquisitions or joint ventures, and other similar transactions may require additional capital. There can be no assurance that any such capital will be available to the Company on acceptable terms or at all. Our ability to fund working capital needs, planned capital expenditures, dividend payments and scheduled debt payments, as well as to comply with all of the financial covenants under our debt agreements, depends on 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 the Company's control.

Hudson Yards Joint Venture

In April 2013 the Company entered into a joint venture agreement with the Related Companies, L.P. to develop a new office tower in Manhattan in the Hudson Yards district. The formation of the joint venture serves as a financing vehicle for the project, with the Company owning less than 43% of the joint venture. Upon completion of the office tower, the Company will retain a condominium interest serving as its new corporate headquarters. During fiscal 2015 the Company invested $139.1 million in the joint venture. Since the formation of the Hudson Yards joint venture, the Company has invested $320.2 million in the joint venture. The Company expects to further invest approximately $210 million, the significant majority of which will be by the end of fiscal 2016, depending on construction progress. In addition to its investment in the joint venture, Coach is directly investing in a portion of the design and build-out of the new corporate headquarters and has incurred $34.0 million of capital expenditures to date, including $5.9 million in fiscal 2015, and expects to incur approximately $185 million over the remaining period of construction.

Stuart Weitzman Acquisition

On January 5, 2015, the Company entered into a purchase agreement with Stuart Weitzman Topco LLC and Stuart Weitzman Intermediate LLC, a wholly owned subsidiary of Topco. On May 4, 2015, the acquisition was consummated. Under the terms of the Stuart Weitzman purchase agreement, Coach purchased all of the equity interests of Stuart Weitzman Intermediate LLC, a luxury footwear company and the parent of Stuart Weitzman Holdings, LLC, from Topco for an aggregate payment of approximately $531.1 million in cash, subject to customary purchase price adjustments, as well as a potential earnout of up to $14.7 million annually in cash over the next three calendar years based on the achievement of certain revenue targets. On May 4, 2015, the Company funded the acquisition through cash on-hand, including the utilization of a portion of debt related proceeds, as described in Note 11, "Debt." Refer to Note 7, "Acquisitions," for further discussion on the Stuart Weitzman acquisition.

Seasonality

Because Coach products are frequently given as gifts, we experience seasonal variations in net sales, operating cash flows and working capital requirements, primarily related to seasonal holiday shopping. During the first fiscal quarter, we build inventory for the holiday selling season. In the second fiscal quarter, our working capital requirements are reduced substantially as we generate higher net sales and operating income, especially during the holiday months of November and December. Fluctuations in net sales, operating income and operating cash flows in any fiscal quarter may be affected by other events affecting retail sales, such as changes in weather patterns or other macroeconomic events.

Common Stock Repurchase Program

In October 2012, the Company’s Board of Directors approved a common stock repurchase program to acquire up to $1.5 billion of Coach’s outstanding common stock through June 2015. As of June 27, 2015, the program has expired.

Purchases of Coach common stock are made subject to market conditions and at prevailing market prices, through open market purchases. Under Maryland law, Coach’s state of incorporation, treasury shares are not allowed. As a result, all repurchased shares are retired when acquired.

During fiscal 2015, the Company did not repurchase or retire any shares. During fiscal 2014, the Company repurchased and retired 10.2 million shares, or $524.9 million of common stock, at an average cost of $51.27.

Contractual and Other Obligations

Firm Commitments

As of June 27, 2015, the Company's contractual obligations are as follows (in millions):

	Total	Fiscal 2016	Fiscal 2017 – 2018	Fiscal 2019 – 2020	Fiscal 2021 and Beyond
Capital expenditure commitments[1]	$ 103.1	$ 103.1	$ —	$ —	$ —
Inventory purchase obligations	254.7	254.7	—	—	—
New corporate headquarters joint venture[2]	210.0	195.0	15.0	—	—
Operating leases	1,356.0	243.1	394.1	291.3	427.5
Debt repayment	900.0	15.0	30.0	255.0	600.0
Interest on outstanding debt[3]	257.1	27.6	51.0	51.0	127.5
Other	4.9	2.2	2.7	—	—
Total	$ 3,085.8	$ 840.7	$ 492.8	$ 597.3	$ 1,155.0

(1) Related to firm capital expenditure purchase obligations. The Company expects total capital expenditures to be in the area of $300 million in fiscal 2016, excluding the capital cost associated with the new headquarters.

(2) Payments are estimated and may vary based on construction progress.

(3) Interest obligations exclude interest on the Revolving Facility and Term Loan as the interest rate on these arrangements is variable. See Note 11, "Debt," for more information.

Excluded from the above contractual obligations table is the non-current liability for unrecognized tax benefits of $185.7 million as of June 27, 2015, as we cannot make a reliable estimate of the period in which the liability will be settled, if ever. The above table also excludes amounts included in current liabilities in the Consolidated Balance Sheet at June 27, 2015 as these items will be paid within one year, certain long-term liabilities not requiring cash payments and cash contributions for the Company’s pension plans.

Off-Balance Sheet Arrangements

In addition to the commitments included in the table above, we have outstanding letters of credit $6.8 million as of June 27, 2015, primarily serving to collateralize our obligation to third parties for insurance claims and store leases. These letters of credit expire at various dates through 2016.

As discussed earlier, the Company entered into a joint venture agreement with the Related Companies, L.P. to develop a new office tower in Manhattan in the Hudson Yards district, in April 2013. The formation of the Hudson Yards joint venture serves as a financing vehicle for the project. Construction of the new building has commenced and upon expected completion of the office tower in fiscal 2016, the Company will retain a condominium interest serving as its new corporate headquarters. The Company’s maximum loss exposure is limited to the committed capital.

We do not maintain any other off-balance sheet arrangements, transactions, obligations, or other relationships with unconsolidated entities that would be expected to have a material current or future effect on our consolidated financial statements. Refer to Note 12, "Commitments and Contingencies," to the accompanying audited consolidated financial statements for further information.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect our results of operations, financial condition and cash flows as well as the disclosure of contingent assets and liabilities as of the date of the Company's financial statements. Actual results could differ from estimates in amounts that may be material to the financial statements. Predicting future events is inherently an imprecise activity and, as such, requires the use of judgment. Actual results could differ from estimates in amounts that may be material to the financial statements. The development and selection of the Company’s critical accounting policies and estimates are periodically reviewed with the Audit Committee of the Board.

The accounting policies discussed below are considered critical because changes to certain judgments and assumptions inherent in these policies could affect the financial statements. For more information on the Company's accounting policies, please refer to the Notes to Consolidated Financial Statements.

Revenue Recognition

Revenue is recognized by the Company when there is persuasive evidence of an arrangement, delivery has occurred (and risks and rewards of ownership have been transferred to the buyer), price has been fixed or is determinable, and collectability is reasonably assured.

Retail store and concession-based shop-in-shop revenues are recognized at the point of sale, which occurs when merchandise is sold in an over-the-counter consumer transaction. These revenues are recognized net of estimated returns at the time of sale to consumers. Internet revenue from sales of products ordered through the Company's e-commerce sites is recognized upon delivery and receipt of the shipment by its customers and includes shipping and handling charges paid by customers. Internet revenue is also reduced by an estimate for returns.

Wholesale revenue is recognized at the time title passes and risk of loss is transferred to customers. Wholesale revenue is recorded net of estimates of returns, discounts and markdown allowances. Returns and allowances require pre-approval from management and discounts are based on trade terms. Estimates for markdown reserves are based on historical trends, actual and forecasted seasonal results, an evaluation of current economic and market conditions, retailer performance, and, in certain cases, contractual terms. The Company reviews and refines these estimates on at least a quarterly basis. The Company's historical estimates of these costs have not differed materially from actual results.

At June 27, 2015, a 10% change in the allowances for estimated uncollectible accounts, markdowns and returns would have resulted in an insignificant change in the Company's reserves and net sales.

Gift cards issued by the Company are recorded as a liability until they are redeemed, at which point revenue is recognized. The Company recognizes income for unredeemed gift cards when the likelihood of a gift card being redeemed by a customer is remote, which is approximately two years after the gift card is issued, and the Company determines that it does not have a legal obligation to remit the value of the unredeemed gift card to the relevant jurisdiction as unclaimed or abandoned property. Revenue associated with gift card breakage is not material to the Company's net operating results.

Inventories

The Company's inventories are reported at the lower of cost or market. Inventory costs include material, conversion costs, freight and duties and are primarily determined by the first-in, first-out method. The Company reserves for inventory, including slow-moving and aged inventory, based on current product demand, expected future demand and historical experience. A decrease in product demand due to changing customer tastes, buying patterns or increased competition could impact the Company's evaluation of its inventory and additional reserves might be required. Estimates may differ from actual results due to the quantity, quality and mix of products in inventory, consumer and retailer preferences and market conditions. At June 27, 2015, a 10% change in the inventory reserve, excluding amounts associated with the Transformation Plan, would have resulted in an insignificant change in inventory and cost of sales. Refer to Note 3, "Transformation and Other Actions," for charges related to inventory under the Company's Transformation Plan.

Business Combinations

In connection with an acquisition, we are required to record all assets acquired and liabilities assumed of the acquired business at their acquisition date fair value, including the recognition of contingent consideration at fair value on the acquisition date. These fair value determinations require our judgment and may involve the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, asset lives, and market multiples, among other items. We may utilize independent third-party valuation firms to assist in making these fair value determinations. Refer to Note 7, "Acquisitions," for detailed disclosures related to our acquisitions.

Goodwill and Other Intangible Assets

Goodwill and certain other intangible assets deemed to have indefinite useful lives, including trademarks and trade names, are not amortized, but are assessed for impairment at least annually. Finite-lived intangible assets are amortized over their respective estimated useful lives and, and along with other long-lived assets as noted above, are evaluated for impairment periodically whenever events or changes in circumstances indicate that their related carrying values may not be fully recoverable. Estimates of fair value for finite-lived intangible assets are primarily determined using discounted cash flows, with consideration of market comparisons and recent transactions. This approach may use significant estimates and assumptions, including projected future cash flows, discount rates and growth rates.

The Company generally performs its annual goodwill and indefinite-lived intangible assets impairment analysis using a qualitative approach to determine whether it is more likely than not that the fair values of such assets are less than their respective carrying values. If, based on the results of the qualitative assessment, it is concluded that it is not more likely than not that the fair value of the asset exceeds its carrying value, a quantitative test is performed. The quantitative goodwill impairment test is a two-step process. The first step is to identify the existence of potential impairment by comparing the fair value of each reporting unit with its carrying value, including goodwill. If the fair value of a reporting unit exceeds its carrying value, the reporting unit's goodwill is considered not to be impaired and performance of the second step of the quantitative goodwill impairment test is unnecessary.

If the carrying value of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss, if any. The second step of the goodwill impairment test compares the implied fair value of the reporting unit’s goodwill with the carrying value of that goodwill. If the carrying value of the reporting unit’s goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess. The implied fair value of goodwill is determined in the same manner as the amount of goodwill that would be recognized in a business combination. In other words, the fair value of the reporting unit is allocated to all of the assets and liabilities of that unit as if the reporting unit had been acquired in a business combination and the fair value was the purchase price paid to acquire the reporting unit.

Determination of the fair value of a reporting unit and the fair value of individual assets and liabilities of a reporting unit is based on management's assessment, considering independent third-party appraisals when necessary. Furthermore, this determination is judgmental in nature and often involves the use of significant estimates and assumptions. These estimates and assumptions could have a significant impact on whether or not an impairment charge is recognized and the amount of any such charge. Estimates of fair value are primarily determined using discounted cash flows, market comparisons, and recent transactions. These approaches use significant estimates and assumptions, including projected future cash flows, discount rates, growth rates, and determination of appropriate market comparables.

The Company performs its annual impairment assessment of goodwill, including trademarks and trade names, during the fourth quarter of each fiscal year. The Company determined that there was no impairment in fiscal 2015, fiscal 2014 or fiscal 2013 as the fair values of our reporting units significantly exceeded their respective carrying values.

Valuation of Long-Lived Assets

Long-lived assets, such as property and equipment, are evaluated for impairment whenever events or circumstances indicate that the carrying value of the assets may not be recoverable. In evaluating long-lived assets for recoverability, the Company uses its best estimate of future cash flows expected to result from the use of the asset and its eventual disposition. To the extent that estimated future undiscounted net cash flows attributable to the asset are less than its carrying value, an impairment loss is recognized equal to the difference between the carrying value of such asset and its fair value, considering external market participant assumptions.

In determining future cash flows, Coach takes various factors into account, including changes in merchandising strategy, the emphasis on retail store cost controls, the effects of macroeconomic trends such as consumer spending, the impacts of the experienced level of retail store managers, the level of advertising, promotional cadence and in-store capital investments. Since the determination of future cash flows is an estimate of future performance, there may be future impairments in the event that future cash flows do not meet expectations.

Share-Based Compensation

The Company recognizes the cost of equity awards to employees and the non-employee Directors based on the grant-date fair value of those awards. The grant-date fair values of share unit awards are based on the fair value of the Company's common stock on the date of grant. The grant-date fair value of stock option awards is determined using the Black-Scholes option pricing model and involves several assumptions, including the expected term of the option, expected volatility and dividend yield. The expected term of options represents the period of time that the options granted are expected to be outstanding and is based on historical experience. Expected volatility is based on historical volatility of the Company’s stock as well as the implied volatility from publicly traded options on the Company's stock. Dividend yield is based on the current expected annual dividend per share and the Company’s stock price. Changes in the assumptions used to determine the Black-Scholes value could result in significant changes in the Black-Scholes value.

For stock options and share unit awards, the Company recognizes share-based compensation net of estimated forfeitures and revises the estimates in subsequent periods if actual forfeitures differ from the estimates. We estimate the forfeiture rate based on historical experience as well as expected future behavior.

The Company grants performance-based share awards to certain key executives, the vesting of which is subject to the executive’s continuing employment and the Company's achievement of certain performance goals. On a quarterly basis, the Company assesses actual performance versus the predetermined performance goals, and adjusts the share-based compensation expense to reflect the relative performance achievement. Actual distributed shares are calculated upon conclusion of the service and performance periods, and include dividend equivalent shares. If the performance-based award incorporates a market condition, the grant-date fair value of such award is determined using a pricing model, such as a Monte Carlo Simulation.

A hypothetical 10% change in our stock-based compensation expense would have affected our fiscal 2015 net income by approximately $7 million.

Income Taxes

The Company's effective tax rate is based on pre-tax income, statutory tax rates, tax laws and regulations, and tax planning strategies available in the various jurisdictions in which Coach operates. The Company classifies interest and penalties on uncertain tax positions in the provision for income taxes. We record net deferred tax assets to the extent we believe that it is more likely than not that these assets will be realized. In making such determination, we consider all available evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent results of operation. We reduce our deferred tax assets by a valuation allowance if, based upon the weight of available evidence, it is more likely than not that some amount of deferred tax assets is not expected to be realized.

The Company recognizes the impact of tax positions in the financial statements if those positions will more likely than not be sustained on audit, based on the technical merits of the position. Although we believe that the estimates and assumptions we use are reasonable and legally supportable, the final determination of tax audits could be different than that which is reflected in historical tax provisions and recorded assets and liabilities. Tax authorities periodically audit the Company's income tax returns, and in specific cases, the tax authorities may take a contrary position that could result in a significant impact on our results of operations. Significant management judgment is required in determining the effective tax rate, in evaluating our tax positions and in determining the net realizable value of deferred tax assets.

Recent Accounting Pronouncements

See Note 2, "Significant Accounting Policies," to the accompanying audited consolidated financial statements for a description of certain recently issued or proposed accounting standards which may impact our consolidated financial statements in future reporting periods.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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 foreign currency exchange rates or interest rates. Coach manages these exposures through operating and financing activities and, when appropriate, through the use of derivative financial instruments. The use of derivative financial instruments is in accordance with the Company's risk management policies, and we do not enter into derivative transactions for speculative or trading purposes.

The quantitative disclosures in the following discussion 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 Rate Risk

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. The majority of the Company's purchases and sales involving international parties, excluding international consumer sales, are denominated in U.S. dollars and, therefore, our foreign currency exchange risk is limited. The Company is exposed to risk from foreign currency exchange rate fluctuations resulting from its operating subsidiaries’ U.S. dollar and Euro denominated inventory purchases. To mitigate such risk, Coach Japan and Coach Canada enter into foreign currency derivative contracts, primarily zero-cost collar options and forward foreign currency contracts. As of June 27, 2015 and June 28, 2014, zero-cost collar options and forward foreign currency exchange contracts designated as cash flow hedges with a notional amount of $126.7 million and $90.2 million, respectively, were outstanding. As a result of the use of derivative instruments, we are exposed to the risk that counterparties to the derivative instruments will fail to meet their contractual obligations. To mitigate the counterparty credit risk, we only enter into derivative contracts with carefully selected financial institutions. The Company also reviews the creditworthiness of our counterparties on a regular basis. As a result of the above considerations, we do not believe that we are exposed to any undue concentration of counterparty credit risk associated with our derivative contracts as of June 27, 2015.

The Company is also exposed to market risk from foreign currency exchange rate fluctuations with respect to various cross-currency intercompany loans which are not long term in investment nature. This primarily includes exposure to exchange rate fluctuations in the Singapore Dollar, the Euro, the British Pound Sterling, the New Taiwan Dollar and the Malaysian Ringgit. To manage the exchange rate risk related to these loans, the Company primarily enters into forward exchange and cross-currency swap contracts. As of June 27, 2015 and June 28, 2014, the total notional values of outstanding forward foreign currency exchange and cross-currency swap contracts related to these loans were $25.8 million and $13.2 million, respectively.

The fair value of outstanding foreign currency derivatives included in current assets at June 27, 2015 and June 28, 2014 was $3.4 million and $0.5 million, respectively. The fair value of outstanding foreign currency derivatives included in current liabilities at June 27, 2015 and June 28, 2014 was $0.2 million and $0.9 million, respectively. The fair value of these contracts is sensitive to changes in foreign currency exchange rates. A sensitivity analysis of the effects of foreign exchange rate fluctuations on the fair values of our derivative contracts was performed to assess the risk of loss. As of June 27, 2015, a 10% devaluation of the U.S. Dollar against the exchange rates for foreign currencies under contract would result in an immaterial impact on derivative contract fair values.

Interest Rate Risk

The Company is exposed to interest rate risk in relation to its Amended and Restated Credit Agreement, including the Term Loan, the 4.250% Senior Notes and investments.

Our exposure to changes in interest rates is primarily attributable to debt outstanding under our Amended and Restated Credit Agreement, including the Term Loan. Borrowings under the Amended and Restated Credit Agreement bear interest at a rate per annum equal to, at Coach’s option, either (a) a rate based on the rates applicable for deposits in the interbank market for U.S. dollars or the applicable currency in which the loans are made plus an applicable margin or (b) an alternate base rate (which is a rate equal to the greatest of (i) the Prime Rate in effect on such day, (ii) the Federal Funds Effective Rate in effect on such day plus ½ of 1% or (iii) the Adjusted LIBO Rate for a one month Interest Period on such day plus 1%). A hypothetical 10% change in the Amended and Restated Credit Agreement interest rate would have resulted in an insignificant change in interest expense in fiscal 2015. Furthermore, we are also exposed to changes in interest rates related to the fair value of our $600.0 million 4.250% Senior Notes. At June 27, 2015, the fair value of the 4.250% Senior Notes was approximately $579.0 million.

The Company’s investment portfolio is maintained in accordance with the Company’s investment policy, which defines our investment principles including 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.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See “Index to Financial Statements,” appearing at the end of this Annual Report on Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure 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, the Chief Executive Officer of the Company and the Chief Financial Officer of the Company, have concluded that the Company’s disclosure controls and procedures are effective as of June 27, 2015.

Management’s Report on Internal Control over Financial Reporting

The Company’s management is responsible for establishing and maintaining adequate internal controls over financial reporting. The Company’s internal control system was designed to provide reasonable assurance to the Company’s management and Board regarding the preparation and fair presentation of published financial statements. Management evaluated the effectiveness of the Company’s internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission in Internal Control — Integrated Framework in 2013. Management, under the supervision and with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company’s internal control over financial reporting as of June 27, 2015 and concluded that it is effective.

As discussed in Note 7 to the consolidated financial statements, the Company acquired Stuart Weitzman during the fourth quarter of the year ended June 27, 2015. This acquisition, representing approximately 13% of Coach, Inc. total assets and approximately 1% of Coach, Inc. net sales, has been excluded from management’s fiscal 2015 assessment of internal control over financial reporting.

The Company’s independent auditors have issued an audit report on the Company's internal control over financial reporting as included elsewhere herein.

Changes in Internal Control over Financial Reporting

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

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required to be included by Item 10 of Form 10-K will be included in the Proxy Statement for the 2015 Annual Meeting of Stockholders and such information is incorporated by reference herein. The Proxy Statement will be filed with the Commission within 120 days after the end of the fiscal year covered by this Form 10-K pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended.

ITEM 11. EXECUTIVE COMPENSATION

The information regarding executive and director compensation set forth in the Proxy Statement for the 2015 Annual Meeting of Stockholders is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information under the headings "Securities Authorized for Issuance Under Equity Compensation Plans" and "Coach Stock Ownership by Certain Beneficial Owners and Management" in the Company's Proxy Statement for the 2015 Annual Meeting of Stockholders is incorporated herein by reference.

There are no arrangements known to the registrant that may at a subsequent date result in a change in control of the registrant.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required to be included by Item 13 of Form 10-K will be included in the Proxy Statement for the 2015 Annual Meeting of Stockholders and such information is incorporated by reference herein.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is incorporated herein by reference to the sections entitled "Fees For Audit and Other Services" and "Audit Committee Pre-Approval Policy" in the Proxy Statement for the 2015 Annual Meeting of Stockholders.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Financial Statements and Financial Statement Schedules. See “Index to Financial Statements,” appearing herein.

(b) Exhibits. See the exhibit index which is included herein.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COACH, INC.

Date: August 14, 2015

By: /s/ Victor Luis

Name: Victor Luis
Title: Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated below on August 14, 2015.

Signature	Title
/s/ Victor Luis Victor Luis	Chief Executive Officer and Director (Principal Executive Officer)
/s/ Jane Nielsen Jane Nielsen	Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ Jide Zeitlin Jide Zeitlin	Chairman and Director
/s/ David Denton David Denton	Director
/s/ Andrea Guerra Andrea Guerra	Director
/s/ Susan Kropf Susan Kropf	Director
/s/ Gary Loveman Gary Loveman	Director
/s/ Ivan Menezes Ivan Menezes	Director
/s/ William Nuti William Nuti	Director
/s/ Stephanie Tilenius Stephanie Tilenius	Director

COACH, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

All other schedules are omitted because they are not applicable or the required information is shown in the Consolidated Financial Statements or Notes thereto.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Coach, Inc.
New York, New York

We have audited the accompanying consolidated balance sheets of Coach, Inc. and subsidiaries (the "Company") as of June 27, 2015 and June 28, 2014, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended June 27, 2015. Our audits also included the financial statement schedule listed in the Index to the Consolidated Financial Statements. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Coach, Inc. and subsidiaries at June 27, 2015 and June 28, 2014, and the results of their operations and their cash flows for each of the three years in the period ended June 27, 2015, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of June 27, 2015, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated August 14, 2015 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

New York, New York
August 14, 2015

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Coach, Inc.
New York, New York

We have audited the internal control over financial reporting of Coach, Inc. and subsidiaries (the "Company") as of June 27, 2015, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in Management’s Report on Internal Control over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Stuart Weitzman Topco LLC and Stuart Weitzman Intermediate LLC (referred to herein as “Stuart Weitzman”), which was acquired on May 4, 2015 and whose financial statements constitute 13% of total assets and 1% of net sales of the consolidated financial statement amounts as of and for the year ended June 27, 2015. Accordingly, our audit did not include the internal control over financial reporting at Stuart Weitzman. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 27, 2015, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended June 27, 2015 of the Company and our report dated August 14, 2015 expressed an unqualified opinion on those financial statements and financial statement schedule.

/s/ DELOITTE & TOUCHE LLP

New York, New York
August 14, 2015

COACH, INC.
CONSOLIDATED BALANCE SHEETS

	June 27, 2015	June 28, 2014
	(millions)	
ASSETS		
Current Assets:		
Cash and cash equivalents	**$ 1,291.8**	$ 591.9
Short-term investments	**234.0**	276.7
Trade accounts receivable, less allowances of $3.1 and $1.4, respectively	**219.5**	198.6
Inventories	**485.1**	526.2
Deferred income taxes	**98.4**	112.6
Prepaid expenses	**73.1**	45.5
Other current assets	**104.6**	103.7
Total current assets	**2,506.5**	1,855.2
Property and equipment, net	**732.6**	713.9
Long-term investments	**406.0**	484.5
Goodwill	**434.2**	361.4
Intangible assets	**359.9**	9.8
Deferred income taxes	**115.8**	111.6
Other assets	**111.9**	126.7
Total assets	**$ 4,666.9**	$ 3,663.1
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	**$ 222.8**	$ 153.9
Accrued liabilities	**600.6**	518.7
Current debt	**11.3**	140.5
Total current liabilities	**834.7**	813.1
Long-term debt	**879.1**	—
Other liabilities	**463.2**	429.4
Total liabilities	**2,177.0**	1,242.5
See Note 12 on commitments and contingencies		
Stockholders' Equity:		
Preferred stock: (authorized 25.0 million shares; $0.01 par value) none issued	**—**	—
Common stock: (authorized 1,000.0 million shares; $0.01 par value) issued and outstanding – 276.6 million and 274.4 million shares, respectively	**2.8**	2.7
Additional paid-in-capital	**2,754.4**	2,646.1
Accumulated deficit	**(189.6)**	(219.5)
Accumulated other comprehensive loss	**(77.7)**	(8.7)
Total stockholders' equity	**2,489.9**	2,420.6
Total liabilities and stockholders' equity	**$ 4,666.9**	$ 3,663.1

See accompanying Notes.

COACH, INC.
CONSOLIDATED STATEMENTS OF INCOME

	Fiscal Year Ended		
	June 27, 2015	June 28, 2014	June 29, 2013
	(millions, except per share data)		
Net sales	**$ 4,191.6**	$ 4,806.2	$ 5,075.4
Cost of sales	**1,283.0**	1,509.2	1,377.3
Gross profit	**2,908.6**	3,297.0	3,698.1
Selling, general and administrative expenses	**2,290.6**	2,176.9	2,173.6
Operating income	**618.0**	1,120.1	1,524.5
Interest (expense) income, net	**(6.4)**	2.2	2.4
Other expense	**—**	—	(6.4)
Income before provision for income taxes	**611.6**	1,122.3	1,520.5
Provision for income taxes	**209.2**	341.0	486.1
Net income	**$ 402.4**	$ 781.3	$ 1,034.4
Net income per share:			
Basic	**$ 1.46**	$ 2.81	$ 3.66
Diluted	**$ 1.45**	$ 2.79	$ 3.61
Shares used in computing net income per share:			
Basic	**275.7**	277.8	282.5
Diluted	**277.2**	280.4	286.3
Cash dividends declared per common share	**$ 1.350**	$ 1.350	$ 1.238

See accompanying Notes.

COACH, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Fiscal Year Ended		
	June 27, 2015	June 28, 2014	June 29, 2013
	(millions)		
Net Income	**$ 402.4**	$ 781.3	$ 1,034.4
Other comprehensive (loss) income, net of tax:			
Unrealized gains (losses) on cash flow hedging derivatives, net	**3.8**	(3.1)	4.2
Unrealized (losses) gains on available-for-sale investments, net	**(1.3)**	4.1	(1.3)
Change in pension liability, net	**1.0**	0.1	1.3
Foreign currency translation adjustments	**(72.5)**	2.4	(66.9)
Other comprehensive (loss) income, net of tax	**(69.0)**	3.5	(62.7)
Comprehensive income	**$ 333.4**	$ 784.8	$ 971.7

See accompanying Notes.

COACH, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Shares of Common Stock	Common Stock	Additional Paid-in-Capital	Accumulated Deficit	Accumulated Other Comprehensive Income/(Loss)	Total Stockholders' Equity
	(millions, except per share data)					
Balance at June 30, 2012	285.1	$ 2.9	$ 2,327.1	$ (387.5)	$ 50.5	$ 1,993.0
Net income	—	—	—	1,034.4	—	1,034.4
Other comprehensive loss	—	—	—	—	(62.7)	(62.7)
Shares issued for stock options and employee benefit plans	3.9	—	46.1	—	—	46.1
Share-based compensation	—	—	120.5	—	—	120.5
Excess tax benefit from share-based compensation	—	—	26.8	—	—	26.8
Repurchase and retirement of common stock	(7.1)	(0.1)	—	(399.9)	—	(400.0)
Dividends declared ($1.238 per share)	—	—	—	(348.9)	—	(348.9)
Balance at June 29, 2013	281.9	2.8	2,520.5	(101.9)	(12.2)	2,409.2
Net income	—	—	—	781.3	—	781.3
Other comprehensive income	—	—	—	—	3.5	3.5
Shares issued for stock options and employee benefit plans	2.7	—	9.2	—	—	9.2
Share-based compensation	—	—	104.9	—	—	104.9
Excess tax benefit from share-based compensation	—	—	11.5	—	—	11.5
Repurchase and retirement of common stock	(10.2)	(0.1)	—	(524.8)	—	(524.9)
Dividends declared ($1.350 per share)	—	—	—	(374.1)	—	(374.1)
Balance at June 28, 2014	**274.4**	**2.7**	**2,646.1**	**(219.5)**	**(8.7)**	**2,420.6**
Net income	—	—	—	**402.4**	—	**402.4**
Other comprehensive loss	—	—	—	—	**(69.0)**	**(69.0)**
Shares issued for stock options and employee benefit plans	**2.2**	**0.1**	**19.5**	—	—	**19.6**
Share-based compensation	—	—	**94.4**	—	—	**94.4**
Excess tax shortfall from share-based compensation	—	—	**(5.6)**	—	—	**(5.6)**
Repurchase and retirement of common stock	**—**	**—**	—	**—**	—	**—**
Dividends declared ($1.350 per share)	—	—	—	**(372.5)**	—	**(372.5)**
Balance at June 27, 2015	**276.6**	**$ 2.8**	**$ 2,754.4**	**$ (189.6)**	**$ (77.7)**	**$ 2,489.9**

See accompanying Notes.

COACH, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Fiscal Year Ended		
	June 27, 2015	June 28, 2014	June 29, 2013
		(millions)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	**$ 402.4**	$ 781.3	$ 1,034.4
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	**191.8**	189.4	163.0
Provision for bad debt	**1.7**	1.6	(0.5)
Share-based compensation	**88.9**	95.1	120.5
Excess tax shortfall (benefit) from share-based compensation	**5.6**	(11.5)	(26.8)
Transformation and other actions	**59.7**	108.2	25.7
Deferred income taxes	**21.5**	(22.8)	(6.5)
Other noncash charges, net	**(3.2)**	6.5	1.2
Changes in operating assets and liabilities:			
Trade accounts receivable	**0.3**	(23.7)	(14.2)
Inventories	**29.2**	(64.1)	(38.6)
Other liabilities	**(5.9)**	5.7	(13.0)
Accounts payable	**64.4**	(30.2)	30.4
Accrued liabilities	**63.2**	14.1	98.9
Other balance sheet changes, net	**17.8**	(64.2)	39.5
Net cash provided by operating activities	**937.4**	985.4	1,414.0
CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisition of interest in equity method investment	**(139.1)**	(87.2)	(93.9)
Acquisitions, net of cash acquired	**(519.6)**	(3.8)	(53.3)
Purchases of property and equipment	**(199.3)**	(219.6)	(241.4)
Loans to related parties	**—**	—	(11.1)
Purchases of investments	**(49.6)**	(543.4)	(170.8)
Proceeds from maturities and sales of investments	**305.2**	146.3	—
Acquisition of lease rights	**(10.5)**	—	—
Net cash used in investing activities	**(612.9)**	(707.7)	(570.5)
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES			
Dividend payments	**(371.8)**	(376.5)	(339.7)
Repurchase of common stock	**—**	(524.9)	(400.0)
Proceeds from issuance of long-term debt, net of discount	**896.7**	—	—
Debt issuance costs	**(6.6)**	—	—
Repayment of debt	**(0.5)**	(0.5)	(22.3)
Proceeds from share-based awards	**36.5**	48.6	80.4
Borrowings under revolving credit facility	**340.0**	450.0	—
Repayment of revolving credit facility	**(480.0)**	(310.0)	—
Taxes paid to net settle share-based awards	**(15.6)**	(40.3)	(34.3)
Excess tax (shortfall) benefit from share-based compensation	**(5.6)**	11.5	26.8
Acquisition-related payment of contingent consideration	**(3.8)**	(6.0)	—
Net cash provided by (used in) financing activities	**389.3**	(748.1)	(689.1)
Effect of exchange rate changes on cash and cash equivalents	**(13.9)**	(0.5)	(8.8)
Increase (decrease) in cash and cash equivalents	**699.9**	(470.9)	145.6
Cash and cash equivalents at beginning of year	**591.9**	1,062.8	917.2
Cash and cash equivalents at end of year	**$ 1,291.8**	$ 591.9	$ 1,062.8
Supplemental information:			
Cash paid for income taxes, net	**$ 180.3**	$ 384.2	$ 445.0
Cash paid for interest	**$ 1.4**	$ 1.3	$ 1.3
Noncash investing activity – property and equipment obligations	**$ 59.5**	$ 28.7	$ 34.3

See accompanying Notes.

1. NATURE OF OPERATIONS

Coach, Inc. (the “Company”) is a leading New York design house of modern luxury accessories and lifestyle brands. The Company’s primary product offerings, manufactured by third-party suppliers, include women’s and men’s bags, small leather goods, footwear, business cases, ready-to-wear including outerwear, watches, weekend and travel accessories, scarves, sunwear, fragrance, jewelry, travel bags and other lifestyle products. Coach branded products are sold through the North America, International and Other reportable segments. The North America segment includes sales to North American consumers through Coach-operated stores (including the Internet), and sales to wholesale customers and distributors. The International segment includes sales to consumers through Coach-operated stores (including the Internet) and concession shop-in-shops in Japan and mainland China, Coach-operated stores and concession shop-in-shops in Hong Kong, Macau, Singapore, Taiwan, Malaysia, South Korea, the United Kingdom, France, Ireland, Spain, Portugal, Germany, Italy, Belgium and the Netherlands as well as sales to wholesale customers and distributors in approximately 45 countries. The Other segment consists of Coach brand sales generated in other ancillary channels, including licensing and disposition. The Other segment also consists of sales generated through the Stuart Weitzman brand during the final two months of fiscal 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

Fiscal Year

The Company’s fiscal year ends on the Saturday closest to June 30. Unless otherwise stated, references to years in the financial statements relate to fiscal years. The fiscal years ended June 27, 2015 (“fiscal 2015”), June 28, 2014 (“fiscal 2014”) and June 29, 2013 (“fiscal 2013”) were each 52-week periods. The fiscal year ending July 2, 2016 (“fiscal 2016”) will be a 53-week period.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from estimates in amounts that may be material to the financial statements.

Significant estimates inherent in the preparation of the consolidated financial statements include reserves for the realizability of inventory; customer returns, end-of-season markdowns, and operational chargebacks; reserves for litigation and other contingencies; useful lives and impairments of long-lived tangible and intangible assets; accounting for income taxes and related uncertain tax positions; the valuation of stock-based compensation awards and related expected forfeiture rates; reserves for restructuring; and accounting for business combinations, amongst others.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all 100% owned subsidiaries. All intercompany transactions and balances are eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash balances and highly liquid investments with a maturity of three months or less at the date of purchase.

Investments

Long-term investments primarily consist of high-credit quality U.S. and non-U.S. issued corporate debt securities, U.S. Treasuries and government agency securities, classified as available-for-sale, and recorded at fair value, with unrealized gains and losses recorded in other comprehensive income. Long-term investments also include the equity method investment related to the Hudson Yards joint venture. Short-term investments consist primarily of U.S. Treasuries and government agency securities, and high-credit quality U.S. and non-U.S. issued corporate debt securities with original maturities greater than three months and with maturities within one year of balance sheet date, classified as available-for-sale and held-to-maturity. Held-to-maturity investments are recorded at amortized cost, which approximates fair value. Dividend and interest income are recognized when earned.

Investments in companies in which the Company has significant influence, but less than a controlling financial interest, are accounted for using the equity method. Significant influence is generally presumed to exist when the Company owns between 20% and 50% of the investee, however, other factors are considered, such as board representation and the rights to participate in the day-to-day operations of the business. The Company has an equity method investment related to an equity interest in an entity formed for the purpose of developing a new office tower in Manhattan. Refer to Note 6, "Investments," for further information.

Additionally, GAAP requires the consolidation of all entities for which a Company has a controlling voting interest and all variable interest entities (“VIEs”) for which a Company is deemed to be the primary beneficiary. An entity is generally a VIE if it meets any of the following criteria: (i) the entity has insufficient equity to finance its activities without additional subordinated financial support from other parties, (ii) the equity investors cannot make significant decisions about the entity’s operations or (iii) the voting rights of some investors are not proportional to their obligations to absorb the expected losses of the entity or receive the expected returns of the entity and substantially all of the entity’s activities involve or are conducted on behalf of the investor with disproportionately few voting rights.

From time to time, the Company may make an investment that requires judgment in determining whether the entity is a VIE. If it is determined that the entity is a VIE, the Company must assess whether it is the primary beneficiary.

Concentration of Credit Risk

Financial instruments that potentially expose the Company to concentration of credit risk consist primarily of cash and cash equivalents, investments and accounts receivable. The Company places its cash investments with high-credit quality financial institutions and currently invests primarily in money market instruments, U.S. government and agency debt securities, municipal government and corporate debt securities and bank deposits placed with major banks and financial institutions. Accounts receivable is generally diversified due to the number of entities comprising the Company's customer base and their dispersion across many geographical regions. The Company believes no significant concentration of credit risk exists with respect to these investments and accounts receivable.

Inventories

The Company’s inventories are reported at the lower of cost or market. Inventory costs include material, conversion costs, freight and duties and are primarily determined by the first-in, first-out method. The Company reserves for inventory, including slow-moving and aged inventory, based on current product demand, expected future demand and historical experience. A decrease in product demand due to changing customer tastes, buying patterns or increased competition could impact the Company's evaluation of its inventory and additional reserves might be required.

Property and Equipment, Net

Property and equipment, net is stated at cost less accumulated depreciation including the impact of long-lived asset impairment and disposals. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Buildings are depreciated over 40 years. Machinery and equipment are depreciated over lives of five to seven years, furniture and fixtures are depreciated over lives of three to ten years, and computer software is depreciated over lives of three to seven years. Leasehold improvements are amortized over the shorter of their estimated useful lives or the related lease terms. Maintenance and repair costs are charged to earnings as incurred while expenditures for major renewals and improvements are capitalized.

Valuation of Long-Lived Assets

Long-lived assets, such as property and equipment, are evaluated for impairment whenever events or circumstances indicate that the carrying value of the assets may not be recoverable. In evaluating long-lived assets for recoverability, the Company uses its best estimate of future cash flows expected to result from the use of the related asset group and its eventual disposition. To the extent that estimated future undiscounted net cash flows attributable to the asset are less than its carrying value, an impairment loss is recognized equal to the difference between the carrying value of such asset and its fair value, considering external market participant assumptions. The Company recorded impairment losses of $0.0 million in fiscal 2015, $35.5 million in fiscal 2014, and $16.6 million in fiscal 2013, within Selling, general and administrative expenses.

In determining future cash flows, the Company takes various factors into account, including the effects of macroeconomic trends such as consumer spending, in-store capital investments, promotional cadence, the level of advertising and changes in merchandising strategy. Since the determination of future cash flows is an estimate of future performance, there may be future impairments in the event that future cash flows do not meet expectations.

Operating Leases

The Company’s leases for office space, retail locations and distribution facilities are accounted for as operating leases. Certain of the Company's leases contain renewal options, rent escalation clauses, and/or landlord incentives. Renewal terms generally reflect market rates at the time of renewal. Rent expense for non-cancelable operating leases with scheduled rent increases and/or landlord incentives is recognized on a straight-line basis over the lease term, including any applicable rent holidays, beginning with the lease commencement date, or the date the Company takes control of the leased space, whichever is sooner. The excess of straight-line rent expense over scheduled payment amounts and landlord incentives is recorded as a deferred rent liability. As of the end of fiscal 2015 and fiscal 2014, deferred rent obligations of $122.4 million and $135.2 million, respectively, were classified primarily within other non-current liabilities in the Company's consolidated balance sheets. Certain rentals are also contingent upon factors such as sales. Contingent rentals are recognized when the achievement of the target (i.e., sale levels), which triggers the related rent payment, is considered probable and estimable.

Asset retirement obligations represent legal obligations associated with the retirement of a tangible long-lived asset. The Company’s asset retirement obligations are primarily associated with leasehold improvements that we are contractually obligated to remove at the end of a lease to comply with the lease agreement. When such an obligation exists, the Company recognizes an asset retirement obligation at the inception of a lease at its estimated fair value. The asset retirement obligation is recorded in current liabilities or non-current liabilities (based on the expected timing of payment of the related costs) and is subsequently adjusted for any changes in estimates. The associated estimated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset and depreciated over its useful life. As of the end of fiscal 2015 and fiscal 2014, the Company had asset retirement obligations of $16.0 million and $18.4 million, respectively, primarily classified within other non-current liabilities in the Company's consolidated balance sheets.

Business Combinations

In connection with an acquisition, the Company records all assets acquired and liabilities assumed of the acquired business at their acquisition date fair value, including the recognition of contingent consideration at fair value on the acquisition date. These fair value determinations require judgment and may involve the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, asset lives, and market multiples, among other items. Furthermore, the Company may utilize or consider independent third-party valuation firms when necessary. Refer to Note 7, "Acquisitions," for detailed disclosures related to our acquisitions.

Goodwill and Other Intangible Assets

Upon acquisition, the Company estimates and records the fair value of purchased intangible assets, which primarily consists of trademarks and trade names, customer relationships, lease rights and order backlog. The fair values of these intangible assets are estimated based on management's assessment, considering independent third-party appraisals when necessary. The excess of the purchase consideration over the fair value of net assets acquired, both tangible and intangible, is recorded as goodwill. Finite-lived intangible assets are amortized over their respective estimated useful lives and, along with other long-lived assets as noted above, are evaluated for impairment periodically whenever events or changes in circumstances indicate that their related carrying values may not be fully recoverable. Estimates of fair value for finite-lived intangible assets are primarily determined using discounted cash flows, with consideration of market comparisons and recent transactions. This approach may use significant estimates and assumptions, including projected future cash flows, discount rates and growth rates.

Goodwill and certain other intangible assets deemed to have indefinite useful lives, including trademarks and trade names, are not amortized, but are assessed for impairment at least annually. The Company generally performs its annual goodwill and indefinite-lived intangible assets impairment analysis using a qualitative approach to determine whether it is more likely than not that the fair values of such assets are less than their respective carrying values. If, based on the results of the qualitative assessment, it is concluded that it is not more likely than not that the fair value of the asset exceeds its carrying value, a quantitative test is performed. The quantitative goodwill impairment test is a two-step process. The first step is to identify the existence of potential impairment by comparing the fair value of each reporting unit with its carrying value, including goodwill. If the fair value of a reporting unit exceeds its carrying value, the reporting unit's goodwill is considered not to be impaired and performance of the second step of the quantitative goodwill impairment test is unnecessary.

If the carrying value of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss, if any. The second step of the goodwill impairment test compares the implied fair value of the reporting unit’s goodwill with the carrying value of that goodwill. If the carrying value of the reporting unit’s goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess. The implied fair value of goodwill is determined in the same manner as the amount of goodwill that would be recognized in a business combination. In other words, the fair value of the reporting unit is allocated to all of the assets and liabilities of that unit as if the reporting unit had been acquired in a business combination and the fair value was the purchase price paid to acquire the reporting unit.

Determination of the fair value of a reporting unit and the fair value of individual assets and liabilities of a reporting unit is based on management's assessment, considering independent third-party appraisals when necessary. Furthermore, this determination is judgmental in nature and often involves the use of significant estimates and assumptions. These estimates and assumptions could have a significant impact on whether or not an impairment charge is recognized and the amount of any such charge. Estimates of fair value are primarily determined using discounted cash flows, market comparisons, and recent transactions. These approaches use significant estimates and assumptions, including projected future cash flows, discount rates, growth rates, and determination of appropriate market comparables.

The Company performs its annual impairment assessment of goodwill, including trademarks and trade names, during the fourth quarter of each fiscal year. The Company determined that there was no impairment in fiscal 2015, fiscal 2014 or fiscal 2013 as the fair values of the Company's reporting units significantly exceeded their respective carrying values.

Stock Repurchase and Retirement

The Company accounts for stock repurchases and retirements by allocating the repurchase price to common stock and retained earnings. The repurchase price allocation is based upon the equity contribution associated with historical issuances, beginning with the earliest issuance. Under Maryland law, the Company's state of incorporation, treasury shares are not allowed. As a result, all repurchased shares are retired when acquired. The Company may terminate or limit the stock repurchase program at any time. The Company's stock repurchase plan expired at the end of fiscal 2015. 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. The total cumulative amount of common stock repurchase price allocated to retained earnings as of June 27, 2015 and June 28, 2014 was approximately $6.73 billion.

Revenue Recognition

Revenue is recognized by the Company when there is persuasive evidence of an arrangement, delivery has occurred (and risks and rewards of ownership have been transferred to the buyer), price has been fixed or is determinable, and collectability is reasonably assured.

Retail store and concession-based shop-in-shop revenues are recognized at the point of sale, which occurs when merchandise is sold in an over-the-counter consumer transaction. These revenues are recognized net of estimated returns at the time of sale to consumers. Internet revenue from sales of products ordered through the Company’s e-commerce sites is recognized upon delivery and receipt of the shipment by its customers and includes shipping and handling charges paid by customers. Internet revenue is also reduced by an estimate for returns.

Wholesale revenue is recognized at the time title passes and risk of loss is transferred to customers. Wholesale revenue is recorded net of estimates of returns, discounts and markdown allowances. Returns and allowances require pre-approval from management and discounts are based on trade terms. Estimates for markdown reserves are based on historical trends, actual and forecasted seasonal results, an evaluation of current economic and market conditions, retailer performance, and, in certain cases, contractual terms. The Company reviews and refines these estimates on at least a quarterly basis. The Company’s historical estimates of these costs have not differed materially from actual results.

Gift cards issued by the Company are recorded as a liability until they are redeemed, at which point revenue is recognized. The Company recognizes income for unredeemed gift cards when the likelihood of a gift card being redeemed by a customer is remote, which is approximately two years after the gift card is issued, and the Company determines that it does not have a legal obligation to remit the value of the unredeemed gift card to the relevant jurisdiction as unclaimed or abandoned property. Revenue associated with gift card breakage is not material to the Company’s net operating results.

The Company accounts for sales taxes and other related taxes on a net basis, excluding such taxes from revenue.

Cost of Sales

Cost of sales consists of inventory costs and other related costs such as reserves for inventory realizability and shrinkage, destruction costs, damages and replacements.

Selling, General and Administrative Expenses ("SG&A")

Selling, general and administrative expenses are comprised of four categories: (1) selling; (2) advertising, marketing and design; (3) distribution and customer service; and (4) administrative. Selling expenses include store employee compensation, occupancy costs, supply costs, wholesale and retail account administration compensation globally and the Company's international operating expenses. These expenses are affected by the number of Company-operated stores open during any fiscal period and store performance, as compensation and rent expenses vary with sales. Advertising, marketing and design expenses include employee compensation, media space and production, advertising agency fees, new product design costs, public relations and market research expenses. Distribution and customer service expenses include warehousing, order fulfillment, shipping and handling, customer service, employee compensation and bag repair costs. Administrative expenses include compensation costs for “corporate” functions including: executive, finance, human resources, legal and information systems departments, as well as corporate headquarters occupancy costs, consulting fees and software expenses. Administrative expenses also include global equity compensation expense.

Shipping and Handling

Shipping and handling costs incurred were $41.2 million, $61.9 million and $66.8 million in fiscal 2015, fiscal 2014 and fiscal 2013, respectively, and are included in selling, general and administrative expenses. The Company includes inbound product-related transportation costs from service providers within cost of sales. The Company includes certain transportation-related costs related to its distribution network in selling, general and administrative expenses rather than in cost of sales.

Advertising

Advertising costs include expenses related to direct marketing activities, such as direct mail pieces, digital and other media and production costs. In fiscal 2015, fiscal 2014 and fiscal 2013, advertising expenses for the Company totaled $160.9 million (including $2.0 million due to Stuart Weitzman), $130.1 million and $102.7 million respectively, and are included in selling, general and administrative expenses. Advertising costs are expensed when the advertising first appears.

Share-Based Compensation

The Company recognizes the cost of equity awards to employees and the non-employee Directors based on the grant-date fair value of those awards. The grant-date fair values of share unit awards are based on the fair value of the Company's common stock on the date of grant. The grant-date fair value of stock option awards is determined using the Black-Scholes option pricing model and involves several assumptions, including the expected term of the option, expected volatility and dividend yield. The expected term of options represents the period of time that the options granted are expected to be outstanding and is based on historical experience. Expected volatility is based on historical volatility of the Company’s stock as well as the implied volatility from publicly traded options on the Company's stock. Dividend yield is based on the current expected annual dividend per share and the Company’s stock price. Changes in the assumptions used to determine the Black-Scholes value could result in significant changes in the Black-Scholes value.

For stock options and share unit awards, the Company recognizes share-based compensation net of estimated forfeitures and revises the estimates in subsequent periods if actual forfeitures differ from the estimates. The Company estimates the forfeiture rate based on historical experience as well as expected future behavior.

The Company grants performance-based share awards to certain key executives, the vesting of which is subject to the executive’s continuing employment and the Company's or individual's achievement of certain performance goals. On a quarterly basis, the Company assesses actual performance versus the predetermined performance goals, and adjusts the share-based compensation expense to reflect the relative performance achievement. Actual distributed shares are calculated upon conclusion of the service and performance periods, and include dividend equivalent shares. If the performance-based award incorporates a market condition, the grant-date fair value of such award is determined using a Monte Carlo Simulation.

Income Taxes

The Company’s effective tax rate is based on pre-tax income, statutory tax rates, tax laws and regulations, and tax planning strategies available in the various jurisdictions in which the Company operates. The Company classifies interest and penalties on uncertain tax positions in the provision for income taxes. The Company records net deferred tax assets to the extent it believes that it is more likely than not that these assets will be realized. In making such determination, the Company considers all available evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent and expected future results of operation. The Company reduces deferred tax assets by a valuation allowance if, based upon the weight of available evidence, it is more likely than not that some amount of deferred tax assets is not expected to be realized. Deferred taxes are not provided on the undistributed earnings of subsidiaries as such amounts are considered to be permanently invested.

The Company recognizes the impact of tax positions in the financial statements if those positions will more likely than not be sustained on audit, based on the technical merits of the position. Although the Company believes that the estimates and assumptions used are reasonable and legally supportable, the final determination of tax audits could be different than that which is reflected in historical tax provisions and recorded assets and liabilities. Tax authorities periodically audit the Company’s income tax returns and the tax authorities may take a contrary position that could result in a significant impact on our results of operations. Significant management judgment is required in determining the effective tax rate, in evaluating our tax positions and in determining the net realizable value of deferred tax assets.

Derivative Instruments

Substantially all of the Company’s transactions involving international parties, excluding international consumer sales, are denominated in U.S. dollars, which limits the Company’s exposure to the transactional effects of foreign currency exchange rate fluctuations. However, the Company is exposed to foreign currency exchange risk related to its foreign operating subsidiaries’ U.S. dollar-denominated inventory purchases and various cross-currency intercompany loans. The Company uses derivative financial instruments to manage these risks. These derivative transactions are in accordance with the Company’s risk management policies. The Company does not enter into derivative transactions for speculative or trading purposes.

The Company records all derivative contracts at fair value on the consolidated balance sheet. The fair values of foreign currency derivatives are based on the forward curves of the specific indices upon which settlement is based and include an adjustment for the Company’s credit risk. Judgment is required of management in developing estimates of fair value. The use of different market assumptions or methodologies could affect the estimated fair value.

For derivative instruments that qualify for hedge accounting, the effective portion of changes in the fair value of these instruments is either (i) offset against the changes in fair value of the hedged assets or liabilities through earnings or (ii) recognized as a component of accumulated other comprehensive income (loss) ("AOCI") until the hedged item is recognized in earnings, depending on whether the derivative is being used to hedge changes in fair value or cash flows, respectively.

Each derivative instrument entered into by the Company that qualifies for hedge accounting is expected to be highly effective at reducing the risk associated with the exposure being hedged. For each derivative that is designated as a hedge, the Company documents the related risk management objective and strategy, including identification of the hedging instrument, the hedged item and the risk exposure, as well as how hedge effectiveness will be assessed over the term of the instrument. The extent to which a hedging instrument has been and is expected to remain highly effective in achieving offsetting changes in fair value or cash flows is assessed and documented by the Company on at least a quarterly basis.

To the extent that a derivative designated as a cash flow hedge is not considered to be effective, any change in its fair value related to such ineffectiveness is immediately recognized in earnings within foreign currency gains (losses). If it is determined that a derivative instrument has not been highly effective, and will continue not to be highly effective in hedging the designated exposure, hedge accounting is discontinued and further gains (losses) are recognized in earnings within foreign currency gains (losses). Upon discontinuance of hedge accounting, the cumulative change in fair value of the derivative previously recorded in AOCI is recognized in earnings when the related hedged item affects earnings, consistent with the original hedging strategy, unless the forecasted transaction is no longer probable of occurring, in which case the accumulated amount is immediately recognized in earnings within foreign currency gains (losses).

As a result of the use of derivative instruments, the Company may be exposed to the risk that the counterparties to such contacts will fail to meet their contractual obligations. To mitigate this counterparty credit risk, the Company has a policy of only entering into contracts with carefully selected financial institutions based upon an evaluation of their credit ratings, among other factors.

The fair values of the Company’s derivative instruments are recorded on its consolidated balance sheets on a gross basis. For cash flow reporting purposes, the Company classifies proceeds received or amounts paid upon the settlement of a derivative instrument in the same manner as the related item being hedged, primarily within cash from operating activities.

Hedging Portfolio

The Company enters into derivative contracts primarily to reduce its risks related to exchange rate fluctuations on U.S. dollar-denominated inventory purchases and various cross-currency intercompany loans. To the extent its derivative contracts designated as cash flow hedges are highly effective in offsetting changes in the value of the hedged items, the related gains (losses) are initially deferred in AOCI and subsequently recognized in the consolidated statements of income as follows:

- *Zero-cost collars and forward foreign currency exchange contracts* - These derivatives are primarily executed by two of the Company’s businesses outside of the United States (Coach Japan and Coach Canada), and are recognized as part of the cost of the inventory purchases being hedged within cost of sales, when the related inventory is sold to a third party. Current maturity dates range from July 2015 to June 2016.
- *Cross currency swaps* - These derivatives relate to intercompany loans, and are recognized within foreign currency gains (losses) generally in the period in which the related payments being hedged are revalued or settled.

Forward foreign currency exchange contracts, designated as fair value hedges and associated with intercompany and other contractual obligations, are recognized within foreign currency gains (losses) generally in the period in which the related payments being hedged are revalued. Current maturity dates are in July 2015, and are renewed monthly when applicable.

Foreign Currency

The functional currency of the Company's foreign operations is generally the applicable local currency. Assets and liabilities are translated into U.S. dollars using the current exchange rates in effect at the balance sheet date, while revenues and expenses are translated at the weighted-average exchange rates for the period. The resulting translation adjustments are included in the consolidated statements of comprehensive income as a component of other comprehensive income (loss) (“OCI”) and in the consolidated statements of equity within AOCI. Gains and losses on the translation of intercompany loans made to foreign subsidiaries that are of a long-term investment nature also are included within this component of equity.

The Company also recognizes gains and losses on transactions that are denominated in a currency other than the respective entity's functional currency in earnings. Foreign currency transaction gains and losses also include amounts realized on the settlement of certain intercompany loans with foreign subsidiaries.

Reclassifications

Refer to Note 16, "Segment Information," for a description of a product category classification adjustment made to prior year periods to reflect the current year classification.

Recent Accounting Pronouncements

In April 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2015-03, "*Simplifying the Presentation of Debt Issuance Costs*" ("ASU 2015-03"), which modifies the presentation of debt issuance costs in financial statements. Under this new guidance, the Company will be required to present these costs in our consolidated balance sheets as a direct deduction from the related debt liability, rather than the previous classification as a deferred asset within Other assets. ASU 2015-03 does not change the recognition and measurement requirements for debt issuance costs. The Company elected to early-adopt ASU 2015-03 as of the end of fiscal 2015, and has applied the provisions retrospectively. The adoption of ASU 2015-03 has resulted in the reclassification of $6.4 million of unamortized debt issuance costs related to the Company's 4.250% Senior Notes (see Note 11, "Debt") from Other assets to Long-term debt within its consolidated balance sheet as of June 27, 2015. There was no impact to the prior year Consolidated Financial Statements.

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, “*Revenue from Contracts with Customers*,” which provides a single, comprehensive revenue recognition model for all contracts with customers, and contains principles to determine the measurement of revenue and timing of when it is recognized. The requirements of the new standard will be effective for annual reporting periods beginning after December 15, 2017, and interim periods within those annual periods, which for the Company is the first quarter of fiscal 2019. Early adoption will be permitted for annual reporting periods beginning after December 15, 2016, including interim periods within those annual periods. The Company is currently evaluating this guidance, but does not expect its adoption to have a material effect on its Consolidated Financial Statements.

3. TRANSFORMATION AND OTHER ACTIONS

Fiscal 2015 and Fiscal 2014 Charges

Transformation Plan

During the fourth quarter of fiscal 2014, the Company announced a multi-year strategic plan to transform the brand and reinvigorate growth. This multi-faceted, multi-year transformation plan (the "Transformation Plan"), which will continue through fiscal 2016, includes key operational and cost measures, including: (i) the investment in capital improvements in stores and wholesale locations to drive comparable sales improvement; (ii) the optimization and streamlining of our organizational model as well as the closure of underperforming stores in North America, and select International stores; (iii) the realignment of inventory levels and mix to reflect the Company's elevated product strategy and consumer preferences; (iv) the investment in incremental advertising costs to elevate consumer perception of our brand, drive sales growth and promote this new strategy, which started in fiscal 2015; and (v) the significant scale-back of promotional cadence in an increased global promotional environment, particularly within the outlet Internet sales site, which began in fiscal 2014.

As of June 27, 2015, the Company expects to incur aggregate pre-tax charges in the range of $325 million, in total, under the Transformation Plan. In the fourth quarter of fiscal 2014, the Company recorded charges of $131.5 million ($88.3 million after-tax, or $0.31 per diluted share). The charges recorded in cost of sales and SG&A expenses were $82.2 million and $49.3 million, respectively, and primarily related to the Company's North America business. In fiscal 2015, the Company incurred transformation-related charges of $145.9 million ($107.8 million after-tax, or $0.39 per diluted share), which were largely related to the Company's North America business. The charges recorded in cost of sales and SG&A expenses were $5.0 million and $140.9 million, respectively.

A summary of charges and related liabilities under the Company's Transformation Plan are as follows (in millions):

	Inventory-Related Charges(1)	Impairment(2)	Store-Related Costs(3)	Organizational Efficiency Costs(4)	Other(5)	Total
Balance at June 29, 2013	$ —	$ —	$ —	$ —	$ —	$ —
Fiscal 2014 charges	82.2	35.5	12.2	1.0	0.6	131.5
Cash payments	—	—	—	—	—	—
Non-cash charges	(66.8)	(35.5)	(6.7)	—	—	(109.0)
Balance at June 28, 2014	$ 15.4	$ —	$ 5.5	$ 1.0	$ 0.6	$ 22.5
Fiscal 2015 charges	**$ 3.0**	**$ —**	**$ 80.4**	**$ 47.3**	**$ 15.2**	**$ 145.9**
Cash payments	**(15.4)**	**—**	**(34.6)**	**(30.8)**	**(10.1)**	**(90.9)**
Non-cash charges	**(3.0)**	**—**	**(48.8)**	**(5.5)**	**(2.4)**	**(59.7)**
Balance at June 27, 2015	**$ —**	**$ —**	**$ 2.5**	**$ 12.0**	**$ 3.3**	**$ 17.8**

(1) Inventory-related charges, recorded within cost of sales, primarily relate to reserves for the donation and destruction of certain on-hand inventory and future non-cancelable inventory purchase commitments. As of June 27, 2015, a reserve of $11.1 million is included within Inventories on the Company's Consolidated Balance Sheets.

(2) Impairment charges, recorded within SG&A expenses, were based on discounted expected cash flows within certain impacted retail stores, and resulted in the reduction of the net carrying value of store-related long-lived assets to their estimated fair value.

(3) Store-related costs, recorded within SG&A expenses, relate to store closure costs which include accelerated depreciation charges associated with store assets that the Company will no longer benefit from as a result of the Transformation Plan, as well as lease termination and store employee severance costs. The remaining balance as of June 27, 2015 is included within Accrued liabilities on the Company's Consolidated Balance Sheets.

(4) Organizational efficiency charges, recorded within SG&A expenses, primarily relate to the severance and related costs of corporate employees.

(5) Other charges comprise of consulting costs and the write-down of certain assets that will not be placed into service by the Company, which are recorded within SG&A expenses, and certain freight and handling costs incurred related to the destruction of inventory which are recorded within cost of sales.

The above charges were recorded as corporate unallocated expenses within the Company's Consolidated Statements of Income.

The Company expects to incur additional pre-tax charges of around $50 million during fiscal 2016 in connection with the Transformation Plan. These costs will primarily consist of global store-related costs, including the impact of accelerated depreciation and lease termination charges associated with store closures in North America and select International stores, and organizational efficiency charges.

Sale of Reed Krakoff Business

In the first quarter of fiscal 2014, the Company sold the Reed Krakoff business, involving the sale of the equity interests of Reed Krakoff LLC and certain assets, including the Reed Krakoff brand name and related intellectual property rights, to Reed Krakoff International LLC ("Buyer"). The sale was pursuant to the Asset Purchase and Sale Agreement dated July 29, 2013 (the "Reed Krakoff Purchase Agreement") with Buyer and Reed Krakoff, the Company’s former President and Executive Creative Director, and resulted in the Company recording a cost method investment of $3.3 million, which was included in Long-term investments in the consolidated balance sheet in the prior period. During the third quarter of fiscal 2015, the Company wrote-off its cost method investment, with the charge recorded within SG&A expenses.

In connection with the Reed Krakoff Purchase Agreement, Mr. Krakoff’s resignation from the Company and the closing of the sale, Mr. Krakoff waived his right to receive compensation, salary, bonuses, equity vesting and certain other benefits. The Company recorded a loss of $2.7 million during the first quarter of fiscal 2014 related to the sale, which is recorded in SG&A expenses on the consolidated statements of income.

Fiscal 2013 Charges

Restructuring and Transformation-Related Charges

In fiscal 2013, the Company incurred restructuring and transformation related charges, which are not related to the Company's fiscal 2014 Transformation Plan, of $53.2 million ($32.6 million after-tax, or $0.11 per diluted share). The charges recorded in SG&A expenses and cost of sales were $48.4 million and $4.8 million, respectively. The charges primarily related to our North America segment.

A summary of charges and related liabilities are as follows (in millions):

	Severance and Related Costs	Impairment	Other	Total
Fiscal 2013 charges	$ 29.9	$ 16.6	$ 6.7	$ 53.2
Cash payments	—	—	—	—
Non-cash charges	(2.0)	(16.6)	(6.6)	(25.2)
Balance at June 29, 2013	$ 27.9	$ —	$ 0.1	$ 28.0
(Income) expense	(1.7)	—	1.9	0.2
Non-cash charges	(0.4)	—	(1.8)	(2.2)
Cash payments and settlements	(25.2)	—	(0.2)	(25.4)
Balance at June 28, 2014	$ 0.6	$ —	$ —	$ 0.6
(Income) expense	**$ —**	**$ —**	**$ —**	**$ —**
Non-cash charges	**—**	**—**	**—**	**—**
Cash payments and settlements	**(0.6)**	**—**	**—**	**(0.6)**
Balance at June 27, 2015	**$ —**	**$ —**	**$ —**	**$ —**

4. ACCUMULATED OTHER COMPREHENSIVE INCOME

The components of accumulated other comprehensive (loss) income, as of the dates indicated, are as follows (in millions):

	Unrealized (Losses) Gains on Cash Flow Hedges[1]	Unrealized Gains (Losses) on Available-for-Sale Securities	Cumulative Translation Adjustment	Other[2]	Total
Balance at June 29, 2013	$ 3.7	$ (1.3)	$ (11.6)	$ (3.0)	$ (12.2)
Other comprehensive income before reclassifications	3.3	3.2	2.4	—	8.9
Less: gains (losses) reclassified from accumulated other comprehensive income	6.4	0.1	—	(1.1)	5.4
Net current-period other comprehensive (loss) income	(3.1)	3.1	2.4	1.1	3.5
Balance at June 28, 2014	$ 0.6	$ 1.8	$ (9.2)	$ (1.9)	$ (8.7)
Other comprehensive income (loss) before reclassifications	**11.9**	**(1.3)**	**(72.5)**	**—**	**(61.9)**
Less: gains (losses) reclassified from accumulated other comprehensive income	**8.1**	**—**	**—**	**(1.0)**	**7.1**
Net current-period other comprehensive income (loss)	**3.8**	**(1.3)**	**(72.5)**	**1.0**	**(69.0)**
Balance at June 27, 2015	**$ 4.4**	**$ 0.5**	**$ (81.7)**	**$ (0.9)**	**$ (77.7)**

(1) The ending balances of accumulated other comprehensive income related to cash flow hedges are net of tax of $(2.6) million and $(0.5) million as of June 27, 2015 and June 28, 2014, respectively. The amounts reclassified from accumulated other comprehensive income are net of tax of $(4.0) million and $(3.4) million as of June 27, 2015 and June 28, 2014, respectively.

(2) The balance of Other represents the minimum pension liability adjustment of $(0.9) million as of June 27, 2015 and $(1.9) million as of June 28, 2014. As of June 27, 2015 and June 28, 2014 the balances of accumulated other comprehensive income are net of tax of $0.5 million and $1.5 million, respectively.

5. SHARE-BASED COMPENSATION

The Company maintains several share-based compensation plans which are more fully described below. The following table shows the total compensation cost charged against income for these plans and the related tax benefits recognized in the income statement (in millions):

	June 27, 2015[1]	June 28, 2014[2]	June 29, 2013
Share-based compensation expense	**$ 94.4**	$ 104.9	$ 120.5
Income tax benefit related to share-based compensation expense	**28.5**	33.1	39.4

(1) During the fiscal year ended June 27, 2015, the Company incurred approximately $5.5 million of share-based compensation expense that is related to organizational efficiency costs under the Company's Transformation Plan primarily as a result of the accelerated vesting of certain awards. See Note 3, "Transformation and Other Actions," for more information. Approximately $2.0 million of income tax benefit is associated with these actions for the fiscal year ended June 27, 2015.

(2) Approximately $9.8 million of share based compensation expense and $3.8 million of related income tax benefit are related to the sale of the Reed Krakoff business and restructuring and transformation recognized by the Company in the first quarter of fiscal 2014. See Note 3 for information as it relates to the sale of the Reed Krakoff business.

Stock-Based Plans

The Company maintains the Amended and Restated 2010 Stock Incentive Plan to award stock options and shares to certain members of management and the outside members of its Board of Directors ("Board"). The Company maintains the 2000 Stock Incentive Plan and the 2004 Stock Incentive Plan for awards granted prior to the establishment of the 2010 Stock Incentive Plan. These plans were approved by the Company's stockholders. The exercise price of each stock option equals 100% of the market price of the Company's stock on the date of grant and generally has a maximum term of 10 years. Stock options and service based share awards that are granted as part of the annual compensation process generally vest ratably over three years. Other stock option and share awards are subject to forfeiture until completion of the vesting period, which ranges from one to five years. The Company issues new shares upon the exercise of stock options or vesting of share units.

Stock Options

A summary of stock option activity during the year ended June 27, 2015 is as follows (in millions, except per share data):

	Number of Options Outstanding	Weighted-Average Exercise Price per Option	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding at June 28, 2014	**11.7**	**$ 44.21**		
Granted	**4.1**	**36.51**		
Exercised	**(1.2)**	**28.17**		
Forfeited or expired	**(1.1)**	**49.42**		
Outstanding at June 27, 2015	**13.5**	**42.81**	**6.0**	**$ 17.2**
Vested or expected to vest at June 27, 2015	**13.1**	**42.77**	**5.8**	**17.2**
Exercisable at June 27, 2015	**7.8**	**43.47**	**4.2**	**16.7**

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model and the following weighted-average assumptions:

	June 27, 2015	June 28, 2014	June 29, 2013
Expected term (years)	**3.6**	3.1	3.1
Expected volatility	**31.9%**	32.5%	39.5%
Risk-free interest rate	**1.1%**	0.8%	0.4%
Dividend yield	**3.7%**	2.6%	2.2%

The expected term of options represents the period of time that the options granted are expected to be outstanding and is based on historical experience. Expected volatility is based on historical volatility of the Company's stock as well as the implied volatility from publicly traded options on the Company's stock. The risk free interest rate is based on the zero-coupon U.S. Treasury issue as of the date of the grant. Dividend yield is based on the current expected annual dividend per share and the Company's stock price.

The weighted-average grant-date fair value of options granted during fiscal 2015, fiscal 2014 and fiscal 2013 was $6.41, $9.79, and $13.02, respectively. The total intrinsic value of options exercised during fiscal 2015, fiscal 2014 and fiscal 2013 was $12.1 million, $28.0 million, and $77.0 million, respectively. The total cash received from option exercises was $32.4 million, $44.5 million, and $74.3 million in fiscal 2015, fiscal 2014 and fiscal 2013, respectively, and the cash tax benefit realized for the tax deductions from these option exercises was $4.7 million, $10.4 million, and $29.2 million, respectively.

At June 27, 2015, $23.4 million of total unrecognized compensation cost related to non-vested stock option awards is expected to be recognized over a weighted-average period of 1.0 year.

Service-based Restricted Stock Unit Awards ("RSUs")

A summary of service-based RSU activity during the year ended June 27, 2015 is as follows (in millions, except per share data):

	Number of Non-vested RSUs	Weighted-Average Grant- Date Fair Value per RSU
Non-vested at June 28, 2014	**3.2**	**$ 54.68**
Granted	**1.9**	**36.38**
Vested	**(1.3)**	**36.23**
Forfeited	**(0.5)**	**48.28**
Non-vested at June 27, 2015	**3.3**	**52.39**

At June 27, 2015, $66.8 million of total unrecognized compensation cost related to non-vested share awards is expected to be recognized over a weighted-average period of 1.0 year.

The weighted-average grant-date fair value of share awards granted during fiscal 2015, fiscal 2014 and fiscal 2013 was $36.38, $52.93 and $54.49, respectively. The total fair value of shares vested during fiscal 2015, fiscal 2014 and fiscal 2013 was $48.4 million, $78.7 million and $93.3 million, respectively.

Performance-based Restricted Stock Unit Awards ("PRSU")

The Company grants performance-based share awards to key executives, the vesting of which is subject to the executive's continuing employment and the Company's achievement of certain performance goals. A summary of performance-based share award activity during the year ended June 27, 2015 is as follows (in millions, except per share data):

	Number of Non-vested PRSUs	Weighted-Average Grant- Date Fair Value per PRSU
Non-vested at June 28, 2014	**0.9**	**$ 44.60**
Granted	**0.4**	**36.43**
Change due to performance condition achievement[1]	**—**	**55.46**
Vested	**(0.1)**	**35.93**
Forfeited	**(0.1)**	**49.29**
Non-vested at June 27, 2015	**1.1**	**41.76**

[1] During fiscal 2015, there was less than 0.1 million shares of PRSU activity due to changes in performance conditions.

At June 27, 2015, $16.2 million of total unrecognized compensation cost related to non-vested share awards is expected to be recognized over a weighted-average period of 1.1 years.

The weighted-average grant-date fair value of share awards granted during fiscal 2015, fiscal 2014 and fiscal 2013 was $36.43, $32.53 and $50.55, respectively. The total fair value of awards that vested during fiscal 2015 and fiscal 2014 was $2.5 million and $23.8 million, respectively. There were no vestings of performance-based shares during fiscal 2013.

During fiscal 2015, the Company granted 0.4 million shares of common stock with a fair value of $12.6 million to selected senior executives. The shares of common stock under these PRSU awards will be earned and distributed based on certain Company-specific productivity, strategic and sales metrics. Further, the shares are subject to a three-year cliff vesting, subject to the employee's continuing employment and the Company's achievement of the aforementioned performance goals established at the beginning of the performance period. The fair value of the PRSU's is based on the fair value of the Company's common stock on the date of grant.

During fiscal 2014, the Company granted 0.2 million shares of common stock with a fair value of $6.8 million to selected executives as retention PRSU awards with a maximum potential number of shares issued and fair value (excluding dividends) of 0.3 million shares and $9.1 million, respectively. The shares of common stock under these PRSU awards will be earned and distributed based on performance criteria which compares the Company's total stockholder return over the performance period to the total stockholder return of the companies included in the Standard & Poor's 500 Index on the date of grant (excluding the Company). The grant date fair value of the PRSU awards was determined utilizing a Monte Carlo simulation and the following assumptions: expected volatility of 32.61%, risk-free interest rate of 0.63%, and dividend yield of 0.00%. Included in the non-vested amount at June 27, 2015 are approximately 0.8 million of PRSU awards that are based on the aforementioned performance criteria.

In fiscal 2015, fiscal 2014 and fiscal 2013, the cash tax benefit realized for the tax deductions from all RSUs (service and performance-based) was $15.7 million, $33.5 million and $26.1 million, respectively.

Employee Stock Purchase Plan

Under the 2001 Employee Stock Purchase Plan, full-time employees are permitted to purchase a limited number of Company common shares at 85% of market value. Under this plan, the Company sold 0.1 million, 0.1 million, and 0.1 million shares to employees in fiscal 2015, fiscal 2014 and fiscal 2013, respectively. Compensation expense is calculated for the fair value of employees' purchase rights using the Black-Scholes model and the following weighted-average assumptions:

	Fiscal Year Ended		
	June 27, 2015	June 28, 2014	June 29, 2013
Expected term (years)	**0.5**	0.5	0.5
Expected volatility	**26.4%**	29.5%	34.1%
Risk-free interest rate	**0.1%**	0.1%	0.1%
Dividend yield	**3.5%**	2.2%	1.7%

The weighted-average fair value of the purchase rights granted during fiscal 2015, fiscal 2014 and fiscal 2013 was $8.41, $13.30, and $15.08, respectively. The Company issues new shares for employee stock purchases.

6. INVESTMENTS

The following table summarizes the Company’s investments, all of which are denominated in U.S. dollars, recorded within the consolidated balance sheets as of June 27, 2015 and June 28, 2014 (in millions):

	June 27, 2015			June 28, 2014		
	Short-term	**Long-Term**	**Total**	Short-term	Long-term	Total
Available-for-sale investments:						
Government securities – U.S.[1]	**$ 42.8**	**$ 9.3**	**$ 52.1**	$ 42.0	$ 55.3	$ 97.3
Corporate debt securities – U.S.[1]	**110.0**	**42.6**	**152.6**	25.4	144.9	170.3
Corporate debt securities – non-U.S.[1]	**74.6**	**33.9**	**108.5**	34.6	98.8	133.4
Asset backed securities	**—**	**—**	**—**	—	1.1	1.1
Available-for-sale investments, total	**$ 227.4**	**$ 85.8**	**$ 313.2**	$ 102.0	$ 300.1	$ 402.1
Held to maturity:						
Government securities – U.S.[2]	**$ —**	**$ —**	**$ —**	$ 18.2	$ —	$ 18.2
Corporate debt securities – U.S.[2]	**6.6**	**—**	**6.6**	33.5	—	33.5
Corporate debt securities – non-U.S.[2]	**—**	**—**	**—**	24.4	—	24.4
Commercial paper[2]	**—**	**—**	**—**	23.5	—	23.5
Other:						
Time deposits[3]	**—**	**—**	**—**	75.1	—	75.1
Other[4]	**—**	**320.2**	**320.2**	—	184.4	184.4
Total Investments	**$ 234.0**	**$ 406.0**	**$ 640.0**	$ 276.7	$ 484.5	$ 761.2

(1) These securities have maturity dates between calendar years 2015 and 2017 and are recorded at fair value.

(2) These securities have maturity dates of less than one year and are recorded at amortized cost which approximates fair value utilizing Level 2 information.

(3) These time deposits had original maturities greater than 3 months and were recorded at fair value.

(4) Primarily relates to the equity method investment related to an equity interest in an entity formed during fiscal 2013 for the purpose of developing a new office tower in Manhattan (the “Hudson Yards joint venture”), with the Company owning less than 43% of the joint venture. As of June 27, 2015 and June 28, 2014, the Company had an equity method investment of $320.2 million and $181.1 million, respectively, in the Hudson Yards joint venture. The Hudson Yards joint venture is determined to be a variable interest entity primarily due to the fact that it has insufficient equity to finance its activities without additional subordinated financial support from its two joint venture partners. The Company is not considered the primary beneficiary of the entity primarily because the Company does not have the power to direct the activities that most significantly impact the entity’s economic performance. The Company’s maximum loss exposure is limited to the committed capital. Refer to Note 12, "Commitments and Contingencies," for further information. Furthermore, as of June 28, 2014, the Company had a cost method investment of $3.3 million in the Reed Krakoff business, which was written off during the third quarter of fiscal 2015. Refer to Note 3, "Transformation and Other Actions," for further information regarding the Reed Krakoff investment.

The amortized cost, gross unrealized gains, gross unrealized losses and fair value of available-for-sale securities are presented below (in millions):

	June 27, 2015			
	Amortized Cost	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Estimated Fair Value**
Government securities - U.S.	**$ 52.1**	**$ —**	**$ —**	**$ 52.1**
Corporate debt issues - U.S.	**152.3**	**0.3**	**—**	**152.6**
Corporate debt issues - non-U.S.	**108.3**	**0.2**	**—**	**108.5**
Asset backed securities	**—**	**—**	**—**	**—**
Total	**$ 312.7**	**$ 0.5**	**$ —**	**$ 313.2**

	June 28, 2014			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Government securities - U.S.	$ 97.2	$ 0.1	$ —	$ 97.3
Corporate debt issues - U.S.	169.3	1.0	—	170.3
Corporate debt issues - non-U.S.	132.7	0.7	—	133.4
Asset backed securities	1.1	—	—	1.1
Total	$ 400.3	$ 1.8	$ —	$ 402.1

7. ACQUISITIONS

Fiscal 2015 Acquisition

On May 4, 2015, the Company acquired all of the outstanding equity interests of Stuart Weitzman Topco LLC (“Topco”) and Stuart Weitzman Intermediate LLC (“Stuart Weitzman”), a wholly owned subsidiary of Topco, which the Company believes will complement its current leadership position in premium handbags and accessories. Stuart Weitzman designs and manufactures women’s luxury footwear and accessories. The results of the Stuart Weitzman’s operations (including approximately $43 million of net sales and an operating loss of $4 million, including the effects of purchase accounting and contingent payments) have been included in the consolidated financial statements since the date of acquisition within the Other segment.

The aggregate cash paid in connection with the acquisition of Stuart Weitzman was $531.1 million (or $519.6 million net of cash acquired). Furthermore, the acquisition agreement contains a potential earnout payment of up to $14.7 million annually in cash over the next three calendar years, based on the achievement of certain revenue targets. The agreement also contains a catch-up provision that provides that if the revenue targets are missed in any one year but are surpassed in succeeding years then amounts for past years become due upon surpassing targets in succeeding years. The total amount payable under the earnout will not exceed $44.0 million.

The Company funded the acquisition through cash on-hand, including the utilization of a portion of debt related proceeds, as described in Note 11, “Debt.”

The purchase price allocations for these assets and liabilities are substantially complete, however it may be subject to change as additional information is obtained during the acquisition measurement period. The following table summarizes the fair value of the assets acquired and liabilities assumed as of the acquisition date (in millions):

Assets Acquired and Liabilities Assumed	Fair Value
Cash and cash equivalents	$ 11.5
Trade accounts receivable	34.0
Inventories[1]	32.9
Prepaid expenses and other current assets	5.2
Property and equipment, net	28.3
Goodwill[2]	125.8
Trademarks and trade names[3]	267.0
Other intangible assets[4]	87.0
Deferred income taxes	7.1
Other assets	2.3
Total assets acquired	601.1
Accounts Payable and accrued liabilities	15.7
Other liabilities[5]	54.3
Total liabilities assumed	70.0
Total purchase price	531.1
Less: Cash acquired	(11.5)
Total purchase price, net of cash acquired	$ 519.6

[1] Includes a step-up adjustment of approximately $5.6 million, which is being amortized over 4 months.

[2] Approximately $38.5 million of the goodwill balance is tax deductible.

[3] The trademarks and trade names intangible asset was valued based on the relief from royalty approach.

[4] The components of Other intangible assets include customer relationships of approximately $54.7 million (amortized over 15 years), order backlog of approximately $7.7 million (amortized over 6 months) and favorable lease rights of approximately $24.6 million (amortized over the remainder of the underlying lease terms). The customer relationship intangible asset was valued using the excess earnings method, which discounts the estimated after-tax cash flows associated with the existing base of customers as of the acquisition date, factoring in expected attrition of the existing base. The order backlog intangible asset was valued using the excess earnings method, which discounts the estimated after-tax cash flows associated with open customer orders as of the acquisition date. Favorable lease rights were valued based on a comparison of market participant information and Company-specific lease terms.

[5] Included within Other liabilities is the fair value measurement of the contingent earnout payment of $17.8 million. This was valued primarily utilizing Level 3 inputs as defined by the fair value hierarchy, and was based on a weighted average expected achievement probability and discount rate over the expected measurement period.

The Company incurred certain pre-tax costs directly associated with the acquisition of approximately $14.2 million during fiscal 2015, within SG&A expenses.

Fiscal 2014 Acquisition

On July 1, 2013, the Company became the 100% owner of its European joint venture by purchasing Hackett Limited's remaining 50% interest in the joint venture, enabling the Company to assume direct control and consolidate its European retail business. The joint venture included 18 retail locations in Spain, Portugal, Great Britain, France, Ireland and Germany. The results of the acquired business have been included in the consolidated financial statements since the date of acquisition within the International segment. The purchase price consisted of cash payments of approximately $15.1 million and the forgiveness of a loan from the Company to Hackett Limited of approximately $18.0 million. The allocation of the purchase price acquisition has been completed resulting in goodwill of $14.8 million which is not tax deductible.

Fiscal 2013 Acquisitions

On July 1, 2012, the Company acquired 100% of its domestic retail business in Malaysia (consisting of 10 retail stores) from the former distributor, Valiram Group, and on August 5, 2012, acquired 100% of its domestic retail business in South Korea (consisting of 47 retail and department store locations) from the former distributor, Shinsegae International. The results of the acquired businesses have been included in the consolidated financial statements since the dates of acquisition within the International segment. The aggregate cash paid in connection with the acquisitions of the Malaysia and South Korea businesses was $8.6 million and $36.9 million, respectively. The Company made a contingent payment to Shinsegae International, of $6.0 million in fiscal 2014 and $3.8 million in fiscal 2015 (classified as financing activities within the Consolidated Statements of Cash Flows).

The following table summarizes the fair values of the assets acquired as part of the fiscal 2013 acquisitions (in millions):

Assets Acquired	**Fair Value**
Current assets	$ 21.4
Fixed assets and other non-current assets	2.4
Goodwill[1]	31.6
Total assets acquired	$ 55.4

[1] Approximately $30.0 million of the goodwill balance is tax deductible.

Unaudited pro forma information related to the fiscal 2015, 2014 and 2013 acquisitions are not included, as the impacts of these transactions are not material to the consolidated results of the Company.

8. LEASES

The Company leases office, distribution and retail facilities. The lease agreements, which expire at various dates through 2036, are subject, in most cases, to renewal options and provide for the payment of taxes, insurance and maintenance. Certain leases contain escalation clauses resulting from the pass-through of increases in operating costs, property taxes and the effect on costs from changes in consumer price indices. Certain store-related rent expense may also be contingent upon sales.

Rent expense for the Company's operating leases consisted of the following (in millions):

	Fiscal Year Ended		
	June 27, 2015	June 28, 2014	June 29, 2013
Minimum rent[1]	**$ 213.8**	$ 172.8	$ 169.7
Contingent rent	**142.8**	144.4	112.6
Total rent expense	**$ 356.6**	$ 317.2	$ 282.3

[1] Fiscal 2015 includes $27.3 million of lease termination charges due to transformation-related store closures.

Future minimum rental payments under non-cancelable operating leases are as follows (in millions):

Fiscal Year	Amount
2016	$ 243.1
2017	209.3
2018	184.8
2019	158.3
2020	133.0
Subsequent to 2020	427.5
Total minimum future rental payments	$ 1,356.0

9. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The following tables provide information related to the Company's derivatives (in millions):

	Notional Value		Derivative Assets			Derivative Liabilities		
				Fair Value			Fair Value	
Designated Derivative Hedging Instruments [1]	**June 27, 2015**	June 28, 2014	Balance Sheet Classification	**June 27, 2015**	June 28, 2014	Balance Sheet Classification	**June 27, 2015**	June 28, 2014
C / FC - Inventory purchases	**$ 126.7**	$ 90.2	Other current assets	**$ 3.3**	$ 0.4	Accrued liabilities	**$ (0.2)**	$ (0.6)
CCS - Intercompany loans	**—**	4.8	Other current assets	**—**	0.1	—	**—**	—
FC - Intercompany Loans	**25.8**	8.4	Other current assets	**0.1**	—	—	**—**	—
FC - Contractual Obligations[2]	**—**	4.0	—	**—**	—	Accrued liabilities	**—**	(0.3)
Total Hedges	**$ 152.5**	$ 107.4		**$ 3.4**	$ 0.5		**$ (0.2)**	$ (0.9)

(1) C = Zero-cost Collars; CCS = Cross Currency Swaps; FC = Forward foreign currency exchange contracts

(2) Contractual obligations as of fiscal 2014 consisted of a $4.0 million payment due to Shinsegae International, related to the acquisition of the domestic retail business in South Korea.

	Amount of Gain (Loss) Recognized in OCI on Derivatives (Effective Portion)			Amount of Net Gain Reclassified from Accumulated OCI into Income (Effective Portion)			
	Fiscal Year Ended[1]				Fiscal Year Ended[2]		
Designated Cash Flow Hedges:	**June 27, 2015**	June 28, 2014	June 29, 2013	**Income Statement Classification**	**June 27, 2015**	June 28, 2014	June 29, 2013
C / FC - Inventory purchases	**$ 11.9**	$ 3.1	$ 8.5	Cost of Sales	**$ 8.1**	$ 6.4	$ 3.8
CCS - Intercompany loans	**—**	0.2	(0.5)	SG&A	**—**	—	—
Total Hedges	**$ 11.9**	$ 3.3	$ 8.0		**$ 8.1**	$ 6.4	$ 3.8

(1) For fiscal 2015, fiscal 2014 and fiscal 2013, the amounts above are net of tax of $(6.1) million, $(1.6) million and $(5.3) million, respectively.

(2) For fiscal 2015, fiscal 2014 and fiscal 2013, the amounts above are net of tax of $(4.0) million, $(3.4) million and $(2.4) million, respectively.

During fiscal 2015, fiscal 2014 and fiscal 2013 there were no material gains or losses recognized in income due to hedge ineffectiveness.

For forward foreign currency exchange contracts that are designated as fair value hedges, the gain (loss) on the derivative as well as the offsetting (loss) gain on the hedged item attributable to the hedged risk, both of which are recorded within SG&A, resulted in an immaterial net impact to the Company's statement of operations.

The Company expects that $4.4 million of net derivative gains included in AOCI at June 27, 2015 will be reclassified into earnings within the next 12 months. This amount will vary due to fluctuations in foreign currency exchange rates.

10. FAIR VALUE MEASUREMENTS

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.

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 financial assets and liabilities at June 27, 2015 and June 28, 2014 (in millions):

	Level 1		Level 2	
	June 27, 2015	June 28, 2014	**June 27, 2015**	June 28, 2014
Assets:				
Cash equivalents[1]	**$ 485.0**	$ 1.2	**$ 14.7**	$ 45.1
Short-term investments:				
Time deposits[2]	**—**	—	**—**	75.1
Government securities - U.S.[2]	**42.8**	42.0	**—**	—
Corporate debt securities - U.S.[2]	**—**	—	**110.0**	25.4
Corporate debt securities - non U.S.[2]	**—**	—	**74.6**	34.6
Long-term investments:				
Asset backed securities[3]	**—**	—	**—**	1.1
Government securities - U.S.[3]	**9.3**	55.3	**—**	—
Corporate debt securities - U.S.[3]	**—**	—	**42.6**	144.9
Corporate debt securities - non U.S.[3]	**—**	—	**33.9**	98.8
Derivative Assets:				
Inventory-related instruments[4]	**—**	—	**3.3**	0.4
Intercompany loan and contractual obligation hedges[4]	**—**	—	**0.1**	0.1
Total	**$ 537.1**	$ 98.5	**$ 279.2**	$ 425.5
Liabilities:				
Derivative liabilities:				
Inventory-related instruments[4]	**$ —**	$ —	**$ 0.2**	$ 0.6
Intercompany loan and contractual obligation hedges[4]	**—**	—	**—**	0.3
Total	**$ —**	$ —	**$ 0.2**	$ 0.9

(1) Cash equivalents consist of money market funds and time deposits with maturities of three months or less at the date of purchase. Due to their short term maturity, management believes that their carrying value approximates fair value.

(2) Short-term available-for-sale investments are recorded at fair value, which approximates their carrying value, and are primarily based upon quoted vendor or broker priced securities in active markets. Short-term held to maturity investments are recorded at amortized cost, which approximates fair value (Level 2).

(3) Fair value is primarily determined using vendor or broker priced securities in active markets. These securities have maturity dates between calendar years 2015 and 2017.

(4) The fair value of these 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.

Refer to Note 11, "Debt," for the fair value of the Company's outstanding debt instruments.

The following table presents a reconciliation of the assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 27, 2015 and June 28, 2014. Level 3 available-for-sale securities consisted of one auction rate security.

	June 27, 2015	June 28, 2014
	(millions)	
Balance, beginning of year	$ —	$ 6.0
Losses reclassified out of other comprehensive income	—	1.1
Loss on sale (included in "Income before taxes")	—	(0.1)
Sale of investment	—	(7.0)
Balance, end of year	$ —	$ —

Non-Financial Assets and Liabilities

The Company's non-financial instruments, which primarily consist of goodwill, intangible assets and property and equipment, are not required to be measured at fair value on a recurring basis and are reported at carrying value. However, on a periodic basis whenever events or changes in circumstances indicate that their carrying value may not be fully recoverable (and at least annually for goodwill and indefinite-lived intangible assets), non-financial instruments are assessed for impairment and, if applicable, written-down to and recorded at fair value, considering market participant assumptions. Refer to Note 7, "Acquisitions," for further discussion of the approaches used in valuing acquired assets and assumed liabilities.

The Company incurred impairment charges of $0.0 million in fiscal 2015, $35.5 million in fiscal 2014 and $16.6 million in fiscal 2013, to reduce the carrying amount of certain store assets (primarily leasehold improvements at selected retail store locations) to their fair values of $6.9 million as of June 28, 2014 and $4.3 million as of June 29, 2013. The fair values of these assets were determined based on Level 3 measurements. Inputs to these fair value measurements included estimates of the amount and the timing of the stores' net future discounted cash flows based on historical experience, current trends, and market conditions.

11. DEBT

The following table summarizes the components of the Company's outstanding debt:

	June 27, 2015	June 28, 2014
	(millions)	
Current Debt:		
Term Loan	**$ 11.3**	$ —
Revolving Facility	**—**	140.0
Other	**—**	0.5
Total Current Debt	**$ 11.3**	$ 140.5
Long-Term Debt:		
Term Loan	**$ 288.7**	$ —
4.250% Senior Notes	**600.0**	—
Total Long-Term Debt	**888.7**	—
Less: Unamortized Discount and Debt Issuance Costs on 4.250% Senior Notes	**(9.6)**	—
Total Long-Term Debt, net	**$ 879.1**	$ —

During fiscal 2015, 2014 and 2013 the Company recognized interest expense related to the outstanding debt of $11.9 million, $1.7 million and $1.4 million, respectively.

Amended and Restated Credit Agreement

In March 2015, the Company amended and restated its existing $700.0 million revolving credit facility (the "Revolving Facility") with certain lenders and JP Morgan Chase Bank, N.A. as the administrative agent, to provide for a five-year senior unsecured $300.0 million term loan (the “Term Loan”) and to extend the maturity date to March 18, 2020 (the "Amended and Restated Credit Agreement"). As of June 27, 2015, there were no borrowings under the Revolving Facility.

The Term Loan will be repaid in quarterly installments beginning in September 2015 through December 2019, with the remaining expected outstanding balance of $202.5 million due on maturity at March 18, 2020. There is no penalty for early repayment of outstanding amounts under the Term Loan. The Amended and Restated Credit Agreement will continue to be used for general corporate purposes of the Company and its subsidiaries.

Borrowings under the Amended and Restated Credit Agreement bear interest at a rate per annum equal to, at the Company's option, either (a) a rate based on the rates applicable for deposits in the interbank market for U.S. dollars or the applicable currency in which the loans are made plus an applicable margin or (b) an alternate base rate (which is a rate equal to the greatest of (i) the Prime Rate in effect on such day, (ii) the Federal Funds Effective Rate in effect on such day plus ½ of 1% or (iii) the Adjusted LIBO Rate for a one month Interest Period on such day plus 1%). Additionally, the Company pays a commitment fee on the average daily unused amount of the Revolving Facility. At June 27, 2015, the interest rate on these borrowings was 1.395% and the commitment fee was 0.125%.

The fair value of the outstanding balance of the Term Loan as of June 27, 2015 approximated carrying value, and was based on available external pricing data and current market rates for similar debt instruments, among other factors, and is classified as Level 2 measurements within the fair value hierarchy.

4.250% Senior Notes

In March 2015, the Company issued $600.0 million aggregate principal amount of 4.250% senior unsecured notes due April 1, 2025 at 99.445% of par (the “4.250% Senior Notes”). Interest is payable semi-annually on April 1 and October 1 beginning October 1, 2015. Prior to January 1, 2025 (90 days prior to the scheduled maturity date), the Company may redeem the 4.250% Senior Notes in whole or in part, at its option at any time or from time to time, at a redemption price equal to the greater of (1) 100% of the principal amount of the 4.250% Senior Notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest thereon that would have been payable in respect of the 4.250% Senior Notes calculated as if the maturity date of the 4.250% Senior Notes was January 1, 2025 (not including any portion of payments of interest accrued to the date of redemption), discounted to the redemption date on a semi-annual basis at the Adjusted Treasury Rate (as defined in the indenture for the 4.250% Senior Notes) plus 35 basis points, plus, in the case of each of (1) and (2), accrued and unpaid interest to the redemption date. On and after January 1, 2025 (90 days prior to the scheduled maturity date), the Company may redeem the 4.250% Senior Notes in whole or in part, at its option at any time or from time to time, at a redemption price equal to 100% of the principal amount of the 4.250% Senior Notes to be redeemed, plus accrued and unpaid interest to the redemption date.

Furthermore, the indenture for the 4.250% Senior Notes contains certain covenants limiting the Company’s ability to: (i) create certain liens, (ii) enter into certain sale and leaseback transactions and (iii) merge, or consolidate or transfer, sell or lease all or substantially all of the Company’s assets. As of June 27, 2015, no known events of default have occurred.

At June 27, 2015, the fair value of the 4.250% Senior Notes was approximately $579.0 million, based on external pricing data, including available quoted market prices of these instruments, and consideration of comparable debt instruments with similar interest rates and trading frequency, among other factors, and is classified as Level 2 measurements within the fair value hierarchy.

Debt Maturities

As of June 27, 2015, the Company's aggregate maturities of total debt are as follows (in millions):

Fiscal Year	Amount
2016	$ 15.0
2017	15.0
2018	15.0
2019	22.5
2020	232.5
Subsequent to 2020	600.0
Total future debt repayments	$ 900.0

Other

Coach Japan, a wholly owned subsidiary of the Company, maintains credit facilities with several Japanese financial institutions to provide funding for working capital and general corporate purposes, allowing a total maximum borrowing capacity of 5.3 billion yen, or approximately $43 million, as of June 27, 2015. Interest is based on the Tokyo Interbank rate plus a margin of 25 to 30 basis points.

During fiscal 2015 and fiscal 2014, there were no borrowings under this facility. The Coach Japan credit facility can be terminated at any time by the financial institution, and there is no guarantee that it will be available to the Company in future periods.

12. COMMITMENTS AND CONTINGENCIES

As of June 27, 2015, the Company's equity method investment related to an equity interest in an entity formed during fiscal 2013 for the purpose of developing a new office tower in Manhattan, the Hudson Yards joint venture, with the Company owning less than 43% of the joint venture. This investment is included in the Company’s long-term investments.

The formation of the Hudson Yards joint venture serves as a financing vehicle for the project. Construction of the new building has commenced and upon completion of the office tower in fiscal 2016, the Company will retain a condominium interest serving as its new corporate headquarters. During fiscal 2015, the Company invested $139.1 million in the joint venture. Since the formation of the Hudson Yards joint venture, the Company has invested $320.2 million. The Company expects to invest approximately $210 million over the next two years, with approximately $195 million estimated in fiscal 2016, depending on construction progress. Outside of the joint venture, the Company is directly investing in a portion of the design and build-out of the new corporate headquarters. In fiscal 2015, $5.9 million was included in capital expenditures and we expect approximately another $185 million over the period of construction.

The Hudson Yards joint venture is determined to be a VIE primarily due to the fact that it has insufficient equity to finance its activities without additional subordinated financial support from its two joint venture partners. The Company is not considered the primary beneficiary of the entity primarily because the Company does not have the power to direct the activities that most significantly impact the entity’s economic performance. The Company’s maximum loss exposure is limited to the committed capital.

At June 27, 2015 and June 28, 2014, the Company had standby letters of credit totaling $6.8 million and $5.6 million outstanding. The letters of credit, which expire at various dates through 2016, primarily collateralize the Company’s obligation to third parties for insurance claims and value-added tax refunds. The Company pays certain fees with respect to letters of credit that are issued.

The Company had other contractual cash obligations as of June 27, 2015, including $254.7 million related to inventory purchase obligations, $103.1 million related to firm capital expenditure purchase obligations (of which the Company expects total capital expenditures to be in the area of $300 million in fiscal 2016), $4.9 million of other purchase obligations, $900.0 million of debt repayments and $257.1 million of interest payments on the 4.250% Senior Notes. Refer to Note 8, "Leases," for a summary of the Company's future minimum rental payments under non-cancelable leases. Furthermore, refer to Note 7, "Acquisitions," for a description of potential earnout payments attributable to the Stuart Weitzman acquisition.

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

13. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

The change in the carrying amount of the Company’s goodwill, is as follows (in millions):

	International	Other	Total
Balance at June 29, 2013	$ 345.0	$ —	$ 345.0
Acquisition of Europe retail business	14.8	—	14.8
Foreign exchange impact	1.6	—	1.6
Balance at June 28, 2014	361.4	—	361.4
Acquisition of Stuart Weitzman	**—**	**125.8**	**125.8**
Foreign exchange impact	**(53.0)**	**—**	**(53.0)**
Balance at June 27, 2015	**$ 308.4**	**$ 125.8**	**$ 434.2**

Other Intangible Assets

Other intangible assets consist of the following (in millions):

	Fiscal Year Ended					
	June 27, 2015			June 28, 2014		
	Gross Carrying Amount	**Accum. Amort.**	**Net**	Gross Carrying Amount	Accum. Amort.	Net
Intangible assets subject to amortization:						
Customer relationships	**$ 54.7**	**$ (0.8)**	**$ 53.9**	$ —	$ —	$ —
Order backlog	**7.7**	**(2.6)**	**5.1**			
Favorable lease rights	**24.6**	**(0.5)**	**24.1**	—	—	—
Total intangible assets subject to amortization	**87.0**	**(3.9)**	**83.1**	—	—	—
Intangible assets not subject to amortization:						
Trademarks and trade names	**276.8**	**—**	**276.8**	9.8	—	9.8
Total intangible assets	**$ 363.8**	**$ (3.9)**	**$ 359.9**	$ 9.8	$ —	$ 9.8

Amortization

Based on the balance of the Company's intangible assets subject to amortization as of June 27, 2015, the expected amortization expense for each of the next five fiscal years and thereafter is as follows (in millions):

	Amortization Expense
Fiscal 2016	$ 13.3
Fiscal 2017	7.1
Fiscal 2018	6.6
Fiscal 2019	6.6
Fiscal 2020	6.3
Fiscal 2021 and thereafter	43.2
Total	$ 83.1

The expected future amortization expense above reflects remaining useful lives of 14.8 years for customer relationships, four months for order backlog, and the remaining lease terms ranging from approximately two to 10 years for favorable lease rights.

14. INCOME TAXES

The provisions for income taxes computed by applying the U.S. statutory rate to income before taxes as reconciled to the actual provisions were (in millions):

	Fiscal Year Ended					
	June 27, 2015		June 28, 2014		June 29, 2013	
	Amount	**Percentage**	Amount	Percentage	Amount	Percentage
Income before provision for income taxes:						
United States	**$ 361.2**	**59.1 %**	$ 818.6	72.9 %	$ 1,116.8	73.4 %
Foreign	**250.4**	**40.9**	303.7	27.1	403.7	26.6
Total income before provision for income taxes	**$ 611.6**	**100.0 %**	$ 1,122.3	100.0 %	$ 1,520.5	100.0 %
Tax expense at U.S. statutory rate	**$ 214.0**	**35.0 %**	$ 392.8	35.0 %	$ 532.2	35.0 %
State taxes, net of federal benefit	**26.4**	**4.3**	34.6	3.1	51.0	3.4
Effects of foreign operations	**(79.7)**	**(13.0)**	(93.1)	(8.3)	(119.2)	(7.9)
Effects of foreign tax credits and acquisition reorganization	**9.3**	**1.5**	(1.5)	(0.1)	—	—
Tax benefit related to agreements with tax authorities	**—**	**—**	—	—	(3.5)	(0.2)
Other, net	**39.2**	**6.4**	8.2	0.7	25.6	1.7
Taxes at effective worldwide rates	**$ 209.2**	**34.2 %**	$ 341.0	30.4 %	$ 486.1	32.0 %

Current and deferred tax provision (benefit) was (in millions):

	Fiscal Year Ended					
	June 27, 2015		June 28, 2014		June 29, 2013	
	Current	**Deferred**	Current	Deferred	Current	Deferred
Federal	**$ 142.9**	**$ 10.5**	$ 283.4	$ (6.8)	$ 411.7	$ (11.6)
Foreign	**9.8**	**13.8**	20.0	(5.7)	12.9	4.2
State	**35.0**	**(2.8)**	60.4	(10.3)	68.0	0.9
Total current and deferred tax provision (benefit)	**$ 187.7**	**$ 21.5**	$ 363.8	$ (22.8)	$ 492.6	$ (6.5)

The components of deferred tax assets and liabilities were (in millions):

	June 27, 2015	June 28, 2014
Share-based compensation	**$ 66.7**	$ 66.8
Reserves not deductible until paid	**84.5**	97.9
Employee benefits	**48.4**	39.5
Net operating loss	**9.1**	23.2
Other	**0.8**	9.7
Prepaid expenses	**1.9**	0.5
Property and equipment	**16.4**	18.5
Gross deferred tax assets	**$ 227.8**	$ 256.1
Goodwill	**73.6**	91.4
Other	**—**	0.2
Gross deferred tax liabilities	**73.6**	91.6
Net deferred tax assets	**$ 154.2**	$ 164.5
Consolidated Balance Sheets Classification		
Deferred income taxes – current asset	**$ 98.4**	$ 112.6
Deferred income taxes – noncurrent asset	**115.8**	111.6
Deferred income taxes – current liability	**—**	—
Deferred income taxes – noncurrent liability (included within "Other Liabilities")	**(60.0)**	(59.7)
Net deferred tax asset	**$ 154.2**	$ 164.5

Significant judgment is required in determining the worldwide provision for income taxes, and there are many transactions for which the ultimate tax outcome is uncertain. It is the Company's policy to establish provisions for taxes that may become payable in future years, including those due to an examination by tax authorities. The Company establishes the provisions based upon management's assessment of exposure associated with uncertain tax positions. The provisions are analyzed at least quarterly and adjusted as appropriate based on new information or circumstances in accordance with the requirements of ASC 740.

A reconciliation of the beginning and ending gross amount of unrecognized tax benefits is as follows (in millions):

	June 27, 2015	June 28, 2014	June 29, 2013
Balance at beginning of fiscal year	**$ 170.7**	$ 148.8	$ 155.6
Gross increase due to tax positions related to prior periods	**5.4**	14.7	5.3
Gross decrease due to tax positions related to prior periods	**(1.1)**	(3.3)	(6.4)
Gross increase due to tax positions related to current period	**16.5**	28.6	33.7
Decrease due to lapse of statutes of limitations	**(21.1)**	(17.3)	(29.1)
Decrease due to settlements with taxing authorities	**(2.3)**	(0.8)	(10.3)
Balance at end of fiscal year	**$ 168.1**	$ 170.7	$ 148.8

Of the $168.1 million ending gross unrecognized tax benefit balance as of June 27, 2015, $121.5 million relates to items which, if recognized, would impact the effective tax rate. Of the $170.7 million ending gross unrecognized tax benefit balance as of June 28, 2014, $113.0 million relates to items which, if recognized, would impact the effective tax rate. As of June 27, 2015 and June 28, 2014, gross interest and penalties payable was $17.6 million and $18.0 million, respectively, which are included in Other liabilities. During fiscal 2015, fiscal 2014 and fiscal 2013, the Company recognized gross interest and penalty income of $0.1 million, gross interest and penalty expense of $0.8 million and gross interest and penalty income of $7.0 million, respectively.

The Company files income tax returns in the U.S. federal jurisdiction, as well as various state and foreign jurisdictions. Tax examinations are currently in progress in select foreign and state jurisdictions that are extending the years open under the statutes of limitation. Fiscal years 2011 to present are open to examination in the U.S. federal jurisdiction, fiscal 2008 to present in select state jurisdictions and fiscal 2004 to present in select foreign jurisdictions. The Company anticipates that one or more of these audits may be finalized and certain statutes of limitation may expire in the foreseeable future. However, based on the status of these examinations, and the average time typically incurred in finalizing audits with the relevant tax authorities, we cannot reasonably estimate the impact these audits may have in the next 12 months, if any, to previously recorded uncertain tax positions. We accrue for certain known and reasonably anticipated income tax obligations after assessing the likely outcome based on the weight of available evidence. Although we believe that the estimates and assumptions we have used are reasonable and legally supportable, the final determination of tax audits could be different than that which is reflected in historical income tax provisions and recorded assets and liabilities. With respect to all jurisdictions, we believe we have made adequate provision for all income tax uncertainties.

For the years ended June 27, 2015 and June 28, 2014, the Company had net operating loss carryforwards in foreign tax jurisdictions of $618.3 million and $526.7 million, the majority of which can be carried forward indefinitely. The deferred tax assets related to the carryforwards have been reflected net of $169.8 million and $131.8 million valuation allowances at June 27, 2015 and June 28, 2014, respectively. The Company's valuation allowance increased by $38.0 million in fiscal 2015 and increased by $52.2 million in fiscal 2014, primarily as the result of actual or anticipated results in the foreign jurisdictions.

The total amount of undistributed earnings of foreign subsidiaries as of June 27, 2015 and June 28, 2014, was $2.09 billion and $2.03 billion, respectively. It is the Company's intention to permanently reinvest undistributed earnings of its foreign subsidiaries and thereby indefinitely postpone their remittance. Accordingly, no provision has been made for foreign withholding taxes or United States income taxes which may become payable if undistributed earnings of foreign subsidiaries are paid as dividends. Determination of the amount of unrecognized deferred income tax liabilities on these earnings is not practicable because such liability, if any, is subject to many variables and is dependent on circumstances existing if and when remittance occurs.

15. DEFINED CONTRIBUTION PLAN

The Company maintains the Coach, Inc. Savings and Profit Sharing Plan, which is a defined contribution plan. Employees who meet certain eligibility requirements and are not part of a collective bargaining agreement may participate in this program. The annual expense incurred by the Company for this defined contribution plan was $7.2 million, $7.5 million, and $16.3 million in fiscal 2015, fiscal 2014 and fiscal 2013, respectively.

16. SEGMENT INFORMATION

In fiscal 2015, the Company has three reportable segments based on its business activities and organization:

- North America, which includes sales to North American consumers through Coach-branded stores, including the Internet, and sales to wholesale customers.
- International, which includes sales to consumers through Coach-branded stores (including the Internet) and concession shop-in-shops in Japan and mainland China, Coach-operated stores and concession shop-in-shops in Hong Kong, Macau, Singapore, Taiwan, Malaysia, South Korea, the United Kingdom, France, Ireland, Spain, Portugal, Germany, Italy, Belgium and the Netherlands as well as sales to wholesale customers and distributors in approximately 45 countries.
- Other, consists of sales and expenses generated by the Coach brand in other ancillary channels, including licensing and disposition. Other also includes sales and expenses generated by the Stuart Weitzman brand during the final two months of fiscal 2015.

In deciding how to allocate resources and assess performance, the Company's chief operating decision maker regularly evaluates the 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 inventory-related costs (such as production variances), advertising, marketing, design, administration and information systems, as well as distribution and consumer service expenses. Additionally, costs incurred by the Company as described in Note 3, "Transformation and Other Actions," and certain acquisition-related costs are also included as unallocated corporate expenses. The following table summarizes segment performance for fiscal 2015, fiscal 2014 and fiscal 2013 (in millions):

	North America	International	Other[1]	Corporate Unallocated	Total
Fiscal 2015					
Net sales	**$ 2,467.5**	**$ 1,622.0**	**$ 102.1**	$ —	**$ 4,191.6**
Gross profit	**1,574.6**	**1,248.8**	**58.0**	**27.2**	**2,908.6**
Operating income (loss)	**820.5**	**480.6**	**25.5**	**(708.6)**	**618.0**
Income (loss) before provision for income taxes	**820.5**	**480.6**	**25.5**	**(715.0)**	**611.6**
Depreciation and amortization expense[2]	**61.8**	**63.1**	**5.2**	**110.5**	**240.6**
Total assets	**385.1**	**1,057.6**	**610.0**	**2,614.2**	**4,666.9**
Additions to long-lived assets	**89.9**	**73.9**	**1.5**	**34.0**	**199.3**

	North America	International	Other[1]	Corporate Unallocated	Total
Fiscal 2014					
Net sales	$ 3,100.5	$ 1,644.2	$ 61.5	$ —	$ 4,806.2
Gross profit	1,992.7	1,295.3	36.9	(27.9)	3,297.0
Operating income (loss)	1,164.1	555.7	34.2	(633.9)	1,120.1
Income (loss) before provision for income taxes	1,164.1	555.7	34.2	(631.7)	1,122.3
Depreciation and amortization expense	72.9	58.8	—	57.7	189.4
Total assets	432.6	1,128.5	5.6	2,096.4	3,663.1
Additions to long-lived assets	102.2	71.5	—	45.9	219.6

	North America	International	Other[1]	Corporate Unallocated	Total
Fiscal 2013					
Net sales	$ 3,478.2	$ 1,558.1	$ 39.1	$ —	$ 5,075.4
Gross profit	2,345.8	1,255.2	32.4	64.7	3,698.1
Operating income (loss)	1,460.0	582.2	30.0	(547.7)	1,524.5
Income (loss) before provision for income taxes	1,460.0	582.2	30.0	(551.7)	1,520.5
Depreciation and amortization expense	72.3	45.7	—	45.0	163.0
Total assets	459.8	894.8	34.8	2,142.5	3,531.9
Additions to long-lived assets	98.7	60.9	—	81.8	241.4

[1] Other consists of sales and expenses generated by the Coach brand in other ancillary channels, including licensing and disposition, and sales and expenses generated by the Stuart Weitzman brand during the final two months of fiscal 2015.

[2] Depreciation and amortization expense includes $48.8 million of transformation-related charges, for the fiscal year ended June 27, 2015. These charges are recorded as corporate unallocated expenses.

Coach's product offerings include modern luxury accessories and lifestyle collections, including women's and men's bags, small leather goods, footwear, business cases, wearables including outerwear, watches, weekend and travel accessories, scarves, sunwear, fragrance, jewelry, travel bags and other lifestyle products. During fiscal 2015, the Company reevaluated its product categories and determined that small accessory handbags and travel bags, which were previously classified as "Women's Accessories" and "All Other Products," respectively, are viewed by management to be part of its "Women's Handbag" product category. Prior periods have been adjusted to reflect the current period classification. The following table shows net sales for each product category represented (in millions):

	Fiscal Year Ended					
	June 27, 2015	**% of Total**	June 28, 2014	% of Total	June 29, 2013	% of Total
Women's Handbags	**$ 2,389.6**	**57%**	$ 2,826.1	59%	$ 3,177.2	62%
Women's Accessories	**709.4**	**17%**	860.3	18%	954.2	19
Men's	**680.4**	**16%**	691.8	14%	599.5	12
All Other Products	**412.2**	**10%**	428.0	9%	344.5	7
Total Sales	**$ 4,191.6**	**100%**	$ 4,806.2	100%	$ 5,075.4	100%

The following is a summary of the all costs not allocated in the determination of segment operating income performance (in millions):

	Fiscal Year Ended		
	June 27, 2015	June 28, 2014	June 29, 2013
Inventory-related costs[1]	**$ 27.2**	$ (27.9)	$ 64.7
Advertising, marketing and design[2]	**(246.7)**	(238.1)	(236.7)
Administration and information systems[2][3]	**(422.8)**	(283.9)	(293.0)
Distribution and customer service[2]	**(66.3)**	(84.0)	(82.7)
Total corporate unallocated	**$ (708.6)**	$ (633.9)	$ (547.7)

(1) Inventory-related costs consist of production variances and transformation-related costs, and are recorded within cost of sales. In fiscal 2015, 2014 and 2013 production variances were $32.2 million, $54.3 million and $69.5 million, respectively. In fiscal 2015, fiscal 2014 and fiscal 2013, transformation and other-related costs were $(5.0) million, $(82.2) million and $(4.8) million, respectively.

(2) Costs recorded within SG&A expenses.

(3) Fiscal 2015 includes transformation and acquisition-related charges of $(156.7) million. Fiscal 2014 and fiscal 2013 includes charges of $(49.3) million and $(48.4) million, respectively, related to transformation and other actions.

Geographic Area Information

As of June 27, 2015, the Company operated 277 retail stores and 195 outlet stores in the United States, 26 retail stores and ten outlet stores in Canada. Outside of North America, the Company operated 196 concession shop-in-shops within department stores, retail stores and outlet stores in Japan, 171 in Greater China, and 144 in other international locations. The Company also operates distribution, product development and quality control locations in the United States, Hong Kong, China, South Korea, Vietnam, Philippines, India and Spain. Geographic revenue information is based on the location of our customer sale. Geographic long-lived asset information is based on the physical location of the assets at the end of each fiscal year and includes property and equipment, net and other assets.

	United States[1]	Japan[1]	Greater China[1]	Other[2]	Total
	(millions)				
Fiscal 2015					
Net sales	**$ 2,372.8**	**$ 545.6**	**$ 635.8**	**$ 637.4**	**$ 4,191.6**
Long-lived assets	**559.5**	**55.4**	**91.2**	**138.4**	**844.5**
Fiscal 2014					
Net sales	$ 2,968.6	$ 654.7	$ 583.9	$ 599.0	$ 4,806.2
Long-lived assets	594.7	70.4	83.9	91.6	840.6
Fiscal 2013					
Net sales	$ 3,334.5	$ 760.9	$ 452.8	$ 527.2	$ 5,075.4
Long-lived assets	638.8	73.0	55.5	56.6	823.9

(1) Includes net sales from our global travel retail business in locations within the specified geographic area.

(2) Other International sales reflect shipments to third-party distributors, primarily in East Asia, and sales from Company-operated stores and concession shop-in-shops in Singapore, Taiwan, Malaysia, South Korea, Europe and Canada.

17. 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 RSUs and any other potentially dilutive instruments, only in the periods in which such effects are dilutive under the treasury stock method.

The following is a reconciliation of the weighted-average shares outstanding and calculation of basic and diluted earnings per share (in millions, except per share data):

	Fiscal Year Ended		
	June 27, 2015	June 28, 2014	June 29, 2013
Net income	**$ 402.4**	$ 781.3	$ 1,034.4
Total weighted-average basic shares	**275.7**	277.8	282.5
Dilutive securities:			
Share-based award plans	**0.9**	1.0	1.5
Stock option programs	**0.6**	1.6	2.3
Total weighted-average diluted shares	**277.2**	280.4	286.3
Net income per share:			
Basic	**$ 1.46**	$ 2.81	$ 3.66
Diluted	**$ 1.45**	$ 2.79	$ 3.61

At June 27, 2015, options to purchase 5.9 million shares of common stock were outstanding but not included in the computation of diluted earnings per share, as these options' exercise prices, ranging from $38.75 to $78.46, were greater than the average market price of the common shares.

At June 28, 2014, options to purchase 6.4 million shares of common stock were outstanding but not included in the computation of diluted earnings per share, as these options' exercise prices, ranging from $43.39 to $78.46, were greater than the average market price of the common shares.

At June 29, 2013, options to purchase 2.1 million shares of common stock were outstanding but not included in the computation of diluted earnings per share, as these options' exercise prices, ranging from $56.95 to $78.46, were greater than the average market price of the common shares.

Earnings per share amounts have been calculated based on unrounded numbers. Options to purchase shares of the Company's common stock at an exercise price greater than the average market price of the common stock during the reporting period are anti-dilutive and therefore not included in the computation of diluted net income per common share. In addition, the Company has outstanding RSUs that are issuable only upon the achievement of certain performance goals. PRSUs are included in the computation of diluted shares only to the extent that the underlying performance conditions (and any applicable market condition modifiers) (i) are satisfied as of the end of the reporting period or (ii) would be considered satisfied if the end of the reporting period were the end of the related contingency period and the result would be dilutive under the treasury stock method. As of June 27, 2015, June 28, 2014 and June 29, 2013, there were approximately 6.8 million, 7.1 million, and 2.8 million, respectively, of additional shares issuable upon exercise of anti-dilutive options and contingent vesting of PRSUs, which were excluded from the diluted share calculations.

18. STOCK REPURCHASE PROGRAM

Purchases of the Company's common stock have been made from time to time, subject to market conditions and at prevailing market prices, through open market purchases. Under Maryland law, Coach's state of incorporation, treasury shares are not allowed. As a result, all repurchased shares are retired when acquired. The Company's stock repurchase program expired at the end of fiscal 2015, with zero remaining availability at June 27, 2015.

During fiscal 2015, fiscal 2014, and fiscal 2013, the Company repurchased and retired zero, 10.2 million and 7.1 million shares, respectively, or $0.0 million, $524.9 million, and $400.0 million of common stock, respectively, at an average cost of $0.00, $51.27 and $56.61 per share, respectively.

19. SUPPLEMENTAL BALANCE SHEET INFORMATION

The components of certain balance sheet accounts are as follows (in millions):

	June 27, 2015	June 28, 2014
Property and equipment		
Land and building	$ 168.5	$ 168.6
Machinery and equipment	34.7	34.7
Furniture and fixtures	640.9	544.6
Leasehold improvements	650.7	648.6
Construction in progress	78.8	85.1
Less: accumulated depreciation	(841.0)	(767.7)
Total property and equipment, net	$ 732.6	$ 713.9
Accrued liabilities		
Payroll and employee benefits	$ 181.9	$ 137.8
Accrued rent	47.8	50.9
Dividends payable	93.3	92.6
Operating expenses	277.6	237.4
Total accrued liabilities	$ 600.6	$ 518.7
Other liabilities		
Deferred lease obligation	$ 122.4	$ 135.2
Gross unrecognized tax benefit	168.1	170.7
Deferred tax liabilities	60.0	59.7
Other	112.7	63.8
Total other liabilities	$ 463.2	$ 429.4

COACH, INC.

Schedule II — Valuation and Qualifying Accounts
For the Fiscal Years Ended June 27, 2015, June 28, 2014 and June 29, 2013
(in millions)

	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Additions Related to Acquisition	Write-offs/ Allowances Taken	Balance at End of Year
Fiscal 2015					
Allowance for bad debts	**$ 1.4**	**$ 1.7**	**$ 0.9**	**$ (0.9)**	**$ 3.1**
Allowance for returns	**2.9**	**8.9**	**0.7**	**(5.0)**	**7.5**
Allowance for markdowns	**11.6**	**42.5**	**3.8**	**(39.9)**	**18.0**
Valuation allowance	**131.8**	**38.0**	**—**	**—**	**169.8**
Total	**$ 147.7**	**$ 91.1**	**$ 5.4**	**$ (45.8)**	**$ 198.4**
Fiscal 2014					
Allowance for bad debts	$ 1.1	$ 1.6	$ —	$ (1.3)	$ 1.4
Allowance for returns	7.0	0.8	—	(4.9)	2.9
Allowance for markdowns	8.4	37.9	—	(34.7)	11.6
Valuation allowance	79.6	52.2	—	—	131.8
Total	$ 96.1	$ 92.5	$ —	$ (40.9)	147.7
Fiscal 2013					
Allowance for bad debts	$ 3.3	$ (0.5)	$ —	$ (1.7)	$ 1.1
Allowance for returns	2.8	8.6	—	(4.4)	7.0
Allowance for markdowns	3.7	22.5	—	(17.8)	8.4
Valuation allowance	53.5	29.3	—	(3.2)	79.6
Total	$ 63.3	$ 59.9	$ —	$ (27.1)	$ 96.1

COACH, INC.

Quarterly Financial Data
(dollars and shares in millions, except per share data)
(unaudited)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Fiscal 2015[(1)]				
Net sales	**$ 1,038.8**	**$ 1,219.4**	**$ 929.3**	**$ 1,004.1**
Gross profit	**715.4**	**840.0**	**665.5**	**687.7**
Net income	**119.1**	**183.5**	**88.1**	**11.7**
Net income per common share:				
Basic	**0.43**	**0.67**	**0.32**	**0.04**
Diluted	**0.43**	**0.66**	**0.32**	**0.04**
Fiscal 2014[(1)]				
Net sales	$ 1,150.8	$ 1,419.6	$ 1,099.6	$ 1,136.2
Gross profit	826.6	982.7	781.3	706.4
Net income	217.9	297.4	190.8	75.2
Net income per common share:				
Basic	0.77	1.07	0.69	0.27
Diluted	0.77	1.06	0.68	0.27
Fiscal 2013[(1)]				
Net sales	$ 1,161.4	$ 1,503.8	$ 1,187.6	$ 1,222.6
Gross profit	845.2	1,085.4	880.2	887.3
Net income	221.4	352.8	238.9	221.3
Net income per common share:				
Basic	0.78	1.25	0.85	0.79
Diluted	0.77	1.23	0.84	0.78

(1) The sum of the quarterly earnings per share may not equal the full-year amount, as the computations of the weighted-average number of common basic and diluted shares outstanding for each quarter and the full year are performed independently.

EXHIBITS TO FORM 10-K

(a)Exhibit Table (numbered in accordance with Item 601 of Regulation S-K)

Exhibit	Description
3.1	Amended and Restated Bylaws of Coach, Inc., dated February 7, 2008, which is incorporated herein by reference from Exhibit 3.1 to Coach's Current Report on Form 8-K filed on February 13, 2008
3.2	Articles Supplementary of Coach, Inc., dated May 3, 2001, which is incorporated herein by reference from Exhibit 3.2 to Coach's Current Report on Form 8-K filed on May 9, 2001
3.3	Articles of Amendment of Coach, Inc., dated May 3, 2001, which is incorporated herein by reference from Exhibit 3.3 to Coach's Current Report on Form 8-K filed on May 9, 2001
3.4	Articles of Amendment of Coach, Inc., dated May 3, 2002, which is incorporated by reference from Exhibit 3.4 to Coach's Annual Report on Form 10-K for the fiscal year ended June 29, 2002
3.5	Articles of Amendment of Coach, Inc., dated February 1, 2005, which is incorporated by reference from Exhibit 99.1 to Coach's Current Report on Form 8-K filed on February 2, 2005
4.1	Specimen Certificate for Common Stock of Coach, which is incorporated herein by reference from Exhibit 4.1 to Coach's Registration Statement on Form S-1 (Registration No. 333-39502)
4.2	Deposit Agreement, dated November 24, 2011, between Coach, Inc. and JPMorgan Chase Bank, N.A., as depositary, which is incorporated by reference from Exhibit 4.1 to Coach's Current Report on Form 8-K filed on November 25, 2011
4.3	Deed Poll, dated November 24, 2011, executed by Coach, Inc. and JPMorgan Chase Bank, N.A., as depositary, pursuant to the deposit agreement in favor of and in relation to the rights of the holders of the depositary receipts, which is incorporated by reference from Exhibit 4.1 to Coach's Current Report on Form 8-K filed on November 25, 2011
4.4	Indenture, dated as of March 2, 2015, relating to the 4.250% senior unsecured notes due 2025, between Coach and U.S. Bank National Association, as trustee, which is incorporated herein by reference from Exhibit 4.1 to Coach's Current Report on Form 8-K filed on March 2, 2015
4.5	First Supplemental Indenture, dated as of March 2, 2015, relating to the 4.250% senior unsecured notes due 2025, between Coach and U.S. Bank National Association, as trustee, which is incorporated herein by reference from Exhibit 4.2 to Coach's Current Report on Form 8-K filed on March 2, 2015
4.6	Form of 4.250% senior unsecured notes due 2025 (included in the First Supplemental Indenture), which is incorporated herein by reference from Exhibit 4.3 to Coach's Current Report on Form 8-K filed on March 2, 2015
10.1	Purchase Agreement among Stuart Weitzman Topco LLC, Stuart Weitzman Intermediate LLC and Coach, dated January 5, 2015, which is incorporated by reference from Exhibit 10.1 to Coach's Quarterly Report on Form 10-Q for the period ended December 27, 2014
10.2	Letter Agreement between Stuart Weitzman and Coach, dated January 5, 2015, which is incorporated by reference from Exhibit 10.2 to Coach's Quarterly Report on Form 10-Q for the period ended December 27, 2014
10.3	Revolving Credit Agreement, dated as of June 18, 2012, by and between Coach, certain lenders and JPMorgan Chase Bank, N.A., as administrative agent, which is incorporated by reference from Exhibit 10.2 to Coach's Annual Report on Form 10-K for the fiscal year ended June 30, 2012
10.4	Amendment No. 1 to the Revolving Credit Agreement, dated as of March 26, 2013, by and between Coach, certain lenders and JPMorgan Chase Bank N.A., as administrative agent, which is incorporated by reference from Exhibit 10.2 to Coach's Quarterly Report on Form 10-Q for the period ended March 30, 2013
10.5	Amendment No. 2 to the Revolving Credit Agreement, dated as of November 27, 2013, by and between Coach, certain lenders and JPMorgan Chase Bank N.A., as administrative agent, which is incorporated by reference from Exhibit 10.3 to Coach's Quarterly Report on Form 10-Q for the period ended December 28, 2013
10.6	Amendment No. 3 to the Revolving Credit Agreement, dated as of September 9, 2014, by and between Coach, certain lenders and JPMorgan Chase Bank N.A., as administrative agent, which is incorporated by reference from Exhibit 10.3 to Coach's Quarterly Report on Form 10-Q for the period ended September 27, 2014
10.7	Amendment and Restatement Agreement, dated as of March 18, 2015, by and between Coach, certain lenders and JPMorgan Chase Bank, N.A., as administrative agent, which amends and restates the Revolving Credit Agreement, dated as of June 18, 2012 (as amended by Amendment No. 1 dated March 26, 2013, Amendment No. 2 dated November 27, 2013 and Amendment No. 3 dated September 9, 2014) , which is incorporated by reference from Exhibit 10.2 to Coach's Quarterly Report on Form 10-Q for the period ended March 28, 2015
10.8~	Limited Liability Company Agreement, dated April 10, 2013, by and between Coach Legacy Yards LLC, an affiliate of Coach, and Podium Fund Tower C SPV LLC, which is incorporated herein by reference from Exhibit 10.3 to Coach's Annual Report on Form 10-K for the fiscal year ended June 29, 2013

Exhibit	Description
10.9~	Development Agreement, dated April 10, 2013, by and between Coach Legacy Yards LLC, an affiliate of Coach, and ERY Developer LLC, which is incorporated herein by reference from Exhibit 10.4 to Coach's Annual Report on Form 10-K for the fiscal year ended June 29, 2013
10.10	Guaranty Agreement, dated April 10, 2013, by Coach, Inc., to and for the benefit of ERY Developer LLC and Podium Fund Tower C SPV LLC, which is incorporated herein by reference from Exhibit 10.5 to Coach's Annual Report on Form 10-K for the fiscal year ended June 29, 2013
10.11	Purchase and Sale Agreement, dated April 10, 2013, by and between 504-514 West 34th Street Corp. and 516 West 34th Street LLC, both subsidiaries of Coach, and ERY 34th Street Acquisition LLC, which is incorporated herein by reference from Exhibit 10.6 to Coach's Annual Report on Form 10-K for the fiscal year ended June 29, 2013
10.12†	Coach, Inc. 2000 Stock Incentive Plan, which is incorporated by reference from Exhibit 10.10 to Coach's Annual Report on Form 10-K for the fiscal year ended June 28, 2003
10.13†	Coach, Inc. Performance-Based Annual Incentive Plan, which is incorporated by reference from Appendix A to the Registrant's Definitive Proxy Statement for the 2008 Annual Meeting of Stockholders, filed on September 19, 2008
10.14†	Coach, Inc. 2000 Non-Employee Director Stock Plan, which is incorporated by reference from Exhibit 10.13 to Coach's Annual Report on Form 10-K for the fiscal year ended June 28, 2003
10.15†	Coach, Inc. Non-Qualified Deferred Compensation Plan for Outside Directors, which is incorporated by reference from Exhibit 10.14 to Coach's Annual Report on Form 10-K for the fiscal year ended June 28, 2003
10.16†	Coach, Inc. 2001 Employee Stock Purchase Plan, which is incorporated by reference from Exhibit 10.15 to Coach's Annual Report on Form 10-K for the fiscal year ended June 29, 2002
10.17†	Coach, Inc. 2004 Stock Incentive Plan, which is incorporated by reference from Appendix A to the Registrant's Definitive Proxy Statement for the 2004 Annual Meeting of Stockholders, filed on September 29, 2004
10.18†	Coach, Inc. 2010 Stock Incentive Plan, which is incorporated by reference from Appendix A to the Registrant's Definitive Proxy Statement for the 2010 Annual Meeting of Stockholders, filed on September 24, 2010
10.19†	Amendment to the Coach, Inc. 2010 Stock Incentive Plan, which is incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on September 22, 2014
10.20†	Coach, Inc. Amended and Restated 2010 Stock Incentive Plan, which is incorporated herein by reference from Appendix B to the Registrant's Definitive Proxy Statement for the 2014 Annual Meeting of Stockholders, filed on September 26, 2014
10.21*†	Form of Stock Option Grant Notice and Agreement under the Amended and Restated Coach, Inc. 2010 Stock Incentive Plan
10.22*†	Form of Restricted Stock Unit Award Grant Notice and Agreement under the Amended and Restated Coach, Inc. 2010 Stock Incentive Plan
10.23*†	Form of Performance Restricted Stock Unit Agreement Grant Notice and Agreement under the Amended and Restated Coach, Inc. 2010 Stock Incentive Plan
10.24*†	Form of Stock Option Grant Notice and Agreement for Outside Directors under the Amended and Restated Coach, Inc. 2010 Stock Incentive Plan
10.25*†	Form of Restricted Stock Unit Grant Notice and Agreement for Outside Directors under the Amended and Restated Coach, Inc. 2010 Stock Incentive Plan
10.26†	Coach, Inc. 2013 Performance-Based Annual Incentive Plan, which is incorporated herein by reference from Appendix B to the Registrant's Definitive Proxy Statement for the 2013 Annual Meeting of Stockholders, filed on September 27, 2013
10.27†	Employment Agreement dated June 1, 2003 between Coach and Lew Frankfort, which is incorporated by reference from Exhibit 10.20 to Coach's Annual Report on Form 10-K for the fiscal year ended June 28, 2003
10.28†	Amendment to Employment Agreement, dated August 22, 2005, between Coach and Lew Frankfort, which is incorporated by reference from Exhibit 10.23 to Coach's Annual Report on Form 10-K for the fiscal year ended July 2, 2005
10.29†	Amendment to Employment Agreement, dated May 7, 2012, between Coach and Lew Frankfort, which is incorporated herein by reference from Exhibit 10.1 to Coach's Current Report on Form 8-K filed on May 8, 2012
10.30†	Amendment to Employment Agreement, dated December 23, 2013, between Coach and Lew Frankfort, which is incorporated by reference from Exhibit 10.1 to Coach's Current Report on Form 8-K filed on December 23, 2013
10.31†	Amendment to Employment Agreement, dated June 30, 2014, between Coach and Lew Frankfort, which is incorporated by reference from Exhibit 10.1 to Coach's Current Report on Form 8-K filed on July 2, 2014

Exhibit	Description
10.32†	Performance Restricted Stock Unit Award Grant Notice and Agreement, dated August 6, 2009, between Coach and Lew Frankfort, which is incorporated by reference from Exhibit 10.13 to Coach’s Annual Report on Form 10-K for the fiscal year ended July 3, 2010
10.33†	Employment Offer Letter, dated July 19, 2011, between Coach and Jane Nielsen, which is incorporated herein by reference from Exhibit 10.2 to Coach’s Quarterly Report on Form 10-Q for the fiscal period ended October 1, 2011
10.34†	Letter Agreement, dated February 13, 2013, between Coach and Victor Luis, which is incorporated herein by reference from Exhibit 10.29 to Coach’s Annual Report on Form 10-K for the fiscal year ended June 29, 2013
10.35†	Employment Offer Letter, dated September 2, 2014, between Coach and Gebhard Rainer, which is incorporated by reference from Exhibit 10.2 to Coach’s Quarterly Report on Form 10-Q for the period ended September 27, 2014
10.36†	Employment Offer Letter, dated January 26, 2015, between Coach and Ian Bickley, which is incorporated by reference from Exhibit 10.2 to Coach’s Quarterly Report on Form 10-Q for the period ended March 28, 2015
10.37†	Employment Offer Letter, dated January 26, 2015, between Coach and Andre Cohen, which is incorporated by reference from Exhibit 10.2 to Coach’s Quarterly Report on Form 10-Q for the period ended March 28, 2015
10.38†	Letter Agreement, dated June 22, 2015, between Coach and Sarah Dunn, which is incorporated by reference from Exhibit 10.3 to Coach’s Current Report on Form 8-K, filed on June 22, 2015
10.39†	Letter Agreement, dated June 22, 2015, between Coach and Todd Kahn, which is incorporated by reference from Exhibit 10.2 to Coach’s Current Report on Form 8-K, filed on June 22, 2015
10.40†	Letter Agreement, dated June 22, 2015, between Coach and Jane Nielsen, which is incorporated by reference from Exhibit 10.4 to Coach’s Current Report on Form 8-K, filed on June 22, 2015
10.41	Sponsor Agreement, dated November 24, 2011, between Coach, Inc. and J.P. Morgan Securities (Asia Pacific) Limited, as sponsor, which is incorporated herein by reference from Exhibit 4.1 to Coach’s Current Report on Form 8-K filed on November 25, 2011
12*	Computation of Ratio of Earnings to Fixed Charges
18	Letter re: change in accounting principle, which is incorporated herein by reference from Exhibit 18 to Coach’s Quarterly Report on Form 10-Q for the period ended October 2, 2010
21.1*	List of Subsidiaries of Coach, Inc.
23.1*	Consent of Deloitte & Touche LLP
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

* Filed herewith

~ The Registrant has requested confidential treatment for certain portions of this Exhibit pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.

† Management contract or compensatory plan or arrangement.

COACH
NEW YORK

EXHIBIT 10.21

Amended and Restated Coach, Inc. 2010 Stock Incentive Plan
Stock Option Grant Notice and Agreement

NAME

Coach, Inc. (the "**Company**") is pleased to confirm that you have been granted a stock option (an "**Option**"), effective as of **GRANT DATE** (the "**Award Date**"), as provided in this agreement (the "**Agreement**"):

1. **Option Right**. Your Option is to purchase, on the terms and conditions set forth below, the following number of Option Shares (the "**Option Shares**") of the Company's Common Stock, par value $.01 per Option Share (the "**Common Stock**"), at the exercise price specified below (the "**Exercise Price**").

	Number of Option Shares	Grant Price Per Option Share
Option Shares Granted	**# of Options**	**Grant Price**

2. **Option**. This Option is a non-qualified stock option that is intended to conform in all respects with the Amended and Restated Coach, Inc. 2010 Stock Incentive Plan (as amended, restated or otherwise modified from time to time, the "2010 Stock Incentive Plan" or the "**Plan**"), a copy of which will be supplied to you upon your request, and the provisions of which are incorporated herein by reference. This Option is not intended to qualify as an incentive stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended.

3. **Expiration Date**. This Option expires on the tenth (10th) anniversary of the Award Date (the "**Expiration Date**"), subject to earlier expiration upon your death, disability or other termination of employment, as provided below.

4. **Vesting**. This Option may be exercised only to the extent it has vested. Subject to sections 5 and 6 below, if you are continuously employed by the Company or any of its affiliates (collectively, the "**Coach Companies**") from the Award Date until the first anniversary of the Award Date, this Option will vest with respect to one-third (1/3) of the Option Shares, and on each subsequent anniversary of the Award Date on which you continue to be employed by the Coach Companies, your Option will vest with respect to an additional one-third (1/3) of the Option Shares.

If your employment is terminated by the Company without Cause (as defined below) upon, or during the 12-month period immediately following, a Change in Control (as defined in Annex A) (a "Change in Control Termination"), then all of the Option Shares not otherwise vested will become fully vested, effective immediately upon such termination.

5. **Death, Total Disability or Retirement.** If you cease active employment with the Coach Companies because of your death or permanent and total disability (as defined below), this Option will vest as of the date of death or the date you are determined to be permanently and totally

disabled and the last day on which this Option may be exercised is the earlier of (a) the Expiration Date, or (b) five (5) years after the date of your death or permanent and total disability. For purposes of the foregoing, "**Permanent and Total Disability**" means that you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months.

In the case of your Retirement (as defined below), this Option will continue to vest in accordance with the schedule set forth in section 4, and will be exercisable until the Expiration Date. For purposes of the foregoing, "Retirement" shall mean your voluntary departure from employment with the Coach Companies if either: (1) you have attained age 65 and five years of service with the Coach Companies or (2) you have attained age 55 and ten years of service with the Coach Companies.

6. **Involuntary Termination, Voluntary Termination and Non-Severance Event Termination**.

(a) **Involuntary and Constructive Terminations**. If your employment with the Coach Companies is terminated and you are eligible to receive severance benefits under any written severance plan of the Coach Companies (collectively, a "**Severance Event Termination**"), this Option will continue to vest during your severance period as defined in your severance agreement, and the last day on which this Option may be exercised is the earlier of (i) the Expiration Date, or (ii) ninety (90) days after the last day of your severance period; provided, that if your employment with the Coach Companies is terminated due to poor performance, as determined in the sole discretion of the Committee, the portion of this Option that has not yet vested on the date your employment terminates will be forfeited and the last day on which the vested portion of this Option may be exercised is the earlier of (i) the Expiration Date, or (ii) the last day of your severance period.

(b) **Voluntary Termination and Non-Severance Event Termination**. If your employment terminates (i) for reasons other than your death, permanent and total disability, or retirement (as described in section 5) and (ii) such termination is not a Constructive Termination or a Severance Event Termination (i.e., you voluntarily terminate your employment with the Coach Companies or your employment is terminated by Coach and you are not eligible for severance pay under the Company's written severance plans), then the portion of this Option that has not yet vested on the date your employment terminates will be forfeited and the vested portion of this Option shall terminate ninety (90) days following the date of your termination of employment; provided, that if your termination by the Company is for Cause, then this Option shall terminate on the date your employment terminates. For purposes of this Agreement, "**Cause**" shall mean fraud, misappropriation, embezzlement or other act of material misconduct against the Coach Companies; substantial and willful failure to render services in accordance with the terms of your duties as an employee, provided that (A) a demand for performance of services had been delivered to you at least thirty (30) days prior to your termination identifying the manner in which you have failed to perform and (B) thereafter you fail to remedy such failure to perform; conviction of or plea of guilty or nolo contendere to a felony; or violation of any business standards established by the Company.

7. **Exercise**. This Option may be exercised (subject to the restrictions contained in this Agreement) in whole or in part for the number of Option Shares specified in a verbal or written notice that is delivered to the Company or its designated agent and is accompanied by full payment

of the Exercise Price for such number of Option Shares in cash. Subject to Section 1 above, this Option will be considered exercised on the date on which (a) your verbal or written notice of exercise and (b) your payment of the Exercise Price, have both been received by the Company or its designated agent. In addition, if you are an international optionee, you are subject to the additional terms shown on Annex B.

8. **Forfeiture**.

(a) Notwithstanding anything contained in this Agreement to the contrary, if your employment with the with the Coach Companies is terminated for Cause or (a "Termination for Cause"), (ii) if you elect to terminate your employment with the Coach Companies (including in the event of your Retirement) and you do not provide the Coach Companies with the Required Notice applicable to your level ("Termination without Notice"), or (iii) if you engage in any activity inimical, contrary or harmful to the interests of the Coach Companies during your employment with the Coach Companies or at any time during the period ending one (1) year after your employment with the Coach Companies terminates, including but not limited to: (A) violating any of the Restrictive Covenants (as defined below), (B) violating any business standards established by the Company, or (C) participating in any activity not approved by the Board of Directors which is reasonably likely to contribute to or result in a Change in Control, as defined in Article 2 of the Stock Incentive Plan (such activities to be collectively referred to as "**Wrongful Conduct**") then (x) this Option, to the extent it remains unexercised, shall terminate automatically on the date on which you first engaged in such Wrongful Conduct or the date of your Termination for Cause or Termination without Notice, whichever is applicable, and (y) you shall pay to the Company in cash any Financial Gain (as defined below) you realize from exercising all or a portion of this Option within the twelve (12) month period (if your role is at the Corporate level of Vice President or higher) or six (6) month period (if your role is below the Corporate level of Vice President) immediately preceding the date on which you first engaged in such Wrongful Conduct or the date of your Termination for Cause or Termination without Notice. For the two (2) year period following a Change of Control, as defined in the Plan, items (A), and (B) shall not constitute Wrongful Conduct.

(b) For purposes of this section, "**Financial Gain**" shall equal, on each date of exercise during the twelve (12) month period (if your role is at the Corporate level of Vice President or higher) or six (6) month period (if your role is below the Corporate level of Vice President) immediately preceding such Wrongful Conduct or termination, the difference between the fair market value of the Common Stock on the date of exercise and the Exercise Price, multiplied by the number of Option Shares Common Stock purchased pursuant to the exercise (without reduction for any Option Shares of Common Stock surrendered or attested to); and (b) "**Required Notice**" means advance written notice of your intent to terminate your employment with the Coach Companies, delivered not less than (A) twelve (12) weeks before your last day of employment if you are then a member of the Coach Operating Group, (B) six (6) weeks before your last day of employment if you are then a Senior Vice President, or (C) four (4) weeks before your last day of employment if you are then a Vice President (there is no Required Notice applicable if you are below the level of Vice President).

(c) For purposes of this Agreement, "Restrictive Covenants" shall mean your agreement not to (i) compete directly or indirectly (either as owner, employee or agent of a Competitive Business (as defined below)) with any of the businesses of the Coach Companies, (ii) make, directly or indirectly, a five percent (5%) or more investment in a Competitive Business, or any new luxury accessories business that competes directly with the existing or planned product lines of the Coach Companies, (iii) solicit any present or future employees or customers of the Coach Companies to terminate such employment or business relationship(s) with the Coach Companies, in the case of each of (i), (ii) and (iii), at any time during your employment with the Coach Companies or at any time during the period ending one (1) year after your employment with the Coach Companies terminates, or (iv) disclose or misuse any confidential information regarding the Coach Companies at any time. You acknowledge and agree that the Company is granting you the Award in consideration of your agreement to be bound by the Restrictive Covenants. Accordingly, if you breach any of the Restrictive Covenants, in addition to the forfeiture and claw-back consequences described in Section 8(a), the Company shall be entitled to recover any damages incurred as a result of such breach. You further acknowledge and agree that the Coach Companies would be irreparably harmed by any breach of the Restrictive Covenants and that money damages would be an inadequate remedy for any such breach and, accordingly, in the event of your breach or threatened breach of any of the Restrictive Covenants, the Company may, in addition to any money damages or other rights and remedies existing in its favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the Restrictive Covenants. For the avoidance of doubt, the remedies in law and in equity for any breach of the Restrictive Covenants set forth in this Section 8(c) are in addition to, and cumulative of, the claw-back and forfeiture provisions set forth in Section 8(a).

(d) For purposes of this Agreement, "**Competitive Business**" shall mean any entity (including its subsidiaries, parent entities and other affiliates) that, as of the date of this Agreement, the Committee has designated in its sole discretion as an entity that competes with any of the businesses of the Coach Companies; provided, that (i) the list of Competitive Businesses shall not exceed the total number of entities shown below for the region in which your employment is based (ii) such entities are the same entities used for any list of competitive entities for any other arrangement with an executive of the Company, and (iii) you will only be restricted from those entities on the list as of the date of the termination of your employment with the Coach Companies. A current list of Competitive Businesses, including any changes made to the list by the Committee, shall be maintained on the Company intranet. Each entity included in the list of entities designated as Competitive Businesses at any given time shall include any and all subsidiaries, parent entities and other affiliates of such entity.

The following entities, together with their respective subsidiaries, parent entities and other affiliates, have been designated by the Committee as Competitive Businesses as of the date of this Agreement for Company Employees employed by the Company's North American entities or Global Operations division (regardless of the employee's geographic place of work or residence) excluding those described in the paragraph below: Burberry Group PLC; Diane von Furstenberg Studio, L.P.; Cole Haan LLC; Fast Retailing Co., Ltd.; The Gap, Inc.; Kering; J. Crew Group, Inc.; Fung Group; L Brands, Inc.; Kate Spade and Company; LVMH Moet Hennessy Louis Vuitton SA; Michael Kors Holdings Limited; PVH Corp.; Rag & Bone; Ralph Lauren Corporation; Prada, S.p.A.; Proenza Schouler; Tory Burch LLC; Tumi Holdings, Inc.; and V.F. Corporation.

The following entities, together with their respective subsidiaries, parent entities and other affiliates, have been designated by the Committee as Competitive Businesses as of the date of this Agreement for Company employees employed by the retail businesses operated by the Company (either directly or in a joint venture) outside of North America (regardless of the employee's geographic place of work or residence): adidas AG; Burberry Group PLC; Chanel S.A.; Cole Haan LLC; Club 21 Pte Ltd; Fast Retailing Co., Ltd; Salvatore Ferragamo S.p.A.; Furla S.p.A.; The Gap, Inc.; Kering; H & M Hennes & Mauritz AB; Hermes International SA; Kate Spade and Company; LVMH Moet Hennessy Louis Vuitton SA; Michael Kors Holdings Limited; PVH Corp.; Ralph Lauren Corporation; Prada, S.p.A.; Compagnie Financiere Richemont SA; Tod's S.p.A.; Tory Burch LLC; Industria de Diseño Textil, S.A.

By accepting this Option, you consent to and authorize the Coach Companies to deduct from any amounts payable by the Coach Companies to you any amounts you owe to the Company under this section. This right of set-off is in addition to any other remedies the Company may have against you for your breach of this Agreement. Your obligations under this section shall be cumulative (but not duplicative) of any similar obligations you have under this Agreement or pursuant to any other agreement with the Company.

9. **Rights as a Stockholder**. You will have no right as a stockholder with respect to any Option Shares until and unless ownership of such Option Shares has been transferred to you.

10. **Options Not Transferable**. This Option 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). If this Option remains exercisable after your death, subject to sections 1, 5 and 7 above, it may be exercised by the personal representative of your estate or by any person who acquires the right to exercise such Option by bequest, inheritance or otherwise by reason of your death.

11. **Transferability of Option Shares**. Option Shares generally are freely tradable in the United States. However, you may not offer, sell or otherwise dispose of any Option 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 Common Stock received by you pursuant to this Option.

12. **Conformity with the Plan.** This Option 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 and the Plan.

13. **Nature of Grant.**

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time;

(b) the grant of the Option is voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past;

(c) all decisions with respect to future option grants, if any, will be at the sole discretion of the Company;

(d) your participation in the Plan is voluntary;

(e) the Option and the underlying Option Shares are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or to your actual employer, and are outside the scope of your employment contract, if any;

(f) the Option and the underlying Option Shares and the income and value of same, are not intended to replace any pension rights or compensation;

(g) the Option and the underlying Option Shares and the income and value of same, are not part of normal or expected compensation or salary for any purposes, including but not limited to, calculation of any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or your actual employer;

(h) the grant of the Option and your participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company, the Employer or any other Affiliate, and shall not interfere with the ability of the Company, the Employer or any other Affiliate, as applicable, to terminate your employment or service relationship (if any);

(i) the future value of the underlying Option Shares is unknown and cannot be predicted with certainty;

(j) if the underlying Option Shares do not increase in value, the Option will have no value;

(k) if you exercise your Option and obtain Option Shares, the value of such Option Shares acquired upon exercise may increase or decrease in value, even below the Exercise Price;

(l) in consideration of the grant of the Option, no claim or entitlement to compensation or damages shall arise from termination of the Option or diminution in value of the Option or Option Shares purchased through exercise forfeiture of the Option resulting from the termination of your employment by the Company or your actual employer or continuous service (for any reason whatsoever and, whether or not later found to be invalid or in breach of local labor laws) and you irrevocably release the Company and your actual employer applicable labor laws or the terms of your employment or service agreement, if any), and in consideration of the grant of the Option to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company, the Employer or any other Affiliate, waive your ability, if any, to bring any such claim, and release the Company, the Employer and its other Affiliates from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found allowed by a court of competent jurisdiction to have arisen, then, by signing this Agreement and/or accepting the Option participating in the Plan, you shall be deemed irrevocably to have waived your entitlement to pursue agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(m) except as may be determined by the Administrator pursuant to Section 6.4 of the authority delegated to him under the Plan and as otherwise provided in Sections 5 and 6, above, in the event of the termination of your employment or continuous service (whether or not later found to be invalid or in breach of applicable labor laws or the terms of your employment or service agreement, if any), (i) your right to receive the Option and vest in the Option under the Plan, if any, will terminate effective as of the date you are no longer actively employed or providing services and will not be extended by any notice period mandated under local law applicable labor laws (*e.g.*, active employment or service would not include any contractual notice period or any period of “garden leave” or similar period mandated pursuant to local law); furthermore, in the event of termination of employment (whether or not later found to be invalid or in breach of applicable labor laws or the terms of your employment or service agreement, if any),; and (ii) your right to exercise the Option after termination of employment, if any, will be measured by the date of termination of your active employment or continuous service and will not be extended by any notice period mandated under local law applicable labor laws; the Administrator shall have the exclusive discretion to determine when you are no longer actively employed for purposes of your Option grant (including whether you may still be considered to be providing services while on a leave of absence);

(n) the Option and the benefits under the Plan , if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability;

(o) neither the Company, the Employer nor any other Affiliate shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the Option or of any amounts due to you pursuant to the settlement of the Option or the subsequent sale of any Option Shares acquired upon exercise;

(p) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Option Shares; and

(q) you are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

14. **Withholding.** Regardless of any action the Company and/or your employer (the "Employer") take with respect to any or all income tax (including U.S. federal, state and local tax and/or non-U.S. tax), social insurance, payroll tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items is and remains the your responsibility and may exceed the amount actually withheld by the Company or the Employer. You further acknowledge that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including the grant, vesting or exercise of the Options, the subsequent sale of any Option Shares acquired at exercise and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you have become subject to tax in more than one jurisdiction between the Award Date and the date of any relevant taxable or tax withholding event, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, you shall pay or make arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard you authorize the Company and/or the Employer, or their respective agents, to withhold all applicable Tax-Related Items from any wages or other cash compensation paid to you by the Company and/or the Employer. Alternatively, or in addition, if permissible under local law, you authorize the Company and/or the Employer or their respective agents, at their discretion and pursuant to such procedures as it may specify from time to time, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (i) withholding otherwise deliverable Option Shares; or (ii) withholding from the proceeds of the sale of Option Shares acquired upon exercise of the Option either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf and at your direction pursuant to this authorization). To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding a number of Option Shares as described herein, for tax purposes, you are deemed to have been issued the full number of Option Shares subject to the portion of the Option exercised, notwithstanding that a number of the Option Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan. You shall pay to the Company and/or the Employer any amount of Tax-Related Items that the Company and/or the Employer may be required to withhold as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Option Shares or the proceeds of the sale of Option Shares if you fail to comply with your obligations in connection with the Tax-Related Items.

15. Data Privacy. You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your Data (as defined below) by and among, as necessary and applicable, the Employer, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company and the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone

number, date of birth, social security or insurance number or other identification number, salary, nationality, and job title, any Common Stock or directorships held in the Company, and details of the Option or any other option or other entitlement to Option Shares, canceled, exercised, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing the Plan. You understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in your country or elsewhere, including outside the European Economic Area, and that the recipients' country may have different data privacy laws and protections than your country. You authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom you may elect to deposit any Option Shares acquired upon exercise of the Option.

You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You understand that Data shall be held as long as is reasonably necessary to implement, administer and manage your participation in the Plan, and that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you Options or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing such consent may affect your ability to participate in the Plan. In addition, you understand that the Company and its Subsidiaries have separately implemented procedures for the handling of Data which the Company believes permits the Company to use the Data in the manner set forth above notwithstanding your withdrawal of such consent. For more information on the consequences of refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

16. Miscellaneous.

(a) **Amendment or Modifications**. The grant of this Option is documented by the minutes of the Committee, which records are the final determinant of the number of Option Shares granted and the conditions of this grant. The Committee may amend or modify this Option in any manner to the extent that the Committee would have had the authority under the Plan initially to grant such Option, provided that no such amendment or modification shall directly or indirectly impair or otherwise adversely affect your rights under this Agreement without your 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. Furthermore, you agree to reimburse the Company for any and all reasonable attorney's fees and expenses related to the enforcement of this Agreement.

(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.

(e) **Forfeiture if Not Accepted**. This Company's grant to you of these Options is conditioned upon your acceptance of the terms of this Agreement. If you do not accept this Agreement (by returning a signed copy of this Agreement to the Coach Human Resources Department or by electronically accepting it online, as applicable) prior to the first anniversary of the Award Date, then the Company shall have the right to terminate this Agreement and cancel the Options without further notice to you.

(f) **Language**: If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

(g) **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

17. **Annexes.** Notwithstanding any provisions in this Agreement, the Option grant shall be subject to any special terms and conditions as set forth in any annex to this Agreement. Moreover, if you relocate to one of the countries included Annex B, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Annexes constitute part of this Agreement.

18. **Imposition of Other Requirements**: The Company reserves the right to impose other requirements on your participation in the Plan, on the Option and on any Option Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

19. **Insider Trading Restrictions/Market Abuse Laws.** You acknowledge that, depending on your country of residence, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell Option Shares or rights to shares (*e.g.*, Options) under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you are advised to speak to your personal advisor on this matter.

20. **Waiver.** You acknowledge that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by you or any other Holder.

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

COACH, INC.

Sarah Dunn

Global Human Resources Officer

Date: **GRANT DATE**

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.

OPTIONEE:

____

NAME

Date: _______________________________

ANNEX A

DEFINITION OF "CHANGE IN CONTROL"

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.

ANNEX B

COUNTRY-SPECIFIC PROVISIONS

(International Optionees)

This Annex includes additional terms and conditions that govern your Option grant if you reside in one of the countries listed herein. Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Agreement or the Plan.

This Annex may also include information regarding exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control and other laws concerning options in effect as of August 2014. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information noted herein as the only source of information relating to the consequences of your participation in the Plan as the information may be out of date at the time you exericse your Option or sell Option Shares acquired under the Plan.

In addition, this Annex is general in nature, does not discuss all of the various laws, rules and regulations which may apply to your particular situation and the Company is not in a position to assure you of any particular result. **Accordingly, you are strongly advised to seek appropriate professional advice as to how the relevant laws in your country apply to your specific situation.**

If you reside in a country but are considered a citizen or resident of another country for purposes of the country in which you reside, the information contained in this Annex may not be applicable.

CANADA

Nature of Grant. The following provision replaces Section 13(m) of the Grant Agreement:

(m) except as may be determined by the Administrator pursuant to the authority delegated to him under the Plan and as otherwise provided in Sections 5 and 6, above, in the event of the termination of your employment or continuous service (whether or not later found to be invalid or in breach of applicable labor laws or the terms of your employment or service agreement, if any), your right to vest in the Option under the Plan (if any) will terminate effective as of, and your right to exercise the Option after termination of employment (if any) will be measured by, the earlier of (i) the date upon which your employment or continuous service is terminated by the Company or your actual employer; (ii) the date upon which you receive written notice of termination of your employment or continuous service from the Company or your actual employer; or (iii) the date upon which you are no longer actively employed or providing services to the Company or your actual employer, and in all cases will not be extended by any notice period mandated under local law (*e.g.*, active employment or service would not include any contractual notice period or any period of "garden leave" or similar period mandated pursuant to applicable labor laws or the terms of your employment or service agreement, if any); the Administrator shall have the exclusive discretion to determine when you are no longer actively employed for purposes of your Option grant (including whether you may still be considered to be providing services while on a leave of absence).

Data Privacy. This provision supplements Section 15 of the Grant Agreement:

You hereby authorize the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company and any Affiliates and the administrator of the Plan to disclose and discuss the Plan with their advisors. You further authorize your employer to record such information and to keep such information in your employee file.

Consent to Receive Information in English. The following provisions will apply if you are a resident of Quebec:

The parties acknowledge that it is their express wish that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé que cette convention («Agreement») soit rédigée en anglais, ainsi que tous les documents, avis et procédures judiciaires, éxécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à la présente.

Securities Law Information. You are permitted to sell Shares acquired under the Plan through the designated broker appointed under the Plan, if any, provided the sale of Shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed (*i.e.*, the New York Stock Exchange).

Foreign Asset/Account Reporting Information. Foreign property (including Shares) held by Canadian residents must be reported annually on Form T1135 (Foreign Income Verification Statement) if the total value of such foreign property exceeds C$100,000 at any time during the year. It is not certain if outstanding Options constitute foreign property that needs to be reported on Form T1135. The form must be filed by April 30th of the following year. You should consult with your personal tax advisor to determine if the reporting obligation applies to your personal situation.

CHINA

Manner of Exercise. This provision supplements Section 7 of the Grant Agreement and is applicable to you if you are a PRC national residing in China, unless otherwise determined by the Company or required by SAFE:

Due to regulatory requirements, you will be required to exercise the Option using the (cashless) "exercise and sell" method. To complete a (cashless) "exercise and sell" transaction, you consent and agree to: (i) sell all of the Option Shares issued upon exercise; (ii) use the proceeds to pay the Option Price and brokerage fees; and (iii) remit the balance of proceeds in U.S. denominated cash to the designated Company sponsored bank account that has been authorized for use by the appropriate State Administration of Foreign Exchange. You further agree (i) that the Company will advise you within a reasonable time of the arrival of proceeds to the bank account after exercise, and the Company will advise you of the taxes that are due on the proceeds, (ii) that the Company will initially instruct the bank to issue 50% of the proceeds to you, (iii) you then will remit to the Company the entire tax payment calculated by Company in local currency (RMB) and the Company will (iv) subsequently remit this amount to the appropriate tax authorities on your behalf; the

Company will then (v) authorize the designated bank to release the remaining balance to the proceeds to you. You acknowledge that the amount of Tax calculated by the Company is an estimate, and you may be liable for additional taxes on the proceeds. You agree to bear any currency fluctuation risk between the time the Option Shares are sold and the time the sale proceeds are distributed to you. You further agree to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

Exchange Control Restrictions. The following provision applies to you if you are a PRC national residing in China, unless otherwise determined by the Company or required by SAFE:

You understand and agree that, due to exchange control laws in China, you must immediately repatriate the proceeds from the cashless exercise to China. You further understand that such repatriation of the proceeds may be effected through a special exchange control account established by the Company or an Affiliate, and you hereby consent and agree that the proceeds from the cashless exercise may be transferred to such special account prior to being delivered to you. The Company is under no obligation to secure any exchange conversion rate.

HONG KONG

Sale of Shares. In the event the Option vests within six months of the Grant Date, you agree that you will not dispose of the Option Shares acquired prior to the six-month anniversary of the Grant Date.

Securities Law Notification. *WARNING: The Option and the Option Shares issued upon exercise do not constitute a public offering of securities under Hong Kong law and are available only to certain Eligible Individuals. The Agreement, the Plan and other incidental communication materials distributed in connection with the Option have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong. In addition, the documents have not been reviewed by any regulatory authority in Hong Kong. The Option is intended only for the personal use of each Holder, and may not be distributed to any other person. If you are in any doubt about any of the contents of the Agreement or the Plan, you should obtain independent professional advice.*

ITALY

Data Privacy. This provision replaces Section 15 of the Grant Agreement:

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your Data (as defined below) by and among, as necessary and applicable, the Employer, the Company and its Affiliates for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company and the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, and job title, any Common Stock or directorships held in the Company, and details of the Option or any other option or other entitlement to Option Shares awarded,

canceled, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing the Plan.

You also understand that providing the Company with Data is necessary for the performance of the Plan and that your denial to provide such Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. The Controller of personal data processing is Coach, Inc. with registered offices at 516 West 34th Street, New York, New York, 10001, U.S.A., and, pursuant to Legislative Decree no. 196/2003, its representative in Italy is Coach Italy S.r.l., 516 W. 34th Street, NY, NY, USA.

You understand that Data will not be publicized, but it may be transferred to banks, other financial institutions or brokers involved in the management and administration of the Plan. You further understand that the Company and/or any Affiliate will transfer Data among themselves as necessary for the purpose of implementing, administering and managing your participation in the Plan, and that the Company and/or any Affiliate may further transfer Data to third parties assisting the Company in the implementation, administration and management of the Plan, including any requisite transfer of such Data to a broker or other third party with whom you may elect to deposit any Option Shares acquired upon exercise of the Option. Such recipients may receive, possess, use, retain and transfer Data in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan. You understand that these recipients may be located in or outside the European Economic Area, such as in the United States or elsewhere. Should the Company exercise its discretion in suspending all necessary legal obligations connected with the management and administration of the Plan, it will delete Data as soon as it has accomplished all the necessary legal obligations connected with the management and administration of the Plan.

You understand that Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.

The processing activity, including communication, the transfer of Data abroad, including outside of the European Economic Area, as herein specified and pursuant to applicable laws and regulations, does not require you consent thereto as the processing is necessary to performance of contractual obligations related to implementation, administration and management of the Plan. You understand that, pursuant to Section 7 of the Legislative Decree no. 196/2003, you have the right to, including but not limited to, access, delete, update, correct or stop, for legitimate reason, the Data processing. Furthermore, you are aware that Data will not be used for direct marketing purposes. In addition, Data provided can be reviewed and questions or complaints can be addressed by contacting your local human resources representative.

Plan Document Acknowledgment. In accepting the Option grant, you acknowledge that you have received a copy of the Plan and the Agreement and reviewed the Plan and the Agreement in their entirety and fully understand and accept all provisions of the Plan and the Agreement.

You further acknowledge that you have read and specifically and expressly approve the following sections of the Grant Agreement: Section 13. Nature of Grant; Section 14. Withholding; Section 16(b). Governing Law; Section 16(d). Severability; Section 16(f). Language; Section 16(g). Electronic Delivery and Acceptance; Section 18. Imposition of Other Requirements; and the Data Privacy section above.

Foreign Asset/Account Reporting Information. If you are an Italian resident and at any time during the fiscal year hold investments or financial assets outside of Italy (*e.g.*, cash, Shares) which may generate income taxable in Italy (or if you are the beneficial owner of such an investment or asset, even if you do not directly hold the investment or asset under Italian money laundering provisions), you are required to report such investments or assets on your annual tax return for such fiscal year (on UNICO Form, RW Schedule) or on a special form if you are not required to file a tax return.

Foreign Asset Tax Information. The value of financial assets held outside of Italy by individuals resident of Italy is subject to a foreign asset tax. Beginning 2014, such tax is levied at an annual rate of 2 per thousand (0.2%). The taxable amount will be the fair market value of the financial assets (including Shares) assessed at the end of the calendar year.

JAPAN

Foreign Asset/Account Reporting Information. You are required to report details of any assets held outside of Japan (including shares acquired under the Plan as of December 31), to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15 of the following year. You should consult with his or her personal tax advisor to determine if the reporting obligation applies to your personal situation.

KOREA

Exchange Control Information. Exchange control laws require Korean residents who realize US$500,000 or more from the sale of shares (including Option Shares) or the receipt of dividends in a single transaction to repatriate the sale proceeds back to Korea within eighteen months of the sale/receipt.

Foreign Asset/Account Reporting Information. Korean residents must declare all foreign financial accounts (*i.e.*, non-Korean bank accounts, brokerage accounts, etc.) to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 1 billion (or an equivalent amount in foreign currency). You should consult with your personal tax advisor to determine any personal reporting obligations.

LUXEMBOURG

There are no country-specific provisions.

MALAYSIA

Data Privacy. The following provisions replace Section 15 of the Grant Agreement:

You hereby explicitly, voluntarily and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in the Agreement and any other Option documentation by and among, as applicable, the Company, the Employer and any other Affiliate or any third parties authorized by same in assisting in the implementation, administration and management of your participation in the Plan.

Anda dengan ini secara eksplicit, secara sukarela dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi anda seperti yang dinyatakan dalam Perjanjian ini dan apa-apa dokumentasi Opsyen oleh dan di antara, sebagaimana yang berkenaan, Syarikat, Majikan dan Syarikat Sekutu lain atau mana-mana pihak ketiga yang diberi kuasa oleh yang sama untuk membantu dalam pelaksanaan, pentadbiran dan pengurusan penyertaan anda dalam Pelan tersebut.

You may have previously provided the Company and the Employer with, and the Company and the Employer may hold, certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, the fact and conditions of your participation in the Plan, details of all Options or any other entitlement to shares of stock awarded, cancelled, exercised, vested, unvested or outstanding in your favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Sebelum ini, anda mungkin telah membekalkan Syarikat dan Majikan dengan, dan Syarikat dan Majikan mungkin memegang, maklumat peribadi tertentu tentang anda, termasuk, tetapi tidak terhad kepada, nama anda, alamat rumah dan nombor telefon, tarikh lahir, nombor insurans sosial atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa syer dalam saham atau jawatan pengarah yang dipegang dalam Syarikat, fakta dan syarat-syarat penyertaan anda dalam Pelan tersebut, butir-butir semua Opsyen atau apa-apa hak lain untuk syer dalam saham yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun bagi faedah anda ("Data"), untuk tujuan yang eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan tersebut.

You also authorize any transfer of Data, as may be required, to a Company-designated Plan broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan and/or with whom any Option Shares acquired upon exercise of the Option are deposited. You acknowledge that these recipients may be located in your country or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections to your country, which may not give the same level of protection to Data. You authorize the Company, the stock plan service provider and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing your participation in the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan.

Anda juga memberi kuasa untuk membuat apa-apa pemindahan Data, sebagaimana yang diperlukan, kepada broker Pelan yang ditetapkan oleh Syarikat, atau pembekal perkhidmatan pelan saham lain sebagaimana yang dipilih oleh Syarikat pada masa depan, yang membantu Syarikat dalam pelaksanaan, pentadbiran dan pengurusan Pelan tersebut dan/atau dengan sesiapa yang mendepositkan Opsyen Saham yang diperolehi melalui pelaksanaan Opsyen. Anda mengakui bahawa penerima-penerima ini mungkin berada di negara anda atau di tempat lain, dan bahawa negara penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara anda, yang mungkin tidak boleh memberi tahap perlindungan yang sama kepada Data. Anda memberi kuasa kepada Syarikat, pembekal perkhidmatan pelan saham dan mana-mana penerima lain yang mungkin membantu Syarikat (masa sekarang atau pada masa depan) untuk melaksanakan, mentadbir dan menguruskan penyertaan Peserta dalam Pelan tersebut untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, semata-mata dengan tujuan untuk melaksanakan, mentadbir dan menguruskan penyertaan anda dalam Pelan tersebut.

You understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case, without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke the consent, your employment status and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing the consent is that the Company would not be able to grant future Options or other equity awards to you or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of the refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

Anda memahami bahawa anda boleh meminta senarai nama dan alamat mana-mana penerima Data dengan menghubungi wakil sumber manusia tempatan anda. Anda faham bahawa Data akan dipegang hanya untuk tempoh yang diperlukan untuk melaksanakan, mentadbir dan menguruskan penyertaan anda dalam Pelan tersebut. Anda memahami bahawa anda boleh, pada bila-bila masa, melihat data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, meminta bahawa pindaan-pindaan dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes, tanpa kos, dengan menghubungi secara bertulis wakil sumber manusia tempatan anda. Selanjutnya, anda memahami bahawa anda memberikan persetujuan di sini secara sukarela. Jika anda tidak bersetuju, atau jika anda kemudian membatalkan persetujuan anda, status pekerjaan atau perkhidmatan dan kerjaya anda dengan Majikan tidak akan terjejas; satunya akibat buruk jika anda tidak bersetuju atau menarik balik persetujuan anda adalah bahawa Syarikat tidak akan dapat memberikan Opsyen pada masa depan atau anugerah ekuiti lain kepada anda atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, anda memahami bahawa keengganan atau penarikan balik persetujuan anda boleh menjejaskan keupayaan anda untuk mengambil bahagian dalam Pelan tersebut. Untuk maklumat lanjut mengenai akibat keengganan anda untuk memberikan keizinan atau penarikan balik keizinan, anda memahami bahawa anda boleh menghubungi wakil sumber manusia tempatan anda.

Director Notification Obligation. If you are a director of the Company's Malaysian Affiliate, you are subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Affiliate in writing when you receive or dispose of an interest (*e.g.*, an Option, Option Shares) in the Company or any related company. Such notifications must be made within 14 days of receiving or disposing of any interest in the Company or any related company.

<u>SINGAPORE</u>

Securities Law Information. The grant of the Option is being made in reliance on Section 273(1)(f) of the Securities and Futures Act (Cap. 289) ("SFA"), under which it is exempt from the prospectus and registration requirements under the SFA. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. You should note that the Option is subject to Section 257 of the SFA and Participant will not be able to make (i) any subsequent sale of the shares in Singapore or (ii) any offer of such subsequent sale of the shares subject to the Option in Singapore, unless such sale or offer in is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than Section 280) of the SFA (Chapter 289, 2006 Ed.).

Director Notification Obligation. If you are a director, associate director or shadow director of a Singapore Affiliate of the Company, you are subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singaporean Affiliate in writing when you receive an interest (*e.g.*, Options, Option Shares) in the Company or any related companies. Please contact the Company to obtain a copy of the notification form. In addition, you must notify the Singapore Affiliate when you sell Option Shares of Company or any related company (including when you sell Option Shares acquired through exercise of your Option). These notifications must be made within two (2) days of acquiring or disposing of any interest in the Company or any related company. In addition, a notification must be made of your interests in the Company or any related company within two (2) days of becoming a director.

If you are a director, associate director or shadow director, you are advised to seek appropriate professional advice as to your reporting obligations under the Singapore Companies Act.

UNITED KINGDOM

Disapplication of Retirement Provisions in Section 5 of this Agreement

The provisions set forth in Section 5 of this Agreement regarding continued vesting and the right to exercise your Option following termination of employment with the Coach Companies due to Retirement do not apply to Participants in the United Kingdom. In the event of such termination, the provisions set forth in Section 6(b) regarding voluntary termination of employment shall govern.

Withholding Taxes

Regardless of any action the Company or an Affiliate which is your employer (the “Employer”) takes with respect to any or all income tax, social insurance and National Insurance Contributions ("NICs") payroll tax, payment on account or other tax-related items related to your participation in the Plan and legally payable by you (together, “Tax-Related Items”), you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer. You further acknowledge that the Company and/or the Employer: (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option grant, including the grant, vesting or exercise of the Option; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate your liability for such Tax-Related Items or to achieve any particular tax result. Further, if you have become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, you shall pay or make adequate arrangements satisfactory to the Company or the Employer to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion and pursuant to such procedures as the Company may specify from time to time, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (a) withholding from any wages or other cash compensation paid to you by the Company and/or the Employer; (b) withholding from the proceeds of the sale of Option Shares acquired upon exercise of the Option; (c) arranging for the sale of a whole number of Option Shares otherwise deliverable to you (on your behalf pursuant to this authorization); and/or (d) withholding a whole number of otherwise deliverable Option Shares.

To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. You shall pay to the Company and/or the Employer any amount of Tax-Related Items that the Company and/or the Employer may be required to withhold as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to honor the exercise if you fail to comply with your obligations in connection with the Tax-Related Items as described in this paragraph.

If payment or withholding of income tax is not made within ninety (90) days of the end of the U.K. tax year in which the event giving rise to the income tax occurs, or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the “Due Date”), the amount of any uncollected income tax shall constitute a loan owed by you to your Employer, effective on the Due Date. You agree that the loan will bear interest at the then-current Official Rate of Her Majesty’s Revenue & Customs (“HMRC”), it will be immediately due and repayable, and the Company or your Employer may recover it at any time thereafter by any of the means set forth in this Annex.

Notwithstanding the foregoing, if you are a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), you shall not be eligible for a loan from the Company to cover the income tax. In the event that you are a director or executive officer and income tax is not collected from or paid by you by the Due Date, the amount of any uncollected income tax may constitute a benefit to you on which additional income tax and NICs may be payable. You understand that you will be responsible for reporting any income tax and NICs due on this additional benefit directly to HMRC under the self-assessment regime.

Joint Election for Transfer of the Employer’s Secondary Class 1 NICs Liability

As a condition of participation in the Plan and the exercise of your Options, you agree to accept any liability for secondary Class 1 NICs which may be payable by the Company and/or the Employer in connection with the Options and any event giving rise to Tax-Related Items (the “Employer NICs”). Without prejudice to the foregoing, you agree to execute a joint election with the Company, the form of such joint election being formally approved by HMRC (the “Joint Election”), in the form set forth in Exhibit A to this Appendix, and any other required consent or election. You further agree to execute such other joint elections as may be required between you and any successor to the Company and/or the Employer. You further agree that the Company and/or the Employer may collect the Employer NICs from you by any of the means set forth in this Appendix.

If you do not enter into a Joint Election prior to exercise of your Options, you will not be entitled to exercise your Options unless and until you enter into a Joint Election and no Option Shares will be issued to you under the Plan, without any liability to the Company and/or the Employer.

EXHIBIT 10.22

Amended and Restated Coach, Inc. 2010 Stock Incentive Plan
Restricted Stock Unit Award Grant Notice and Agreement

NAME

Coach, Inc. (the "Company") is pleased to confirm that you have been granted a restricted stock unit award (the "Award"), effective as of **GRANT DATE** (the "Award Date"), as provided in this agreement (the "Agreement") pursuant to the Amended and Restated Coach, Inc. 2010 Stock Incentive Plan (as amended, restated or otherwise modified from time to time, the "2010 Stock Incentive Plan" or the "Plan"):

1. **Award**. Subject to the restrictions, limitations and conditions as described below, the Company hereby awards to you as of the Award Date:

# of RSUs restricted stock units ("**RSUs**")

which are considered Restricted Stock Unit Awards under the Plan. Upon vesting, each RSU shall convert into one share of the Company's common stock (collectively, the "Shares"), as provided in the Plan. While the restrictions are in effect, the RSUs are not transferable by the Participant by means of sale, assignment, exchange, pledge, or otherwise.

2. **Vesting**. The RSUs will remain restricted and may not be sold or transferred by you until the third anniversary of the Award date (the "**Vesting Date**"). Subject to sections 4, 5 and 6 below, if you are continuously employed by the Company or any of its affiliates (collectively, the "**Coach Companies**") from the Award Date until the Vesting Date, the Award will vest in full on the Vesting Date.

If your employment is terminated by the Company without Cause (as defined below) upon, or during the 12-month period immediately following a Change in Control (as defined in Annex A) (a "**Change in Control Termination**"), then all unvested RSUs will become fully vested, effective immediately upon such termination.

3. **Distribution of the Award.** As soon as practicable after the Vesting Date, the Company will release the Award. Applicable withholding taxes will be settled by withholding a number of Shares with a market value not less than the amount of such taxes, and the appropriate number of Shares distributed will be delivered to you; provided, that in the event that the Company is liquidated in bankruptcy, (1) the Company will not release Shares pursuant to the Award and (2) all payments made pursuant to the Award will be made in cash equal to the fair market value of Coach, Inc. common stock on the distribution date multiplied by the number of RSUs.

4. **Death, Total Disability or Retirement.** If you cease active employment with the Coach Companies because of your death or Permanent and Total Disability (as defined below), the RSUs will vest as of the date of death or the date you are determined to be Permanently and Totally Disabled. For purposes of the foregoing, "Permanent and Total Disability" means that you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months.

In the case of your Retirement (as defined below), the RSUs will remain outstanding and will be eligible to become vested on the Vesting Date. For purposes of the foregoing, "**Retirement**" shall mean your voluntary departure from employment with the Coach Companies if either: (1) you have attained age 65 and five years of service with the Coach Companies or (2) you have attained age 55 and ten years of service with the Coach Companies.

5. **Severance Event Termination and Non-Severance Event Termination.**

(a) **Severance Event Terminations**. If your employment with the Coach Companies is terminated by the Coach Companies prior to the Vesting Date and you are eligible to receive severance benefits under any written severance plan or policy of the Coach Companies or an employment agreement between you and the Coach Companies in connection with such termination (collectively, a "**Severance Event Termination**"), then in the event the Vesting Date occurs during the Severance Period (as defined below), the RSUs will remain outstanding and will be eligible to become vested on the Vesting Date. For purposes of the foregoing, "**Severance Period**" shall mean the period during which you are eligible for and actually receive severance payments, pursuant to a written severance plan or policy of the Coach Companies or an employment agreement between you and the Coach Companies following your termination of employment.

(b) **Voluntary Termination and Non-Severance Event Termination**. If your employment terminates (i) for reasons other than your death, Permanent and Total Disability, Retirement or a Change in Control Termination and (ii) such termination is not a Severance Event Termination (i.e., you voluntarily terminate your employment with the Coach Companies or your employment is terminated by the Coach Companies and you are not eligible for severance pay under the written severance plans or policies of the Coach Companies or an employment agreement between you and the Coach Companies, including, for the avoidance of doubt, if your employment with the Coach Companies is terminated due to poor performance, as determined in the sole discretion of the Committee), then the RSUs that have not yet vested on the date your employment terminates will be automatically forfeited as of such date.

6. **Forfeiture**.

(a) Notwithstanding anything contained in this Agreement to the contrary, (i) if your employment with the Coach Companies is terminated for Cause (as defined below) (a "**Termination for Cause**"), (ii) if you elect to terminate your employment with the Coach Companies (including in the event of your Retirement) and you do not provide the Coach Companies with twelve (12) weeks advance written notice of your intent to terminate your employment ("**Termination without Notice**"), or (iii) if you engage in any activity inimical, contrary or harmful to the interests of the Coach Companies during your employment with the Coach Companies or at any time during the period ending one (1) year after your employment with the Coach Companies terminates, including but not limited to (A) violating any of the Restrictive Covenants (as defined below), (B) violating any business standards established by the Company, or (C) participating in any activity not approved by the Board of Directors which is reasonably likely to contribute to or result in a Change in Control, as defined in Article 2 of the Stock Incentive Plan (such activities to be collectively referred to as "**Wrongful Conduct**"), then (x) this Award, to the extent it remains restricted, shall be forfeited automatically on the date on which you first engaged in such Wrongful Conduct or the date of your Termination for Cause or Termination without Notice, whichever is applicable, and (y) you shall pay to the Company in cash or Shares any Financial Gain (as defined below) you realize from the vesting of these RSUs within the twelve (12) month period (if your role is at the Corporate level of Vice President or higher) or six (6) month period (if your role is below the Corporate level of Vice President) immediately preceding the date on which you first engaged in such Wrongful Conduct or the date of your Termination for Cause or Termination without Notice. For the two (2) year period following a Change of Control, as defined in the Plan, items (A), and (B) shall not constitute Wrongful Conduct.

(b) For purposes of this Agreement, (1) "**Cause**" shall mean fraud, misappropriation, embezzlement or other act of material misconduct against the Coach Companies; substantial and willful failure to render services in accordance with the terms of your duties as an employee, provided that (A) a demand for performance of services had been delivered to you at least thirty (30) days prior to your termination identifying the manner in which you have failed to perform and (B) thereafter you fail to remedy such failure to perform; conviction of or plea of guilty or nolo contendere to a felony; or violation of any business standards established by the Company; and (2) "**Financial Gain**" shall equal, on each Vesting Date during the twelve (12) month period (if your role is at the Corporate level of Vice President or higher) or six (6) month period (if your role is below the Corporate level of Vice President) immediately preceding such Wrongful Conduct or termination, the fair market value of the Common Stock on such Vesting Date, multiplied by the number of RSUs vesting on such Vesting Date (without reduction for any Shares of Common Stock sold or surrendered in payment of taxes, etc.).

(c) For purposes of this Agreement, "**Restrictive Covenants**" shall mean your agreement not to (i) compete directly or indirectly (either as owner, employee or agent of a Competitive Business (as defined below)) with any of the businesses of the Coach Companies, (ii) make, directly or indirectly, a five percent (5%) or more investment in a Competitive Business, or any new luxury accessories business that competes directly with the existing or planned product lines of the Coach Companies, (iii) solicit any present or future employees or customers of the Coach Companies to terminate such employment or business relationship(s) with the Coach Companies, in the case of each of (i), (ii) and (iii), at any time during your employment with the Coach Companies or at any time during the period ending one (1) year after your employment with the Coach Companies terminates, or (iv) disclose or misuse any confidential information regarding the Coach Companies at any time. You acknowledge and agree that the Company is granting you the Award in consideration of your agreement to be bound by the Restrictive Covenants. Accordingly, if you breach any of the Restrictive Covenants, in addition to the forfeiture and claw-back consequences described in Section 6(a), the Company shall be entitled to recover any damages incurred as a result of such breach. You further acknowledge and agree that the Coach Companies would be irreparably harmed by any breach of the Restrictive Covenants and that money damages would be an inadequate remedy for any such breach and, accordingly, in the event of your breach or threatened breach of any of the Restrictive Covenants, the Company may, in addition to any money damages or other rights and remedies existing in its favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the Restrictive Covenants. For the avoidance of doubt, the remedies in law and in equity for any breach of the Restrictive Covenants set forth in this Section 6(c) are in addition to, and cumulative of, the claw-back and forfeiture provisions set forth in Section 6(a).

(d) For purposes of this Agreement, "**Competitive Business**" shall mean any entity (including its subsidiaries, parent entities and other affiliates) that, as of the relevant date, the Committee has designated in its sole discretion as an entity that competes with any of the businesses of the Coach Companies; provided, that (i) the list of Competitive Businesses shall not exceed the total number of entities shown below for the region in which your employment is based (ii) such entities are the same entities used for any list of competitive entities for any other arrangement with an executive of the Company, and (iii) you will only be restricted from those entities on the list as of the date of the termination of your employment with the Coach Companies. A current list of Competitive Businesses, including any changes made to the list by the Committee, shall be maintained on the Company intranet. Each entity included in the list of entities designated as Competitive Businesses at any given time shall include any and all subsidiaries, parent entities and other affiliates of such entity.

The following entities, together with their respective subsidiaries, parent entities and other affiliates, have been designated by the Committee as Competitive Businesses as of the date of this Agreement for Company Employees employed by the Company's North American entities or Global Operations division (regardless of the employee's geographic place of work or residence) excluding those described in the paragraph below: Burberry Group PLC; Diane von Furstenberg Studio, L.P.; Cole Haan LLC; Fast Retailing Co., Ltd.; The Gap, Inc.; Kering; J. Crew Group, Inc.; Fung Group; L Brands, Inc.; Kate Spade and Company; LVMH Moet Hennessy Louis Vuitton SA; Michael Kors Holdings Limited; PVH Corp.; Rag & Bone; Ralph Lauren Corporation; Prada, S.p.A.; Proenza Schouler; Tory Burch LLC; Tumi Holdings, Inc.; and V.F. Corporation.

The following entities, together with their respective subsidiaries, parent entities and other affiliates, have been designated by the Committee as Competitive Businesses as of the date of this Agreement for Company employees employed by the retail businesses operated by the Company (either directly or in a joint venture) outside of North America (regardless of the employee's geographic place of work or residence): adidas AG; Burberry Group PLC; Chanel S.A.; Cole Haan LLC; Club 21 Pte Ltd; Fast Retailing Co., Ltd; Salvatore Ferragamo S.p.A.; Furla S.p.A.; The Gap, Inc.; Kering; H & M Hennes & Mauritz AB; Hermes International SA; Kate Spade and Company; LVMH Moet Hennessy Louis Vuitton SA; Michael Kors Holdings Limited; PVH Corp.; Ralph Lauren Corporation; Prada, S.p.A.; Compagnie Financiere Richemont SA; Tod's S.p.A.; Tory Burch LLC; Industria de Diseño Textil, S.A.

By accepting these RSUs, you consent to and authorize the Coach Companies to deduct from any amounts payable by the Coach Companies to you any amounts you owe to the Company under this section. This right of set-off is in addition to any other remedies the Company may have against you for your breach of this Agreement. Your obligations under this section shall be cumulative (but not duplicative) of any similar obligations you have under this Agreement or pursuant to any other agreement with the Company.

7. **Award Not Transferable**. This 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 generally are freely tradeable 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 Common Stock received by you pursuant to this Award.

9. **Conformity with the Plan.** This 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 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 Coach Companies or affects in any way the right of any of the Coach Companies to terminate your employment at any time with or without cause.

11. **Nature of Grant.** In accepting the RSUs, you acknowledge and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the award of RSUs is voluntary and occasional and does not create any contractual or other right to receive future awards of RSUs, or benefits in lieu of RSUs, even if RSUs have been awarded in the past;

(c) all decisions with respect to future awards, if any, shall be at the sole discretion of the Company;

(d) your participation in the Plan is voluntary;

(e) the award of RSUs and the Shares subject to the RSUs are extraordinary items that (i) do not constitute compensation of any kind for services of any kind rendered to the Company or any Affiliate, and (ii) are outside the scope of your employment or service contract, if any;

(f) the RSUs and the Shares subject to the RSUs, and the income and value of same, are not intended to replace any pension rights or compensation;

(g) the award of RSUs and the Shares subject to the RSUs, and the income and value of same are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Affiliate;

(h) the award of RSUs and your participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company, the Employer or any other Affiliate, and shall not interfere with the ability of the Company, the Employer or any other Affiliate, as applicable, to terminate your employment or service relationship (if any);

(i) the future value of the underlying the Shares is unknown and cannot be predicted with certainty;

(j) the value of the Shares acquired upon vesting/settlement of the RSUs may increase or decrease in value;

(k) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the termination of your employment or continuous service (for any reason whatsoever, whether or not later found to be invalid or in breach of applicable labor laws
or the terms of your employment or service agreement, if any), and in consideration of the grant of the RSUs to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company , the Employer or any other Affiliate, waive your ability, if any, to bring any such claim, and release the Company, the Employer and its other Affiliates from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(l) except as may be determined by the Administrator pursuant to the authority delegated to him under the Plan and as otherwise provided in Sections 4 and 5, above, in the event of the termination of your employment or continuous service (whether or not later found to be invalid or in breach of applicable labor laws or the terms of your employment or service agreement, if any), your right to vest in RSUs under the Plan will terminate effective as of the date you are no longer actively employed and will not be extended by any notice period mandated under local law (e.g., active employment would not include a period of "garden leave" or similar period pursuant to local law); furthermore, in the event of termination of employment (whether or not later found to be invalid or in breach of applicable labor laws or the terms of your employment or service agreement, if any), and the Administrator shall have the exclusive discretion to determine when you are no longer actively employed for purposes of your RSUs;

(m) the RSU and the benefits under the Plan , if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability;

(n) neither the Company, the Employer nor any other Affiliate shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to you pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon vesting/settlement;

(o) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying Shares; and

(p) You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

12. **Withholding**.

(a) Regardless of any action the Company or your actual employer takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding (the "**Tax Related Items**"), you acknowledge that the ultimate liability for all Tax Related

Items legally due by you is and remains your responsibility and may exceed the amount actually withheld by the Company or your actual employer. You further acknowledge that the Company and/or your actual employer (i) make no representations or undertakings regarding the treatment of any Tax Related Items in connection with any aspect of the RSUs, including the grant of the RSUs, the vesting of the RSUs, the conversion of the RSUs into Shares or the receipt of an equivalent cash payment, the subsequent sale of any Shares acquired at vesting and the receipt of any dividends and/or dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate your liability for Tax Related Items or achieve any particular tax result. Further, if you have become subject to tax in more than one jurisdiction between the Award Date and the date of any relevant taxable event, you acknowledge that the Company and or your actual employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Unless you determine (or are required) to satisfy the Tax Related Items by some other means in accordance with the next following paragraph, or the Company provides for an alternative means for you to satisfy the Tax Related Items (including through the withholding of cash or Shares issued to you in respect of the settlement of the RSUs) if permissible under local law, your acceptance of these RSUs constitutes your instruction and authorization to the Company and any brokerage firm determined acceptable to the Company for such purpose to withhold cash or Shares the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the applicable Tax Related Items.

(c) The Company will not issue any Shares to you until you satisfy the Tax Related Items. You acknowledge that the Company has the right to retain without notice from Shares or cash issued under the Award or from salary or other amounts payable to you, Shares or cash having a value sufficient to satisfy the Tax Related Items. To avoid negative accounting treatment, the Company may withhold or account for Tax Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the Tax Related Items is satisfied by withholding in Shares, for tax purposes, you shall be deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan.

13. Data Privacy. You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your Data (as defined below) by and among, as necessary and applicable, the Employer, the Company and its Affiliates for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company and the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, and job title, any Common Stock or directorships held in the Company, and details of the RSUs or any other restricted stock units or other entitlement to Shares awarded, canceled, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing the Plan. You understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in your country or elsewhere,

including outside the European Economic Area, and that the recipients' country may have different data privacy laws and protections than your country. You authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom you may elect to deposit any Shares acquired upon vesting of the RSUs or any other restricted stock units or other entitlement to Shares.

You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. Participant understands that Data shall be held as long as is reasonably necessary to implement, administer and manage your participation in the Plan, and you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you RSUs or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing such consent may affect your ability to participate in the Plan. In addition, you understand that the Company and its Affiliates have separately implemented procedures for the handling of Data which the Company believes permits the Company to use the Data in the manner set forth above notwithstanding your withdrawal of such consent. For more information on the consequences of refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

14. **Miscellaneous**.

(a) **Amendment or Modifications**. The grant of this Award is documented by the minutes of the Committee or by documents produced by the Company as authorized by such minutes, which records are the final determinant of the number of Shares granted and the conditions of this grant. The Committee may amend or modify this 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 without your 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. Furthermore, you agree to reimburse the Company for any and all reasonable attorney's fees and expenses related to the enforcement of this Agreement.

(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.

(e) **Forfeiture if Not Accepted**. This Company's grant to you of these RSUs is conditioned upon your acceptance of the terms of this Agreement. If you do not accept this Agreement (by returning a signed copy of this Agreement to the Coach Human Resources Department or by electronically accepting it online, as applicable) prior to the first anniversary of the Award Date, then the Company shall have the right to terminate this Agreement and cancel the RSUs without further notice to you.

(f) **Language.** If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

(g) **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

15. **Annexes**. Notwithstanding any provisions in this Agreement, the RSU grant shall be subject to any special terms and conditions as set forth in any annex to this Agreement. Moreover, if you relocate to one of the countries included Annex B, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Annexes constitute part of this Agreement.

16. **Imposition of Other Requirements**: The Company reserves the right to impose other requirements on your participation in the Plan, on the RSU and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

17. **Insider Trading Restrictions/Market Abuse Laws**. You acknowledge that, depending on your country of residence, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell Shares or rights to Shares (*e.g.*, RSUs) under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws in your country). Any restrictions

under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you are advised to speak to your personal advisor on this matter.

18. **Waiver.** You acknowledge that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by you or any other Holder.

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

COACH, INC.

Sarah Dunn Global Human Resources Officer

Date: **Date of Grant**

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:

____

NAME

Date: ________________________________

ANNEX A

DEFINITION OF “CHANGE IN CONTROL”

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.

ANNEX B

COUNTRY-SPECIFIC PROVISIONS

(International Award Recipients)

This Annex includes additional terms and conditions that govern your RSU Award if you reside in one of the countries listed herein. Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Agreement or the Plan.

This Annex may also include information regarding exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control and other laws concerning options in effect as of August 2014. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information noted herein as the only source of information relating to the consequences of your participation in the Plan as the information may be out of date at the time you vest in your RSUs or sell your Shares acquired under the Plan.

In addition, this Annex is general in nature, does not discuss all of the various laws, rules and regulations which may apply to your particular situation and the Company is not in a position to assure you of any particular result. **Accordingly, you are strongly advised to seek appropriate professional advice as to how the relevant laws in your country apply to your specific situation.**

If you reside in a country but are considered a citizen or resident of another country for purposes of the country in which you reside, the information contained in this Annex may not be applicable.

<u>CANADA</u>

RSUs Payable Only in Shares. Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the grant of RSUs does not provide any right for you to receive a cash payment, and the RSUs are payable in Shares only.

Nature of Grant. The following provision replaces Section 11(l) of the Grant Agreement:

(l) except as may be determined by the Administrator pursuant to the authority delegated to him under the Plan and as otherwise provided in Sections 4 and 5, above, in the event of the termination of your employment or continuous service (whether or not later found to be invalid or in breach of applicable labor laws or the terms of your employment or service agreement, if any), your right to vest in RSUs under the Plan, if any, will terminate effective as of the earlier of (i) the date upon which your employment or continuous service is terminated by the Company or your actual employer; (ii) the date upon which you receive written notice of termination of your employment or continuous service from the Company or your actual employer; or (iii) the date upon which you are no longer actively employed or providing services to the Company or your actual employer, and in all cases will not be extended by any notice period mandated under local law (*e.g.*, active employment or service would not include any contractual notice period or any period of "garden leave" or similar period mandated pursuant to applicable labor laws or the terms of your employment or service agreement, if any); the Administrator shall have the exclusive discretion to determine when you are no longer actively employed for purposes of your RSUs (including whether you may still be considered to be providing services while on a leave of absence).

Data Privacy. This provision supplements Section 13 of the Grant Agreement:

You hereby authorize the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company and any Affiliates and the administrator of the Plan to disclose and discuss the Plan with their advisors. You further authorize your employer to record such information and to keep such information in your employee file.

Consent to Receive Information in English. The following provisions will apply if you are a resident of Quebec:

The parties acknowledge that it is their express wish that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé que cette convention («Agreement») soit rédigée en anglais, ainsi que tous les documents, avis et procédures judiciaires, éxécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à la présente.

Securities Law Information. You are permitted to sell Shares acquired under the Plan through the designated broker appointed under the Plan, if any, provided the sale of Shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed (*i.e.*, the New York Stock Exchange).

Foreign Asset/Account Reporting Information. Foreign property (including Shares) held by Canadian residents must be reported annually on Form T1135 (Foreign Income Verification Statement) if the total value of such foreign property exceeds C$100,000 at any time during the year. It is not certain if unvested RSUs constitute foreign property that needs to be reported on Form T1135. The form must be filed by April 30th of the following year. You should consult with your personal tax advisor to determine if the reporting obligation applies to your personal situation.

<u>CHINA</u>

Manner of Sale. This provision supplements Section 3 of the Grant Agreement and is applicable to you if you are a PRC national residing in China, unless otherwise determined by the Company or required by SAFE:

You agree that, at the Company's discretion and instruction, any or all of the Shares issued upon vesting/settlement of the RSUs may be sold, either immediately upon vesting or within six months (or such shorter period as may be required under applicable legal or exchange control requirements) following the termination of your employment for any reason. Your acceptance of the RSUs constitutes your authorization for the Company to instruct its designated broker to assist with the sale of such Shares (on your behalf pursuant to this authorization without further consent) and you expressly authorize the Company's designated broker to complete the sale of such Shares. You acknowledge that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the Company agrees to pay you the cash proceeds from the sale of the Shares, less brokerage fees and subject to any obligation to satisfy Tax Related Items.

Exchange Control Restrictions. The following provision applies to you if you are a PRC national residing in China, unless otherwise determined by the Company or required by SAFE:

You understand and agree that, due to exchange control laws in China, you must immediately repatriate the proceeds from the sale of Shares to China. You further understand that such repatriation of the proceeds will need to be effected through a special exchange control account established by the Company or an Affiliate, and you hereby consent and agree that the proceeds from sale of RSU's may be transferred to such special account prior to being delivered to you. You agree to bear any currency fluctuation risk between the time the Shares are sold and the time the sale proceeds are distributed to you. The Company is under no obligation to secure any exchange conversion rate. You further agree to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

HONG KONG

RSUs Payable Only in Shares. Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the grant of RSUs does not provide any right for you to receive a cash payment, and the RSUs are payable in Shares only.

Sale of Shares. In the event the RSUs vest within six months of the Award Date, you agree that you will not dispose of the Shares acquired prior to the six-month anniversary of the Award Date.

Securities Law Notification. *WARNING: The RSUs and the Shares issued upon vesting do not constitute a public offering of securities under Hong Kong law and are available only to certain Eligible Individuals. The Agreement, the Plan and other incidental communication materials distributed in connection with the RSUs have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong. In addition, the documents have not been reviewed by any regulatory authority in Hong Kong. The RSUs are intended only for the personal use of each Holder, and may not be distributed to any other person. If you are in any doubt about any of the contents of the Agreement or the Plan, you should obtain independent professional advice.*

ITALY

Data Privacy. This provision replaces Section 13 of the Grant Agreement:

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your Data (as defined below) by and among, as necessary and applicable, the Employer, the Company and its Affiliates for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company and the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, and job title, any Common Stock or directorships held in the Company, and

details of the RSUs or any other restricted stock units or other entitlement to Shares awarded, canceled, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing the Plan.

You also understand that providing the Company with Data is necessary for the performance of the Plan and that your denial to provide such Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. The Controller of personal data processing is Coach, Inc. with registered offices at 516 West 34th Street, New York, New York, 10001, U.S.A., and, pursuant to Legislative Decree no. 196/2003, its representative in Italy is Coach Italy S.r.l., 516 W. 34th Street, NY, NY 10001, USA.

You understand that Data will not be publicized, but it may be transferred to banks, other financial institutions or brokers involved in the management and administration of the Plan. You further understand that the Company and/or any Affiliate will transfer Data among themselves as necessary for the purpose of implementing, administering and managing your participation in the Plan, and that the Company and/or any Affiliate may further transfer Data to third parties assisting the Company in the implementation, administration and management of the Plan, including any requisite transfer of such Data to a broker or other third party with whom you may elect to deposit any Shares acquired upon vesting of the RSUs or any other restricted stock units or other entitlement to Shares. Such recipients may receive, possess, use, retain and transfer Data in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan. You understand that these recipients may be located in or outside the European Economic Area, such as in the United States or elsewhere. Should the Company exercise its discretion in suspending all necessary legal obligations connected with the management and administration of the Plan, it will delete Data as soon as it has accomplished all the necessary legal obligations connected with the management and administration of the Plan.

You understand that Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.

The processing activity, including communication, the transfer of Data abroad, including outside of the European Economic Area, as herein specified and pursuant to applicable laws and regulations, does not require you consent thereto as the processing is necessary to performance of contractual obligations related to implementation, administration and management of the Plan. You understand that, pursuant to Section 7 of the Legislative Decree no. 196/2003, you have the right to, including but not limited to, access, delete, update, correct or stop, for legitimate reason, the Data processing. Furthermore, you are aware that Data will not be used for direct marketing purposes. In addition, Data provided can be reviewed and questions or complaints can be addressed by contacting your local human resources representative.

Plan Document Acknowledgment. In accepting the Award, you acknowledge that you have received a copy of the Plan and the Agreement and reviewed the Plan and the Agreement in their entirety and fully understand and accept all provisions of the Plan and the Agreement.

You further acknowledge that you have read and specifically and expressly approve the following sections of the Grant Agreement: Section 11. Nature of Grant; Section 12. Withholding; Section 14(b). Governing Law; Section 14(d). Severability; Section 14(f). Language; Section 14(g). Electronic Delivery and Acceptance; Section 16. Imposition of Other Requirements; and the Data Privacy section above.

Foreign Asset/Account Reporting Information. If you are an Italian resident and at any time during the fiscal year hold investments or financial assets outside of Italy (*e.g.*, cash, Shares) which may generate income taxable in Italy (or if you are the beneficial owner of such an investment or asset, even if you do not directly hold the investment or asset under Italian money laundering provisions), you are required to report such investments or assets on your annual tax return for such fiscal year (on UNICO Form, RW Schedule) or on a special form if you are not required to file a tax return.

Foreign Asset Tax Information. The value of financial assets held outside of Italy by individuals resident of Italy is subject to a foreign asset tax. Beginning 2014, such tax is levied at an annual rate of 2 per thousand (0.2%). The taxable amount will be the fair market value of the financial assets (including Shares) assessed at the end of the calendar year.

JAPAN

Foreign Asset/Account Reporting Information. You are required to report details of any assets held outside of Japan (including Shares acquired under the Plan as of December 31), to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15 of the following year. You should consult with your personal tax advisor to determine if the reporting obligation applies to your personal situation.

KOREA

Exchange Control Information. Exchange control laws require Korean residents who realize US$500,000 or more from the sale of Shares or the receipt of dividends in a single transaction to repatriate the sale proceeds back to Korea within eighteen months of the sale/receipt.

Foreign Asset/Account Reporting Information. Korean residents must declare all foreign financial accounts (*i.e.*, non-Korean bank accounts, brokerage accounts, etc.) to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 1 billion (or an equivalent amount in foreign currency). You should consult with your personal tax advisor to determine if the reporting obligation applies to your personal situation.

LUXEMBOURG

There are no country-specific provisions.

MALAYSIA

Data Privacy. The following provisions replace Section 13 of the Grant Agreement:

You hereby explicitly, voluntarily and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in the Agreement and any other Award documentation by and among, as applicable, the Company, the Employer and any other Affiliate or any third parties authorized by same in assisting in the implementation, administration and management of your participation in the Plan.

Anda dengan ini secara eksplicit, secara sukarela dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi anda seperti yang dinyatakan dalam Perjanjian Penganugerahan ini dan apa-apa dokumentasi Penganugerahan oleh dan di antara, sebagaimana yang berkenaan, Syarikat, Majikan dan Syarikat Sekutu lain atau mana-mana pihak ketiga yang diberi kuasa oleh yang sama untuk membantu dalam pelaksanaan, pentadbiran dan pengurusan penyertaan anda dalam Pelan tersebut.

You may have previously provided the Company and the Employer with, and the Company and the Employer may hold, certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, the fact and conditions of your participation in the Plan, details of all RSUs or any other entitlement to shares of stock awarded, cancelled, exercised, vested, unvested or outstanding in your favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Sebelum ini, anda mungkin telah membekalkan Syarikat dan Majikan dengan, dan Syarikat dan Majikan mungkin memegang, maklumat peribadi tertentu tentang anda, termasuk, tetapi tidak terhad kepada, nama anda, alamat rumah dan nombor telefon, tarikh lahir, nombor insurans sosial atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa syer dalam saham atau jawatan pengarah yang dipegang dalam Syarikat, fakta dan syarat-syarat penyertaan anda dalam Pelan tersebut, butir-butir semua RSUs atau apa-apa hak lain untuk syer dalam saham yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun bagi faedah anda ("Data"), untuk tujuan yang eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan tersebut.

*You also authorize any transfer of Data, as may be required, to a Company-designated Plan broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan and/or with whom any Shares acquired upon vesting of the RSUs are deposited. You acknowledge that these recipients may be located in your country or elsewhere, and that the recipient's country (*e.g.*, the United States) may have different data privacy laws and protections to your country, which may not give the same level of protection to Data. You authorize the Company, the stock plan service provider and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing your participation in the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan.*

Anda juga memberi kuasa untuk membuat apa-apa pemindahan Data, sebagaimana yang diperlukan, kepada broker Pelan yang ditetapkan oleh Syarikat, atau pembekal perkhidmatan pelan saham lain sebagaimana yang dipilih oleh Syarikat pada masa depan, yang membantu Syarikat dalam pelaksanaan, pentadbiran dan pengurusan Pelan tersebut dan/atau dengan sesiapa yang mendepositkan saham yang diperolehi melalui pemberian hak RSUs. Anda mengakui bahawa penerima-penerima ini mungkin berada di negara anda atau di tempat lain, dan bahawa negara penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara anda, yang mungkin tidak boleh memberi tahap perlindungan yang sama kepada Data. Anda memberi kuasa kepada Syarikat, pembekal perkhidmatan pelan saham dan mana-mana penerima lain yang mungkin membantu Syarikat (masa sekarang atau pada masa depan) untuk melaksanakan, mentadbir dan menguruskan penyertaan Peserta dalam Pelan tersebut untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, semata-mata dengan tujuan untuk melaksanakan, mentadbir dan menguruskan penyertaan anda dalam Pelan tersebut.

You understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case, without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke the consent, your employment status and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing the consent is that the Company would not be able to grant future RSUs or other equity awards to you or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of the refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

Anda memahami bahawa anda boleh meminta senarai nama dan alamat mana-mana penerima Data dengan menghubungi wakil sumber manusia tempatan anda. Anda faham bahawa Data akan dipegang hanya untuk tempoh yang diperlukan untuk melaksanakan, mentadbir dan menguruskan penyertaan anda dalam Pelan tersebut. Anda memahami bahawa anda boleh, pada bila-bila masa, melihat data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, meminta bahawa pindaan-pindaan dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes, tanpa kos, dengan menghubungi secara bertulis wakil sumber manusia tempatan anda. Selanjutnya, anda memahami bahawa anda memberikan persetujuan di sini secara sukarela. Jika anda tidak bersetuju, atau jika anda kemudian membatalkan persetujuan anda, status pekerjaan atau perkhidmatan dan kerjaya anda dengan Majikan tidak akan terjejas; satunya akibat buruk jika anda tidak bersetuju atau menarik balik persetujuan anda adalah bahawa Syarikat tidak akan dapat memberikan RSU pada masa depan atau anugerah ekuiti lain kepada anda atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, anda memahami bahawa keengganan atau penarikan balik persetujuan anda boleh menjejaskan keupayaan anda untuk mengambil bahagian dalam Pelan tersebut. Untuk maklumat lanjut mengenai akibat keengganan anda untuk memberikan keizinan atau penarikan balik keizinan, anda memahami bahawa anda boleh menghubungi wakil sumber manusia tempatan anda.

Director Notification Obligation. If you are a director of the Company's Malaysian Affiliate, you are subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Affiliate in writing when you receive or dispose of an interest (*e.g.*, RSUs, Shares) in the Company or any related company. Such notifications must be made within 14 days of receiving or disposing of any interest in the Company or any related company.

<u>SINGAPORE</u>

Securities Law Information. The grant of RSUs is being made in reliance on Section 273(1)(f) of the Securities and Futures Act (Cap. 289) ("SFA"), under which it is exempt from the prospectus and registration requirements under the SFA. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. You should note that the RSUs are subject to Section 257 of the SFA and Participant will not be able to make (i) any subsequent sale of the Shares in Singapore or (ii) any offer of such subsequent sale of the Shares subject to the RSUs in Singapore, unless such sale or offer in is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than Section 280) of the SFA (Chapter 289, 2006 Ed.).

Director Notification Obligation. If you are a director, associate director or shadow director of a Singapore Affiliate of the Company, you are subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singaporean Affiliate in writing when you receive an interest (*e.g.*, RSUs, Shares) in the Company or any related companies. Please contact the Company to obtain a copy of the notification form. In addition, you must notify the Singapore Affiliate when you sell Option Shares of Company or any related company (including when you sell Option Shares acquired through exercise of your Option). These notifications must be made within two (2) days of acquiring or disposing of any interest in the Company or any related company. In addition, a notification must be made of your interests in the Company or any related company within two (2) days of becoming a director.

If you are a director, associate director or shadow director, you are advised to seek appropriate professional advice as to your reporting obligations under the Singapore Companies Act.

UNITED KINGDOM

Disapplication of Retirement Provisions in Section 4 of this Agreement.

The provisions set forth in Section 4 of this Agreement regarding continued vesting following termination of employment with the Coach Companies due to Retirement do not apply to Participants in the United Kingdom. In the event of such termination, the provisions set forth in Section 5(b) regarding voluntary termination of employment shall govern.

The following provisions supplement Section 3 of the Agreement:

Distribution of the Award. Regardless of any action the Company or any Affiliate employing you (the “Employer”) take with respect to any or all federal, state, local or foreign income tax, social insurance, payroll tax, payment on account or other tax related items (“Tax Related Items”), you acknowledge that the ultimate liability for all Tax Related Items associated with the RSUs is and remains your responsibility and that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant or vesting of the RSUs, the delivery of the Shares, the subsequent sale of Shares acquired at vesting and the receipt of any dividends or dividend equivalents; and (ii) do not commit to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate your liability for Tax Related Items. Further, if you have relocated to a different jurisdiction between the date of grant and the date of any taxable event, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable event, you shall pay or make adequate arrangements satisfactory to the Company and/or the Employer (in its sole discretion) to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer, in their sole discretion, to satisfy the obligations with regard to all Tax Related Items legally payable by you by one or a combination of the following: (i) require you to pay Tax-Related Items in cash with a cashier’s check or certified check; (ii) withholding cash from your wages or other compensation payable to you by the Company and/or the Employer; (iii) arranging for the sale of Shares otherwise issuable to you upon vesting of the RSUs (on your behalf and at your direction pursuant to this authorization); (iv) withholding from the proceeds of the sale of Shares acquired upon vesting of the RSUs; or (v) withholding in Shares otherwise issuable to you, provided that the Company withholds only the amount of Shares necessary to satisfy the minimum statutory withholding amount or such other amount as may be necessary to avoid adverse accounting treatment using the Fair Market Value of the Shares on the date of the relevant taxable event. You shall pay to the Company or the Employer any amount of Tax Related Items that the Company or the Employer may be required to withhold as a result of your participation in the Plan that are not satisfied by any of the means previously described. The Company may refuse to deliver the Shares to you if you fail to comply with your obligations in connection with the Tax Related Items as described in this Section.

If payment or withholding of income tax is not made within ninety (90) days of the end of the U.K. tax year in which the event giving rise to the income tax occurs, or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the "Due Date"), the amount of any uncollected income tax shall constitute a loan owed by you to your Employer, effective on the Due Date. You agree that the loan will bear interest at the then-current Official Rate of Her Majesty's Revenue & Customs ("HMRC"), it will be immediately due and repayable, and the Company or your Employer may recover it at any time thereafter by any of the means referred to in this Appendix.

Notwithstanding the foregoing, if you are a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), you shall not be eligible for a loan from the Company to cover the income tax. In the event that you are a director or executive officer and income tax is not collected from or paid by you by the Due Date, the amount of any uncollected income tax may constitute a benefit to you on which additional income tax and national insurance contributions ("NICs") may be payable. You understand that you will be responsible for reporting any income tax and NICs due on this additional benefit directly to HMRC under the self-assessment regime.

RSUs Payable Only in Shares. Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the grant of RSUs does not provide any right for you to receive a cash payment, and the RSUs are payable in Shares only.

Joint Election for Transfer of the Employer's Secondary Class 1 NICs Liability. As a condition of participation in the Plan and the vesting of the Award, you agree to accept any liability for secondary Class 1 NICs which may be payable by the Company and/or the Employer in connection with the RSUs and any event giving rise to Tax-Related Items (the "Employer NICs"). Without prejudice to the foregoing, you agree to execute a joint election with the Company, the form of such joint election being formally approved by HMRC (the "Joint Election"), in the form set forth in Exhibit A to this Annex, and any other required consent or election. You further agree to execute such other joint elections as may be required between you any successor to the Company and/or the Employer. You further agree that the Company and/or the Employer may collect the Employer NICs from him or her by any of the means set forth in this Appendix.

If you do not enter into a Joint Election prior to vesting of the Award, you will not be entitled to vest in the Shares unless and until you enter into a Joint Election and no Shares will be issued to you under the Plan, without any liability to the Company and/or the Employer.

COACH
NEW YORK

EXHIBIT 10.23

2014 PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT
GRANT NOTICE

Unless otherwise defined herein, the terms defined in the Amended and Restated Coach, Inc. 2010 Stock Incentive Plan (as amended, restated or otherwise modified from time to time, the "**Stock Incentive Plan**") shall have the same defined meanings in this Grant Notice (the "**Grant Notice**") and the Performance Restricted Stock Unit Agreement attached as Exhibit A to this Grant Notice (collectively, the "**Agreement**").

Coach, Inc. (the "**Company**") has granted you the following Performance Restricted Stock Units ("**PRSUs**"), subject to the terms and conditions of the Stock Incentive Plan and this Agreement.

Holder:	**[NAME]**
Grant Date:	**[GRANT DATE]**
Target Number of PRSUs:	**[# OF PRSUS]**
Vesting Schedule:	The PRSUs shall vest on the third anniversary of the Grant Date in such amounts as are set forth in Exhibit A (the date on which PRSUs are eligible to vest being referred to herein as the "**Vesting Date**").

Your signature below, which will be accomplished through electronic means approved by the Company, indicates your agreement and understanding that the PRSUs are subject to all of the terms and conditions contained in this Agreement, including the Grant Notice, the Performance Restricted Stock Unit Agreement attached as Exhibit A to this Grant Notice and the Stock Incentive Plan. **ACCORDINGLY, PLEASE BE SURE TO READ ALL OF EXHIBIT A, WHICH CONTAINS THE SPECIFIC TERMS AND CONDITIONS OF THE PRSUS.**

COACH, INC.

____
Sarah Dunn
Global Human Resources Officer

EMPLOYEE NAME ____________________________

An award ("**Award**") for Performance Restricted Stock Units **(**"**PRSUs**"), representing a number of shares of Coach, Inc. common stock ("**Common Stock**") as noted in the 2014 Performance Restricted Stock Unit Grant Notice (the **"Grant Notice"**) of Coach, Inc., a Maryland Corporation (the "**Company**") to which this Performance Restricted Stock Unit Award Agreement (this "**Agreement**") is attached as an exhibit, is hereby granted to the Holder ("**you**") on the date set forth in the Grant Notice, subject to the terms and conditions of this Agreement. The PRSUs are also subject to the terms, definitions and provisions of the Amended and Restated Coach, Inc. 2010 Stock Incentive Plan (as amended, restated or otherwise modified from time to time, the **"Stock Incentive Plan"**) adopted by the Board of Directors of the Company (the **"Board"**) and approved by the Company's shareholders, which is incorporated in this Agreement. To the extent inconsistent with this Agreement, the terms of the Stock Incentive Plan shall govern. Terms not defined herein shall have the meanings as set forth in the Stock Incentive Plan. The Human Resources Committee of the Board (the **"Committee"**) has the discretionary authority to construe and interpret the Stock Incentive Plan and this Agreement. All decisions of the Committee upon any question arising under the Stock Incentive Plan or under this Agreement shall be final and binding on all parties. The Award and the PRSUs issued thereunder are subject to the following terms and conditions:

1. PRSU AWARD

The target number of PRSUs subject to this award (the "**Target Number of PRSUs**") is set forth in the Grant Notice. The actual number of PRSUs which 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 (as defined below) during the period June 29, 2014 (the first day of the Company's 2015 fiscal year) and ending on July 1, 2017 (the last day of the Company's 2017 fiscal year) (the "**Performance Period**") and determined in accordance with the vesting schedule set forth in Section 2(a) below.

PRSUs are considered Performance Stock Units under the Stock Incentive 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 Stock Incentive Plan (the "**Restrictions**").

2. VESTING AND SETTLEMENT OF PRSUS

PRSUs shall vest and be settled in accordance with the provisions of the Stock Incentive Plan as follows:

(a)<u>Vesting</u>

Each vested PRSU is equal in value to one share of Common Stock. Except as set forth in Section 5, if the Committee certifies that, as of July 1, 2017 (the last day of the Performance Period) (the "**Measurement Date**"), the Company has achieved the applicable Productivity Measure (as defined below), Strategic Objective Measure (as defined below) and Sales Measure (as defined below) (collectively, the "**Performance Goals**"), the PRSUs subject to the Award shall be eligible to become vested on the third anniversary of the Grant Date (the "**Vesting Date**") based on the Performance Level (as defined below) pursuant to the vesting schedule set forth in the Performance Goal Schedule (as defined below). The weighted average vesting schedule provided in the Performance Goal Schedule is set forth in the following table (and the maximum payout -- assuming Maximum Performance Level with respect to all three Performance Goals -- is 170% of the Target Number of PRSUs as set forth below):

Performance Level	PRSUs Earned as % of Target Number of PRSUs
Maximum	170%
Target	100%
Threshold	30%

If the Performance Level for the Performance Period is less than Threshold (as defined below) with respect to a Performance Goal, no PRSUs shall be earned or become vested on the Vesting Date with respect to such Performance Goal. If the Performance Level for the Performance Period is between Threshold and Target (as defined below) or between Target and Maximum (as defined below) with respect to a Performance Goal, then the number of PRSUs that shall become vested on the Vesting Date with respect to such Performance Goal shall be determined by means of linear interpolation.

For purposes of this Agreement, (i) "**Productivity Measure**" shall mean the goal established by the Committee with respect to % of the Award and set forth on the FY[ ] PRSU Award Goals and Payout table attached as Exhibit B hereto (the "**Performance Goal Schedule**"), (ii) "**Strategic Objective Measure**" shall mean the goal established by the Committee with respect to % of the Award and set forth on the Performance Goal Schedule, (iii) "**Sales Measure**" shall mean the goal established by the Committee with respect to % of the Award and set forth on the Performance Goal Schedule, (iv) "**Performance Level**" with respect to each Performance Goal shall mean the Company's performance result with respect to fiscal years 2015-17 (measured in dollars or store numbers, as applicable) with respect to such Performance Goal, and (v) "**Threshold**," "**Target**" and "**Maximum**" shall mean, respectively, the minimum, target and maximum amounts established by the Committee with respect to each Performance Goal (measured in terms of compound annual growth rate percentages or store numbers, as applicable), as set forth on the Performance Goal Schedule.

As provided in the Stock Incentive Plan, the Committee, in its sole discretion, may provide that one or more objectively determinable adjustments shall be made to any Performance Goal; *provided* that any such determination shall be made within the time prescribed by, and otherwise in compliance with, Section 162(m) of the Internal Revenue Code, as amended (the "**Code**").

(b)Settlement; Withholding Taxes

Earned PRSUs shall be settled upon, or as soon as reasonably practicable following, the Vesting Date (and in no event later than the end of the short term deferral period as set forth in Treasury Regulation Section 1.409A). 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.

(c)Restrictions on Resale

The shares you will receive under the Award on or following the 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 (i) 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 (ii) 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.

3. DIVIDEND EQUIVALENTS

You shall be eligible to receive Dividend Equivalents (as defined in the Stock Incentive 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 shall be deemed reinvested in Common Stock and credited as additional PRSUs as of the dividend payment date. The Dividend Equivalent PRSUs shall vest as of the Vesting Date of 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; *provided*, *however*, that 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 this Agreement or otherwise.

4. NONTRANSFERABILITY OF PRSUS

The PRSUs may not be sold, pledged, assigned or transferred in any manner except in the event of your death. In the event of your death, the PRSUs may be transferred to the person indicated on a valid beneficiary designation form, or if no beneficiary designation form is on file with the Company, then to the person to whom your rights have passed by will or the laws of descent and distribution. Except as set forth in Section 5 below, the PRSUs may be settled during your lifetime only by you or by your guardian or legal representative. The terms of the Award shall be binding upon your executors, administrators, heirs and successors.

5. SEPARATION OF EMPLOYMENT

(a) <u>In General</u>. Except as otherwise provided in subparagraph (b) below with respect to a termination of employment due to your death or Disability (as defined below), in subparagraph (c) below with respect to a termination of employment due to your Retirement (as defined below), in subparagraph (d) below with respect to certain terminations of employment in connection with a Change in Control, and in subparagraph (e) below with respect to certain other severance-eligible terminations of employment, or as may otherwise be specifically agreed to by the Committee in accordance with the terms of the Stock Incentive Plan, if your employment by the Company and its affiliates (collectively, the "**Coach Companies**") is terminated for any reason prior to the Vesting Date, all unvested PRSUs shall immediately be forfeited upon the last day of your active employment with the Coach Companies (the "**Date of Termination**").

(b) <u>Death or Disability</u>. Notwithstanding Section 5(a), if you cease active employment with the Coach Companies because of your death or Disability prior to the Vesting Date, the Target Number of PRSUs subject to the Award shall become vested effective as of the Date of Termination and such vested PRSUs shall be distributed to you (or your estate, as the case may be) as soon as reasonably practicable on or following such Date of Termination.

(c) Retirement. Notwithstanding Section 5(a), if you cease active employment with the Coach Companies because of your Retirement prior to the Vesting Date, the PRSUs shall remain eligible to become vested on the Vesting Date, pursuant to Section 2, based on actual Company achievement of the Performance Goals as determined as of the Measurement Date.

(d) Change in Control. Notwithstanding Section 5(a), if your employment is terminated by the Coach Companies without Cause (as defined below) prior to the Vesting Date and upon, or within the 12 month period immediately following, a Change in Control (as defined in the Stock Incentive Plan), the Target Number of PRSUs subject to the Award shall become vested effective as of the Date of Termination and such vested PRSUs shall be distributed to you as soon as reasonably practicable on or following such Date of Termination.

(e) Severance Events. Notwithstanding Section 5(a), if your employment with the Coach Companies is terminated by the Coach Companies prior to the Vesting Date and you are eligible to receive severance benefits under any written severance plan or policy of the Coach Companies or an employment agreement between you and the Coach Companies in connection with such termination, then a pro-rata portion of the Award, determined based upon the number of days elapsed during the Performance Period prior to the last day of the Severance Period (as defined below), shall remain eligible to become vested on the Vesting Date, pursuant to Section 2, based on actual Company achievement of the Performance Goals as determined as of the Measurement Date.

(f) Certain Definitions. For purposes of this Agreement, (i) “**Cause**” shall mean fraud, misappropriation, embezzlement or other act of material misconduct against the Coach Companies; substantial and willful failure to render services in accordance with the terms of your duties as an employee; *provided* that (A) a demand for performance of services had been delivered to you at least thirty (30) days prior to your termination identifying the manner in which you have failed to perform and (B) thereafter you fail to remedy such failure to perform; conviction of or plea of guilty or nolo contendere to a felony; or violation of any business standards established by the Coach Companies; (ii) “**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 (A) prevents you from discharging all of your essential job responsibilities or duties, (B) shall be attested to in writing by a physician or group of physicians selected by you and acceptable to the Coach Companies, and (C) has prevented you from so discharging your 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; (iii) “**Retirement**” shall mean your voluntary departure from employment with the Coach Companies if either (A) you have attained age 65 and five years of service with the Coach Companies or (B) you have attained age 55 and ten years of service with the Coach Companies; and (iv) “**Severance Period**” shall mean the period during which you are eligible for and actually receive severance payments, pursuant to a written severance plan or policy of the Coach Companies or an employment agreement between you and the Coach Companies, following your termination of employment.

6. TERM OF PRSUS

PRSUs not certified by the Committee as having vested as of the end of the Performance Period for which the PRSUs were awarded shall be forfeited.

7. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION

The number and kind of shares of Common Stock subject to this Award shall be appropriately adjusted pursuant to the Stock Incentive Plan to reflect any stock dividend, stock split, split-up, extraordinary dividend distribution, or any combination or exchange of shares, however accomplished.

8. ADDITIONAL PRSUS

The Committee may or may not grant you additional PRSUs in the future. Nothing in this Award or any future Award should be construed as suggesting that additional PRSU awards to you will be forthcoming.

9. RIGHTS AS A SHAREHOLDER

Neither you nor your beneficiary or representative shall have any rights as a shareholder with respect to any Common Stock subject to the PRSUs, unless and until the PRSUs vest and are settled in shares of Common Stock of the Company.

10. NO RETENTION RIGHTS

Nothing in this Agreement or in the Stock Incentive Plan shall give you the right to be retained by the Company (or a subsidiary of the Company) as an employee or in any capacity. The Company and its subsidiaries reserve the right to terminate your service at any time, with or without Cause.

11. FORFEITURE AND CLAWBACK PROVISIONS

(a) PRSU Claw-Back. Notwithstanding anything contained in this Agreement to the contrary, (i) if your employment with the Coach Companies is terminated for Cause (as defined above) ("**Termination for Cause**"), (ii) if you elect to terminate your employment with the Coach Companies (including in the event of your Retirement) and you do not provide the Coach Companies with the Required Notice applicable to your level ("**Termination without Notice**"), or (iii) if you engage in any activity inimical, contrary or harmful to the interests of the Coach Companies during your employment with the Coach Companies or at any time during the period ending one (1) year after your employment with the Coach Companies terminates, including but not limited to (A) violating any of the Restrictive Covenants (as defined below), (B) violating any business standards established by the Company, or (C) participating in any activity not approved by the Board of Directors which is reasonably likely to contribute to or result in a Change in Control, as defined in Article 2 of the Stock Incentive Plan (such activities to be collectively referred to as "**Wrongful Conduct**"), then (x) this Award, to the extent it remains restricted, shall be forfeited automatically on the date on which you first engaged in such Wrongful Conduct or the date of your Termination for Cause or Termination without Notice, whichever is applicable, and (y) you shall pay to the Company in cash or shares any PRSU Gain (as defined below) received by you within the twelve (12) month period (if your role is at the Corporate level of Vice President or higher) or six (6) month period (if your role is below the Corporate level of Vice President) immediately preceding the date on which you first engaged in such Wrongful Conduct or the date of your Termination for Cause or Termination without Notice. For the avoidance of doubt, the claw-back provisions set forth in this Section 11(a) are in addition to any other claw-back policy applicable to you, including, without limitation, the Company's incentive repayment policy in the event of employee accountability for a material restatement of the Company's financial results and any claw-back or similar requirements which might be imposed pursuant to Section 304 under the Sarbanes-Oxley Act of 2002, or pursuant to any modification or expansion of the Company's claw-back policy to the extent required by the Dodd-Frank Act of 2010 and the related rules of the Securities and Exchange Commission.

(b) For purposes of this Agreement, "**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 Award and (ii) the Fair Market Value per share of Common Stock on the date of such distribution (without reduction for any shares of Common Stock sold or surrendered in payment of taxes, etc.).

(c) For purposes of this Agreement, "**Required Notice**" means advance written notice of your intent to terminate your employment with the Coach Companies, delivered not less than (A) twelve (12) weeks before your last day of employment if you are then a member of the Coach Operating Group, (B) six (6) weeks before your last day of employment if you are then a Senior Vice President, or (C) four (4) weeks before your last day of employment if you are then a Vice President (there is no Required Notice applicable if you are below the level of Vice President).

(d) For purposes of this Agreement, "**Restrictive Covenants**" shall mean your agreement not to (i) compete directly or indirectly (either as owner, employee or agent of a Competitive Business (as defined below)) with any of the businesses of the Coach Companies, (ii) make, directly or indirectly, a five percent (5%) or more investment in a Competitive Business, or any new luxury accessories business that competes directly with the existing or planned product lines of the Coach Companies, (iii) solicit any present or future employees or customers of the Coach Companies to terminate such employment or business relationship(s) with the Coach Companies, in the case of each of (i), (ii) and (iii), at any time during your employment with the Coach Companies or at any time during the period ending one (1) year after your employment with the Coach Companies terminates, or (iv) disclose or misuse any confidential information regarding the Coach Companies at any time. You acknowledge and agree that the Company is granting you the Award in consideration of your agreement to be bound by the Restrictive Covenants. Accordingly, if you breach any of the Restrictive Covenants, in addition to the forfeiture and claw-back consequences described in Section 11(a), the Company shall be entitled to recover any damages incurred as a result of such breach. You further acknowledge and agree that the Coach Companies would be irreparably harmed by any breach of the Restrictive Covenants and that money damages would be an inadequate remedy for any such breach and, accordingly, in the event of your breach or threatened breach of any of the Restrictive Covenants, the Company may, in addition to any money damages or other rights and remedies existing in its favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the Restrictive Covenants. For the avoidance of doubt, the remedies in law and in equity for any breach of the Restrictive Covenants set forth in this Section 11(c) are in addition to, and cumulative of, the claw-back and forfeiture provisions set forth in Section 11(a).

(e) For purposes of this Agreement, "**Competitive Business**" shall mean any entity (including its subsidiaries, parent entities and other affiliates) that, as of the relevant date, the Committee has designated in its sole discretion as an entity that competes with any of the businesses of the Coach Companies; *provided*, that (i) this list of Competitive Businesses shall not exceed the total number of entities shown below for the region in which your employment is based (ii) such entities are the same entities used for any list of competitive entities for any other arrangement with an executive of the Company, and (iii) you will only be restricted from those entities on the list as of the Date of Termination. A current list of Competitive Businesses, including any changes made to the list by the Committee, shall be maintained on the Company intranet. Each entity included in the list of entities designated as Competitive Businesses at any given time shall include any and all subsidiaries, parent entities and other affiliates of such entity.

The following entities, together with their respective subsidiaries, parent entities and other affiliates, have been designated by the Committee as Competitive Businesses as of the date of this Agreement for Company Employees employed by the Company's North American entities or Global Operations division (regardless of the employee's geographic place of work or residence) excluding those described in the paragraph below:

Burberry Group PLC; Cole Haan LLC; Diane von Furstenberg Studio, L.P.; Fifth & Pacific Companies, Inc.; Fast Retailing Co., Ltd.; Fung Group; The Gap, Inc.; J. Crew Group, Inc.; Kering; L Brands, Inc.; LVMH

Moet Hennessy Louis Vuitton SA; Michael Kors Holdings Limited; PVH Corp.; Prada, S.p.A.; Proenza Schouler; Rag & Bone; Ralph Lauren Corporation; Tory Burch LLC; Tumi Holdings, Inc.; V.F. Corporation.

The following entities, together with their respective subsidiaries, parent entities and other affiliates, have been designated by the Committee as Competitive Businesses as of the date of this Agreement for Company employees employed by the retail businesses operated by the Company (either directly or in a joint venture) outside of North America (regardless of the employee's geographic place of work or residence):

adidas AG; Burberry Group PLC; Chanel S.A.; Cole Haan LLC; Club 21 Pte. Ltd.; Compagnie Financiere Richemont SA; Fast Retailing Co., Ltd.; Fifth & Pacific Companies, Inc.; Furla S.p.A.; The Gap, Inc.; H & M Hennes & Mauritz AB; Hermes International SA; Industria de Diseño Textil, S.A.; Kering; LVMH Moet Hennessy Louis Vuitton SA; Michael Kors Holdings Limited; PVH Corp.; Prada, S.p.A.; Ralph Lauren Corporation; Salvatore Ferragamo S.p.A.; Tory Burch; Tod's S.p.A.

12. ENTIRE AGREEMENT

This Agreement and the Stock Incentive Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof.

13. AMENDMENT AND MODIFICATION

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 Stock Incentive 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 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.

14. 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.

15. 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.

16. 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.

17. ANNEXES

Notwithstanding any provisions in this Agreement, the PRSU grant shall be subject to any special terms and conditions as set forth in any annex to this Agreement. Moreover, if you relocate to one of the countries included in Annex A, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms is necessary or advisable in order to comply with local law or facilitate the administration of the Stock Incentive Plan. The Annexes constitute part of this Agreement.

18. CODE 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 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 ("**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. Notwithstanding anything herein to the contrary, in no event shall any liability for failure to comply with the requirements of Section 409A be transferred from Executive or any other individual to the Company or any of its affiliates, employees or agents pursuant to the terms of this Agreement or otherwise.

(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).

19. DATA PRIVACY

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your Data (as defined below) by and among, as necessary and applicable, the Company, its subsidiaries and its affiliates for the exclusive purpose of implementing, administering and managing your participation in the Stock Incentive Plan.

You understand that the Company may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, and job title, any Common Stock or directorships held in the Company, and details of the PRSUs or other entitlement to shares awarded, canceled, vested, unvested or outstanding in your favor, for the purpose of implementing, administering and managing the Stock Incentive Plan ("**Data**"). You understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Stock Incentive Plan, that these recipients may be located in your country or elsewhere, including outside the European Economic Area, and that the recipients' country may have different data privacy laws and protections than your country. You authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Stock Incentive Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom you may elect to deposit any shares acquired upon vesting of the PRSUs or other entitlement to shares.

You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You understand that Data shall be held as long as is reasonably necessary to implement, administer and manage your participation in the Stock Incentive Plan, and you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. You understand, however, that refusing or withdrawing such consent may affect your ability to participate in the Stock Incentive Plan. In addition, you understand that the Company, its subsidiaries and its affiliates have separately implemented procedures for the handling of Data which the Company believes permits the Company to use the Data in the manner set forth above notwithstanding your withdrawal of such consent. For more information on the consequences of refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

COACH
NEW YORK

EXHIBIT B

Performance Goal Schedule

Weighted Avg Payout Curve		
Min	Target	Max

PERFORMANCE PERIOD: FY XX - YY

Measure	Metric	*Prior Year*	FYYY Result			Payout curve		
		Actual	Min	Target	Max	Min	Target	Max
MEASURE 1	METRIC 1							
Weight = __						Performance Curve		

Measure	Metric	*Prior Year*	FYYY Result			Payout curve		
MEASURE 2	METRIC 2	*Actual*	Min	Target	Max	Min	Target	Max
Weight = __								
						Performance Curve		

Measure	Metric	*Prior Year*	FYYY Result			Payout curve		
MEASURE 3	METRIC 3	*Actual*	Min	Target	Max	Min	Target	Max
Weight = __								
						Performance Curve		

ANNEX A

COUNTRY-SPECIFIC PROVISIONS

This Annex includes additional terms and conditions that govern your RSU Award if you reside in one of the countries listed herein. Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Agreement or the Plan.

This Annex may also include information regarding exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control and other laws concerning options in effect as of August 2014. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information noted herein as the only source of information relating to the consequences of your participation in the Plan as the information may be out of date at the time you vest in your RSUs or sell your Shares acquired under the Plan.

In addition, this Annex is general in nature, does not discuss all of the various laws, rules and regulations which may apply to your particular situation and the Company is not in a position to assure you of any particular result. **Accordingly, you are strongly advised to seek appropriate professional advice as to how the relevant laws in your country apply to your specific situation.**

If you reside in a country but are considered a citizen or resident of another country for purposes of the country in which you reside, the information contained in this Annex may not be applicable.

CANADA

RSUs Payable Only in Shares. Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the grant of RSUs does not provide any right for you to receive a cash payment, and the RSUs are payable in Shares only.

(l) except as may be determined by the Administrator pursuant to the authority delegated to him under the Plan and as otherwise provided in Sections 4 and 5, above, in the event of the termination of your employment or continuous service (whether or not later found to be invalid or in breach of applicable labor laws or the terms of your employment or service agreement, if any), your right to vest in RSUs under the Plan, if any, will terminate effective as of the earlier of (i) the date upon which your employment or continuous service is terminated by the Company or your actual employer; (ii) the date upon which you receive written notice of termination of your employment or continuous service from the Company or your actual employer; or (iii) the date upon which you are no longer actively employed or providing services to the Company or your actual employer, and in all cases will not be extended by any notice period mandated under local law (*e.g.*, active employment or service would not include any contractual notice period or any period of “garden leave” or similar period mandated pursuant to applicable labor laws or the terms of your employment or service agreement, if any); the Administrator shall have the exclusive discretion to determine when you are no longer actively employed for purposes of your RSUs (including whether you may still be considered to be providing services while on a leave of absence).

Data Privacy. This provision supplements Section 13 of the Grant Agreement:

You hereby authorize the Company and the Company’s representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company and any Affiliates and the administrator of the Plan to disclose and discuss the Plan with their advisors. You further authorize your employer to record such information and to keep such information in your employee file.

Consent to Receive Information in English. The following provisions will apply if you are a resident of Quebec:

The parties acknowledge that it is their express wish that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé que cette convention («Agreement») soit rédigée en anglais, ainsi que tous les documents, avis et procédures judiciaires, éxécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à la présente.

Securities Law Information. You are permitted to sell Shares acquired under the Plan through the designated broker appointed under the Plan, if any, provided the sale of Shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed (*i.e.*, the New York Stock Exchange).

Foreign Asset/Account Reporting Information. Foreign property (including Shares) held by Canadian residents must be reported annually on Form T1135 (Foreign Income Verification Statement) if the total value of such foreign property exceeds C$100,000 at any time during the year. It is not certain if unvested RSUs constitute foreign property that needs to be reported on Form T1135. The form must be filed by April 30th of the following year. You should consult with your personal tax advisor to determine if the reporting obligation applies to your personal situation.

CHINA

Manner of Sale. This provision supplements Section 3 of the Grant Agreement and is applicable to you if you are a PRC national residing in China, unless otherwise determined by the Company or required by SAFE:

You agree that, at the Company's discretion and instruction, any or all of the Shares issued upon vesting/settlement of the RSUs may be sold, either immediately upon vesting or within six months (or such shorter period as may be required under applicable legal or exchange control requirements) following the termination of your employment for any reason. Your acceptance of the RSUs constitutes your authorization for the Company to instruct its designated broker to assist with the sale of such Shares (on your behalf pursuant to this authorization without further consent) and you expressly authorize the Company's designated broker to complete the sale of such Shares. You acknowledge that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the Company agrees to pay you the cash proceeds from the sale of the Shares, less brokerage fees and subject to any obligation to satisfy Tax Related Items.

Exchange Control Restrictions. The following provision applies to you if you are a PRC national residing in China, unless otherwise determined by the Company or required by SAFE:

You understand and agree that, due to exchange control laws in China, you must immediately repatriate the proceeds from the sale of Shares to China. You further understand that such repatriation of the proceeds will need to be effected through a special exchange control account established by the Company or an Affiliate, and you hereby consent and agree that the proceeds from sale of RSU's may be transferred to such special account prior to being delivered to you. You agree to bear any currency fluctuation risk between the time the Shares are sold and the time the sale proceeds are distributed to you. The Company is under no obligation to secure any exchange conversion rate. You further agree to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

HONG KONG

RSUs Payable Only in Shares. Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the grant of RSUs does not provide any right for you to receive a cash payment, and the RSUs are payable in Shares only.

Sale of Shares. In the event the RSUs vest within six months of the Award Date, you agree that you will not dispose of the Shares acquired prior to the six-month anniversary of the Award Date.

Securities Law Notification. *WARNING: The RSUs and the Shares issued upon vesting do not constitute a public offering of securities under Hong Kong law and are available only to certain Eligible Individuals. The Agreement, the Plan and other incidental communication materials distributed in connection with the RSUs have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong. In addition, the documents have not been reviewed by any regulatory authority in Hong Kong. The RSUs are intended only for the personal use of each Holder, and may not be distributed to any other person. If you are in any doubt about any of the contents of the Agreement or the Plan, you should obtain independent professional advice.*

ITALY

Data Privacy. This provision replaces Section 13 of the Grant Agreement:

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your Data (as defined below) by and among, as necessary and applicable, the Employer, the Company and its Affiliates for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company and the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, and job title, any Common Stock or directorships held in the Company, and details of the RSUs or any other restricted stock units or other entitlement to Shares awarded, canceled, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing the Plan.

You also understand that providing the Company with Data is necessary for the performance of the Plan and that your denial to provide such Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. The Controller of personal data processing is Coach, Inc. with registered offices at 516 West 34th Street, New York, New York, 10001, U.S.A., and, pursuant to Legislative Decree no. 196/2003, its representative in Italy is Coach Italy S.r.l., 516 W. 34th Street, NY, NY 10001, USA.

You understand that Data will not be publicized, but it may be transferred to banks, other financial institutions or brokers involved in the management and administration of the Plan. You further understand that the Company and/or any Affiliate will transfer Data among themselves as necessary for the purpose of implementing, administering and managing your participation in the Plan, and that the Company and/or any Affiliate may further transfer Data to third parties assisting the Company in the implementation, administration and management of the Plan, including any requisite transfer of such Data to a broker or other third party with whom you may elect to deposit any Shares acquired upon vesting of the RSUs or any other restricted stock units or other entitlement to Shares. Such recipients may receive, possess, use, retain and transfer Data in electronic or other form, for the purposes of implementing, administering and managing Participant's participation in the Plan. You understand that these recipients may be located in or outside the European Economic Area, such as in the United States or elsewhere. Should the Company exercise its discretion in suspending all necessary legal obligations connected with the management and administration of the Plan, it will delete Data as soon as it has accomplished all the necessary legal obligations connected with the management and administration of the Plan.

You understand that Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.

The processing activity, including communication, the transfer of Data abroad, including outside of the European Economic Area, as herein specified and pursuant to applicable laws and regulations, does not require you consent thereto as the processing is necessary to performance of contractual obligations related to implementation, administration and management of the Plan. You understand that, pursuant to Section 7 of the Legislative Decree no. 196/2003, you have the right to, including but not limited to, access, delete, update, correct or stop, for legitimate reason, the Data processing. Furthermore, you are aware that Data will not be used for direct marketing purposes. In addition, Data provided can be reviewed and questions or complaints can be addressed by contacting your local human resources representative.

Plan Document Acknowledgment. In accepting the Award, you acknowledge that you have received a copy of the Plan and the Agreement and reviewed the Plan and the Agreement in their entirety and fully understand and accept all provisions of the Plan and the Agreement.

You further acknowledge that you have read and specifically and expressly approve the following sections of the Grant Agreement: Section 11. Nature of Grant; Section 12. Withholding; Section 14(b). Governing Law; Section 14(d). Severability; Section 14(f). Language; Section 14(g). Electronic Delivery and Acceptance; Section 16. Imposition of Other Requirements; and the Data Privacy section above.

Foreign Asset/Account Reporting Information. If you are an Italian resident and at any time during the fiscal year hold investments or financial assets outside of Italy (*e.g.*, cash, Shares) which may generate income taxable in Italy (or if you are the beneficial owner of such an investment or asset, even if you do not directly hold the investment or asset under Italian money laundering provisions), you are required to report such investments or assets on your annual tax return for such fiscal year (on UNICO Form, RW Schedule) or on a special form if you are not required to file a tax return.

Foreign Asset Tax Information. The value of financial assets held outside of Italy by individuals resident of Italy is subject to a foreign asset tax. Beginning 2014, such tax is levied at an annual rate of 2 per thousand (0.2%). The taxable amount will be the fair market value of the financial assets (including Shares) assessed at the end of the calendar year.

<u>JAPAN</u>

Foreign Asset/Account Reporting Information. You are required to report details of any assets held outside of Japan (including Shares acquired under the Plan as of December 31), to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15 of the following year. You should consult with your personal tax advisor to determine if the reporting obligation applies to your personal situation.

<u>KOREA</u>

Exchange Control Information. Exchange control laws require Korean residents who realize US$500,000 or more from the sale of Shares or the receipt of dividends in a single transaction to repatriate the sale proceeds back to Korea within eighteen months of the sale/receipt.

Foreign Asset/Account Reporting Information. Korean residents must declare all foreign financial accounts (*i.e.*, non-Korean bank accounts, brokerage accounts, etc.) to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 1 billion (or an equivalent amount in foreign currency). You should consult with your personal tax advisor to determine if the reporting obligation applies to your personal situation.

<u>LUXEMBOURG</u>

There are no country-specific provisions.

<u>MALAYSIA</u>

Data Privacy. The following provisions replace Section 13 of the Grant Agreement:

You hereby explicitly, voluntarily and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in the Agreement and any other Award documentation by and among, as applicable, the Company, the Employer and any other Affiliate or any third parties authorized by same in assisting in the implementation, administration and management of your participation in the Plan.	*Anda dengan ini secara eksplicit, secara sukarela dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi anda seperti yang dinyatakan dalam Perjanjian Penganugerahan ini dan apa-apa dokumentasi Penganugerahan oleh dan di antara, sebagaimana yang berkenaan, Syarikat, Majikan dan Syarikat Sekutu lain atau mana-mana pihak ketiga yang diberi kuasa oleh yang sama untuk membantu dalam pelaksanaan, pentadbiran dan pengurusan penyertaan anda dalam Pelan tersebut.*
You may have previously provided the Company and the Employer with, and the Company and the Employer may hold, certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, the fact and conditions of your participation in the Plan, details of all RSUs or any other entitlement to shares of stock awarded, cancelled, exercised, vested, unvested or outstanding in your favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.	*Sebelum ini, anda mungkin telah membekalkan Syarikat dan Majikan dengan, dan Syarikat dan Majikan mungkin memegang, maklumat peribadi tertentu tentang anda, termasuk, tetapi tidak terhad kepada, nama anda, alamat rumah dan nombor telefon, tarikh lahir, nombor insurans sosial atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa syer dalam saham atau jawatan pengarah yang dipegang dalam Syarikat, fakta dan syarat-syarat penyertaan anda dalam Pelan tersebut, butir-butir semua RSUs atau apa-apa hak lain untuk syer dalam saham yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun bagi faedah anda ("Data"), untuk tujuan yang eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan tersebut.*
You also authorize any transfer of Data, as may be required, to a Company-designated Plan broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan and/or with whom any Shares acquired upon vesting of the RSUs are deposited. You acknowledge that these recipients may be located in your country or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections to your country, which may not give the same level of protection to Data. You authorize the Company, the stock plan service provider and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing your participation in the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan.	*Anda juga memberi kuasa untuk membuat apa-apa pemindahan Data, sebagaimana yang diperlukan, kepada broker Pelan yang ditetapkan oleh Syarikat, atau pembekal perkhidmatan pelan saham lain sebagaimana yang dipilih oleh Syarikat pada masa depan, yang membantu Syarikat dalam pelaksanaan, pentadbiran dan pengurusan Pelan tersebut dan/atau dengan sesiapa yang mendepositkan saham yang diperolehi melalui pemberian hak RSUs. Anda mengakui bahawa penerima-penerima ini mungkin berada di negara anda atau di tempat lain, dan bahawa negara penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara anda, yang mungkin tidak boleh memberi tahap perlindungan yang sama kepada Data. Anda memberi kuasa kepada Syarikat, pembekal perkhidmatan pelan saham dan mana-mana penerima lain yang mungkin membantu Syarikat (masa sekarang atau pada masa depan) untuk melaksanakan, mentadbir dan menguruskan penyertaan Peserta dalam Pelan tersebut untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, semata-mata dengan tujuan untuk melaksanakan, mentadbir dan menguruskan penyertaan anda dalam Pelan tersebut.*

COACH

NEW YORK

You understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case, without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke the consent, your employment status and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing the consent is that the Company would not be able to grant future RSUs or other equity awards to you or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of the refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

Anda memahami bahawa anda boleh meminta senarai nama dan alamat mana-mana penerima Data dengan menghubungi wakil sumber manusia tempatan anda. Anda faham bahawa Data akan dipegang hanya untuk tempoh yang diperlukan untuk melaksanakan, mentadbir dan menguruskan penyertaan anda dalam Pelan tersebut. Anda memahami bahawa anda boleh, pada bila-bila masa, melihat data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, meminta bahawa pindaan-pindaan dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes, tanpa kos, dengan menghubungi secara bertulis wakil sumber manusia tempatan anda. Selanjutnya, anda memahami bahawa anda memberikan persetujuan di sini secara sukarela. Jika anda tidak bersetuju, atau jika anda kemudian membatalkan persetujuan anda, status pekerjaan atau perkhidmatan dan kerjaya anda dengan Majikan tidak akan terjejas; satunya akibat buruk jika anda tidak bersetuju atau menarik balik persetujuan anda adalah bahawa Syarikat tidak akan dapat memberikan RSU pada masa depan atau anugerah ekuiti lain kepada anda atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, anda memahami bahawa keengganan atau penarikan balik persetujuan anda boleh menjejaskan keupayaan anda untuk mengambil bahagian dalam Pelan tersebut. Untuk maklumat lanjut mengenai akibat keengganan anda untuk memberikan keizinan atau penarikan balik keizinan, anda memahami bahawa anda boleh menghubungi wakil sumber manusia tempatan anda.

Director Notification Obligation. If you are a director of the Company's Malaysian Affiliate, you are subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Affiliate in writing when you receive or dispose of an interest (*e.g.*, RSUs, Shares) in the Company or any related company. Such notifications must be made within 14 days of receiving or disposing of any interest in the Company or any related company.

<u>**SINGAPORE**</u>

Securities Law Information. The grant of RSUs is being made in reliance on Section 273(1)(f) of the Securities and Futures Act (Cap. 289) ("SFA"), under which it is exempt from the prospectus and registration requirements under the SFA. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. You should note that the RSUs are subject to Section 257 of the SFA and Participant will not be able to make (i) any subsequent sale of the Shares in Singapore or (ii) any offer of such subsequent sale of the Shares subject to the RSUs in Singapore, unless such sale or offer in is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than Section 280) of the SFA (Chapter 289, 2006 Ed.).

Director Notification Obligation. If you are a director, associate director or shadow director of a Singapore Affiliate of the Company, you are subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singaporean Affiliate in writing when you receive an interest (*e.g.*, RSUs, Shares) in the Company or any related companies. Please contact the Company to obtain a copy of the notification form. In addition, you must notify the Singapore Affiliate when you sell Option Shares of Company or any related company (including when you sell Option Shares acquired through exercise of your Option). These notifications must be made within two (2) days of acquiring or disposing of any interest in the Company or any related company. In addition, a notification must be made of your interests in the Company or any related company within two (2) days of becoming a director.

If you are a director, associate director or shadow director, you are advised to seek appropriate professional advice as to your reporting obligations under the Singapore Companies Act.

UNITED KINGDOM

Disapplication of Retirement Provisions in Section 4 of this Agreement.

The provisions set forth in Section 4 of this Agreement regarding continued vesting following termination of employment with the Coach Companies due to Retirement do not apply to Participants in the United Kingdom. In the event of such termination, the provisions set forth in Section 5(b) regarding voluntary termination of employment shall govern.

The following provisions supplement Section 3 of the Agreement:

Distribution of the Award. Regardless of any action the Company or any Affiliate employing you (the “Employer”) take with respect to any or all federal, state, local or foreign income tax, social insurance, payroll tax, payment on account or other tax related items (“Tax Related Items”), you acknowledge that the ultimate liability for all Tax Related Items associated with the RSUs is and remains your responsibility and that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant or vesting of the RSUs, the delivery of the Shares, the subsequent sale of Shares acquired at vesting and the receipt of any dividends or dividend equivalents; and (ii) do not commit to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate your liability for Tax Related Items. Further, if you have relocated to a different jurisdiction between the date of grant and the date of any taxable event, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable event, you shall pay or make adequate arrangements satisfactory to the Company and/or the Employer (in its sole discretion) to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer, in their sole discretion, to satisfy the obligations with regard to all Tax Related Items legally payable by you by one or a combination of the following: (i) require you to pay Tax-Related Items in cash with a cashier’s check or certified check; (ii) withholding cash from your wages or other compensation payable to you by the Company and/or the Employer; (iii) arranging for the sale of Shares otherwise issuable to you upon vesting of the RSUs (on your behalf and at your direction pursuant to this authorization); (iv) withholding from the proceeds of the sale of Shares acquired upon vesting of the RSUs; or (v) withholding in Shares otherwise issuable to you, provided that the Company withholds only the amount of Shares necessary to satisfy the minimum statutory withholding amount or such other amount as may be necessary to avoid adverse accounting treatment using the Fair Market Value of the Shares on the date of the relevant taxable event. You shall pay to the Company or the Employer any amount of Tax Related Items that the Company or the Employer may be required to withhold as a result of your participation in the Plan that are not satisfied by any of the means previously described. The Company may refuse to deliver the Shares to you if you fail to comply with your obligations in connection with the Tax Related Items as described in this Section.

If payment or withholding of income tax is not made within ninety (90) days of the end of the U.K. tax year in which the event giving rise to the income tax occurs, or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the “Due Date”), the amount of any uncollected income tax shall constitute a loan owed by you to your Employer, effective on the Due Date. You agree that the loan will bear interest at the then-current Official Rate of Her Majesty’s Revenue & Customs (“HMRC”), it will be immediately due and repayable, and the Company or your Employer may recover it at any time thereafter by any of the means referred to in this Appendix.

Notwithstanding the foregoing, if you are a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), you shall not be eligible for a loan from the Company to cover the income tax. In the event that you are a director or executive officer and income tax is not collected from or paid by you by the Due Date, the amount of any uncollected income tax may constitute a benefit to you on which additional income tax and national insurance contributions (“NICs”) may be payable. You understand that you will be responsible for reporting any income tax and NICs due on this additional benefit directly to HMRC under the self-assessment regime.

RSUs Payable Only in Shares. Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the grant of RSUs does not provide any right for you to receive a cash payment, and the RSUs are payable in Shares only.

Joint Election for Transfer of the Employer's Secondary Class 1 NICs Liability. As a condition of participation in the Plan and the vesting of the Award, you agree to accept any liability for secondary Class 1 NICs which may be payable by the Company and/or the Employer in connection with the RSUs and any event giving rise to Tax-Related Items (the "Employer NICs"). Without prejudice to the foregoing, you agree to execute a joint election with the Company, the form of such joint election being formally approved by HMRC (the "Joint Election"), in the form set forth in Exhibit A to this Annex, and any other required consent or election. You further agree to execute such other joint elections as may be required between you any successor to the Company and/or the Employer. You further agree that the Company and/or the Employer may collect the Employer NICs from him or her by any of the means set forth in this Appendix.

If you do not enter into a Joint Election prior to vesting of the Award, you will not be entitled to vest in the Shares unless and until you enter into a Joint Election and no Shares will be issued to you under the Plan, without any liability to the Company and/or the Employer.

EXHIBIT 10.24

Amended and Restated Coach, Inc. 2010 Stock Incentive Plan
Stock Option Grant Notice and Agreement
For Outside Directors

NAME

Coach, Inc. (the "Company") is pleased to confirm that you have been granted a stock option (an "Option"), effective as of **GRANT DATE** (the "Grant Date"), as provided in this agreement (the "Agreement").

1. **Option Right**. Your Option is to purchase, on the terms and conditions set forth below, the following number of shares (the "Option Shares") of the Company's Common Stock, par value $.01 per share (the "Common Stock") at the exercise price specified below (the "Exercise Price").

	Number of Option Shares	Grant Price Per Option Share
Shares Granted	**# of Options**	**Grant Price**

2. **Option**. This Option is a non-qualified stock option that is intended to conform in all respects with the Amended and Restated Coach, Inc. 2010 Stock Incentive Plan (the "Plan"), a copy of which will be supplied to you upon your request, and the provisions of which are incorporated herein by reference. This Option is not intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

3. **Expiration Date**. This Option expires on the tenth (10th) anniversary of the Grant Date (the "Expiration Date").

4. **Vesting**. This Option may be exercised (subject to the restrictions contained in this Agreement) only to the extent it has vested, which shall be the earlier of the date of the Company's next regular annual meeting of shareholders or twelve months after the grant date (the "Vesting Date"); provided, that, subject the following sentence, you remain in continuous service as a Director of the Company during the period beginning on the Grant Date and ending on the Vesting Date. If you cease active service with the Company's Board of Directors prior to the Vesting Date because of your death or Permanent and Total Disability (as defined below), this Award will continue to vest in accordance with the schedule set forth in this paragraph. For purposes of the foregoing, "**Permanent and Total Disability**" means that you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months.

5. **Exercise**. This Option may be exercised in whole or in part for the number of Option Shares specified (which in all cases must be at least the lesser of two-hundred and fifty (250) or the total number of shares outstanding under this Option) in a verbal notice that is delivered to the Company or its designated agent and is accompanied by full payment of the Exercise Price for such number of specified Option Shares in cash. Subject to Section 1 above, this Option will be considered exercised on the date on which (a) your verbal notice of exercise and your payment of the Exercise price, have both been received by the Company and (b) any condition to exercise, as described herein, has be satisfied.

6. **Rights as a Stockholder**. You will have no right as a stockholder with respect to any Option Shares until and unless ownership of such Option Shares has been transferred to you.

7. **Options Not Transferable**. This Option 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). If this Option remains exercisable after your death, subject to paragraphs 1, 5, and 6 above, it may be exercised by the personal representative of your estate or by any person who acquires the right to exercise such Option by bequest, inheritance or otherwise by reason of your death.

8. **Transferability of Option Shares**. Option Shares generally are freely tradeable in the United States. However, you may not offer, sell or otherwise dispose of any Option Shares in a way which would: (i) 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 (ii) 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 Common Stock received by you pursuant to this Option.

9. **Conformity with the Plan.** This Option 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 and the Plan.

10. **Miscellaneous**.

(a) **Amendment or Modifications**. The grant of this Option is documented by the minutes of the Board, which records are the final determinant of the number of shares granted and the conditions of this grant. The Board may amend or modify this Option in any manner to the extent that the Board would have had the authority under the Plan initially to grant such Option, provided that no such amendment or modification shall directly or indirectly impair or otherwise adversely affect your rights under this Agreement without your 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 or 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.

COACH
NEW YORK

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

COACH, INC.

Sarah Dunn Global Human Resources Officer

Date: **Date of Grant**

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.

OPTIONEE:

____

NAME

Date: ________________________________

EXHIBIT 10.25

Amended and Restated Coach, Inc. 2010 Stock Incentive Plan
Restricted Stock Unit Grant Notice and Agreement
For Outside Directors

NAME

Coach, Inc. (the "Company") is pleased to confirm that you have been granted a restricted stock unit award (the "Award"), effective as of **GRANT DATE** (the "Award Date"), as provided in this agreement (the "Agreement") pursuant to the Amended and Restated Coach, Inc. 2010 Stock Incentive Plan, as amended (the "Plan").

1. **Award**. Subject to the restrictions, limitations and conditions as described below, the Company hereby awards to you as of the Award Date:

# of RSUs restricted stock units ("RSUs")

Each RSU represents the right to receive one share (an "Award Share") of the Company's Common Stock, par value $.01 per share (the "Common Stock") upon the satisfaction of terms and conditions set forth in this Agreement and the Plan. While the restrictions are in effect, the RSUs are not transferable by the Participant by means of sale, assignment, exchange, pledge, or otherwise.

2. **Vesting**. The RSUs shall become vested on the date that is the earlier of the Company's next regular annual meeting of shareholders or twelve months after the grant date (the "Vesting Date"); provided, that, subject to paragraph 3 below, you remain in continuous service as a Director of the Company during the period beginning on the Award Date and ending on the Vesting Date.

3. **Death or Total Disability.** If you cease active service with the Company's Board of Directors prior to the Vesting Date because of your death or Permanent and Total Disability (as defined below), this Award will continue to vest in accordance with the schedule set forth in paragraph 2. For purposes of the foregoing, "**Permanent and Total Disability**" means that you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months.

4. **Distribution of the Award**.

(a) **In General.** Except as set forth in paragraph 4(b), on each Vesting Date, the Company shall, subject to section 10.5(b) of the Plan, transfer to you all of the Award Shares subject to the Award.

(b) **Election to Defer.** Notwithstanding paragraph 4(a), you shall have the right to elect to defer receipt of some or all of the Award Shares that would otherwise be transferred to you on the Vesting Date pursuant to the Plan. Any such election shall be made in accordance with the terms of the RSU Deferral Election Form in substantially the form attached hereto as Exhibit A and shall be made not later than the “Election Deadline” set forth in the applicable RSU Deferral Election Form.

5. **Rights as a Stockholder**. You will have no right as a stockholder with respect to any Award Shares until and unless ownership of such Award Shares has been transferred to you.

6. **Awards Not Transferable**. This 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).

7. **Transferability of Award Shares**. Award Shares generally are freely tradeable in the United States. However, you may not offer, sell or otherwise dispose of any Award 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 Common Stock received by you pursuant to this Award.

8. **Conformity with the Plan.** This 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 and the Plan.

9. **Section 409A**. Notwithstanding anything to the contrary contained in this Agreement or the Plan, this Agreement shall be interpreted in accordance with, and incorporate the terms and conditions required by, Section 409A of the U.S. Internal Revenue Code of 1986, as amended (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, “Section 409A”). The Company’s Board of Directors shall have the authority (without any obligation to do so or to indemnify any Participant Director for failure to do so) to adopt such amendments to the Plan and this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as it determines are necessary or appropriate to comply with the requirements of Section 409A.

10. **Miscellaneous**.

(a) **Amendment or Modifications**. The grant of this Award is documented by the minutes of the Board, which records are the final determinant of the number of shares granted and the conditions of this grant. The Board may amend or modify this Award in any manner to the extent that the Board 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 without your 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 or 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.

COACH
NEW YORK

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

COACH, INC.

Sarah Dunn

Global Human Resources Officer

Date: DATE OF GRANT

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:

____

NAME

Date: ____________________________

Coach, Inc. **Exhibit 12**

Computation of Ratio of Earnings to Fixed Charges

	Year Ended				
	June 27, 2015	**June 28, 2014**	**June 29, 2013**	**June 30, 2012**	**July 2, 2011**
	(in millions)				
Determination of Earnings:					
Income before provision for income taxes and loss from equity investees	$ 611.6	$ 1,122.3	$ 1,526.9	$ 1,512.7	$ 1,305.9
Plus: Fixed charges	130.8	107.4	95.5	87.7	70.8
Earnings available to cover fixed charges	$ 742.4	$ 1,229.7	$ 1,622.4	$ 1,600.4	$ 1,376.7
Fixed Charges:					
Interest expense (none capitalized)	$ 11.9	$ 1.7	$ 1.4	$ 5.0	$ 1.8
Interest portion of rent expense (1/3)	118.9	105.7	94.1	82.7	69.0
Total fixed charges	$ 130.8	$ 107.4	$ 95.5	$ 87.7	$ 70.8
Ratio of earnings to fixed charges[1]	5.7	11.4	17.0	18.2	19.4

[1] All ratios shown in the above table have been calculated using unrounded numbers.

EXHIBIT 21.1

LIST OF SUBSIDIARIES OF COACH, INC.

1. 504-514 West 34th Street Corp. (Maryland)
2. 516 West 34th Street LLC (Delaware)
3. B.B. SAS (France)
4. Coach (Gibraltar) Limited (Gibraltar)
5. Coach (US) Partnership, LLC (Delaware)
6. Coach Brasil Participações Ltda (Brazil)
7. Coach Consulting Dongguan Co. Ltd. (China)
8. Coach Holdings Partnership (UK) LP (United Kingdom)
9. Coach Hong Kong Limited (Hong Kong)
10. Coach International Holdings, Sàrl (Luxembourg)
11. Coach International Limited (Hong Kong)
12. Coach Italy S.r.l. (Italy)
13. Coach Japan Investments, LLC (Delaware)
14. Coach Japan, LLC (Japan)
15. Coach Korea Limited (Korea)
16. Coach Leatherware (Thailand) Ltd. (Thailand)
17. Coach Leatherware India Private Limited (India)
18. Coach Legacy Yards Lender LLC (Delaware)
19. Coach Legacy Yards LLC (Delaware)
20. Coach Luxembourg Financing S.a.r.l (Luxembourg)
21. Coach Malaysia SDN. BHD. (Malaysia)
22. Coach Management (Shanghai) Co., Ltd. (China)
23. Coach Manufacturing Limited (Hong Kong)
24. Coach Netherlands B.V. (Netherlands)
25. Coach Services, Inc. (Maryland)
26. Coach Shanghai Limited (China)
27. Coach Singapore Pte. Ltd. (Singapore)
28. Coach Spain, S.L. (Spain)
29. Coach Stores Austria GmbH (Austria)
30. Coach Stores Belgium (Belgium)
31. Coach Stores Canada, Inc. (Canada)
32. Coach Stores France, SAS (France)
33. Coach Stores Germany GmbH (Germany)
34. Coach Stores Ireland Limited (Ireland)
35. Coach Stores Limited (United Kingdom)
36. Coach Stores Netherlands B.V. (Netherlands)
37. Coach Stores Puerto Rico, Inc. (Delaware)
38. Coach Stores, Unipessoal LDA (Portugal)
39. Coach Taiwan Co., Ltd. (Taiwan)
40. Coach Thailand Holdings, LLC (Delaware)
41. Coach Vietnam Company Limited (Vietnam)
42. Karucci, Inc. (Delaware)
43. Lizzy Mae, Inc. (Delaware)
44. Services for Stuart S.A.S. (France)
45. Shoe Heaven, S.L. (Spain)
46. Shoe Mania, S.L. (Spain)
47. Shoes by Stuart, S.L.U. (Spain)
48. Stuart Weitzman (France) S.A.R.L. (France)
49. Stuart Weitzman Germany GmbH (Germany)

50. Stuart Weitzman Intermediate LLC (US)
51. Stuart Weitzman IP, LLC (US)
52. Stuart Weitzman Italia S.R.L. (Italy)
53. Stuart Weitzman Monaco, S.A.R.L (Monaco)
54. Stuart Weitzman Retail Stores, LLC (US)
55. Stuart Weitzman Spain, LLC (US)
56. Stuart Weitzman, LLC (US)
57. Stuart Weitzman Holdings, LLC (US)
58. SW Italy, LLC (US)
59. SW Luxembourg Holdings Sarl (Luxembourg)

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-172699, 333-82102, 333-131750, 333-64610, 333-51706 and 333-205331 on Form S-8 and 333-162502 and 333-200642 on Form S-3 of our reports dated August 14, 2015, relating to the consolidated financial statements and consolidated financial statement schedule of Coach, Inc. and subsidiaries (“the Company”), and the effectiveness of the Company's internal control over financial reporting, appearing in this Annual Report on Form 10-K of Coach, Inc. for the year ended June 27, 2015.

/s/ DELOITTE & TOUCHE LLP

New York, New York
August 14, 2015

EXHIBIT 31.1

I, Victor Luis, certify that:

1. I have reviewed this Annual Report on Form 10-K 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 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 fiscal 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 the 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 control 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: August 14, 2015

By: /s/ Victor Luis

Name: Victor Luis
Title: Chief Executive Officer

I, Jane Nielsen, certify that:

1. I have reviewed this Annual Report on Form 10-K 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 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 fiscal 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 the 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 control 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: August 14, 2015

By: /s/ Jane Nielsen

Name: Jane Nielsen
Title: 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 Annual Report on Form 10-K of the Company for the fiscal year ended June 27, 2015 (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: August 14, 2015

By: /s/ Victor Luis

Name: Victor Luis
Title: 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 Annual Report on Form 10-K of the Company for the fiscal year ended June 27, 2015 (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: August 14, 2015

By: /s/ Jane Nielsen

Name: Jane Nielsen
Title: Chief Financial Officer