

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of report (Date of earliest event reported): October 25, 2005

Coach, Inc.

(Exact name of registrant as specified in its charter)

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

516 West 34th Street, New York, NY 10001

(Address of principal executive offices) (Zip Code)

(212) 594-1850

(Registrant's telephone number, including area code)

Item 2.02: Results of Operations and Financial Condition.

On October 25, 2005, Coach, Inc. (the "Company") issued a press release (the "Press Release") in which the Company announced its financial results for its fiscal quarter ended October 1, 2005. All information in the press release is being furnished to the Securities and Exchange Commission and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to liability under that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

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

- o The Company's net income and net income per share have been presented both including and excluding the effect of stock option expense for the quarter and compared to the same quarter in the prior fiscal year. Selling, general & administrative expense has also been presented both with and without the impact of option expense.
- o The Company has also presented its projected earnings per diluted share for the second fiscal quarter and full fiscal year both including and excluding the effect of stock option expense.

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

- o Effective July 3, 2005, the Company adopted Statement of Financial

Accounting Standards No. 123(R), which requires companies to measure all employee stock-based compensation awards using a fair value method and recognize compensation costs in its financial statements. The attached earnings report is the first report issued by the Company that includes the impact of expenses from such compensation.

- o Prior to the attached report, all written earnings and earnings-per-share guidance issued by the Company has not included the impact of expenses from such compensation; historically, this has been the way in which management has analyzed and managed the Company's business.
- o Presenting the Company's earnings and earnings per share in the attached release both with and without the impact of such expenses will allow investors to better understand the Company's financial results and how such results compare with the Company's prior guidance. In addition, this presentation will help investors and analysts to understand the relationship of the Company's results to analysts' coverage and projected earnings forecasts, which have not included the impact of stock option expense.

- o This presentation will also allow investors to better understand the change in the Company's financial results from last year to the current year and the impact from fiscal 2005 to fiscal 2006 of expenses from such compensation on the Company's earnings and earnings per share.

Item 9.01: Financial Statements and Exhibits.

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

99.1 Text of Press Release, dated October 25, 2005

SIGNATURE

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

Dated: October 27, 2005

COACH, INC.

By: /s/ Carole P. Sadler

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

EXHIBIT INDEX

99.1 Text of Press Release, dated October 25, 2005

Coach Reports First Quarter Earnings Growth of
about 50%; Ahead of Analysts' Expectations; Increases Guidance for
Balance of FY06

NEW YORK--(BUSINESS WIRE)--Oct. 25, 2005--Coach, Inc. (NYSE: COH), a leading marketer of modern classic American accessories, today announced an increase of 48% in earnings per diluted share before option expense to \$0.26 for its first fiscal quarter ended October 1, 2005, up from \$0.17 per diluted share a year ago. Net of option expense of approximately \$0.02 in both periods, earnings per share rose 53% to \$0.24 from \$0.16. This substantial increase in earnings from the prior year's first quarter reflected a 30% gain in net sales combined with operating margin improvement.

In the first quarter, net sales were \$449 million, 30% higher than the \$344 million reported in the same period of the prior year. Net income before option expense rose 48% to \$100 million, or \$0.26 per diluted share, compared with \$68 million, or \$0.17 per diluted share in the prior year. These results were ahead of the analysts' consensus estimate of \$0.25 per share and the company's guidance. Including the impact of stock option expense net income rose 53% to \$94 million, or \$0.24 per diluted share, compared with \$61 million or \$0.16 per share in the prior year.

Lew Frankfort, Chairman and Chief Executive Officer of Coach, Inc., said, "Our exceptional results again this quarter speak to the vibrancy of the Coach proposition. This consistency demonstrates the strength of the Coach brand, the sustainability of our business model, the clarity of our strategies and our ability to execute efficiently. Coach is clearly well positioned for another excellent holiday season."

During the quarter, gross profit rose 32% to \$341 million from \$258 million a year ago. Gross margin expanded by 100 basis points from 75.0% to 76.0% driven by product mix and sourcing cost initiatives. SG&A expenses as a percentage of net sales before option expense declined 130 basis points to 41.3%, compared to the 42.6% reported in the year-ago quarter. Including option expense in both periods, SG&A expenses declined 210 basis points to 43.7% of sales from 45.8% in the prior year's first quarter.

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

- Direct to consumer sales, which now also include sales by Coach Japan, rose 29% to \$315 million from \$244 million in the comparable period of the prior year. U.S. comparable store sales for the quarter rose 25.1%, with retail stores up 14.4% and factory stores up 35.8%. Sales in Japan increased by 24% in constant currency, fueled by new store openings, expansions and mid-single-digit sales gains in comparable retail locations.
- Indirect sales, which now exclude sales generated by Coach Japan, increased 34% to \$134 million from \$100 million in the same period last year. Results were primarily driven by strong gains in US department store and international wholesale sales.

During the first quarter of fiscal 2006, the company opened six retail stores and three factory stores in North America, bringing the total to 199 retail stores and 85 factory stores as of October 1, 2005. In addition, four retail stores were expanded. In Japan, Coach opened four and expanded one retail location.

Mr. Frankfort continued, "Our first quarter results were fueled by innovative transitional and new fall product. Each of our monthly introductions was very well received, starting in July with Soho and Hamptons Weekend, followed by Chelsea in August, and by a fresh group of Hamptons silhouettes in September. Throughout the quarter, consumers appreciated our more sophisticated silhouettes and luxurious materials as limited edition styles sold extremely well at higher price points. Our strong performance has continued into October with the introduction of beaded Gallery totes and duffles earlier this month, which have also been well received. For holiday, building upon the success of our fall color palette, Coach will offer a wide assortment of neutrals accented by a variety of reds, as well as a strong patchwork statement. In addition, many of our items will feature stylish embellishments such as metallics, fur and beading, which are particularly suitable for holiday gift giving."

"During this quarter, as planned, we will add four more retail stores in the U.S. before holiday, bringing the year-to-date total to 10 new retail stores, as well as completing six expansions. At the same time in Japan, Coach will open two new retail locations."

The company provided initial guidance for the second fiscal quarter, projecting sales of at least \$645 million, representing a year-over-year increase of at least 21%, and earnings per diluted share before option expense of at least \$0.45, up at least 32%, and ahead of the analysts' consensus of \$0.44. Including about \$0.02 of option expense, earnings per share are estimated at at least \$0.43, up 34% from the comparable year-ago results of \$0.32. For the fiscal year 2006 the company expects to generate sales of about \$2.1 billion, an increase of 23% from prior year, and earnings per diluted share before option expense of at least \$1.28, ahead of the analysts' consensus of \$1.26, and representing an increase of at least 28%. After about \$0.10 of option expense, the company is projecting earnings per share of at least \$1.18, up 28% from the \$0.92 reported on the same basis for FY05.

The company also announced that it repurchased and retired 921,000 shares of common stock at an average cost of \$32.54 during the first fiscal quarter. At this time, approximately \$220 million remains available for future repurchases under the existing program, which expires in May, 2007.

Coach will host a conference call to review these results at 8:30 a.m. (ET) today, October 25, 2005. Interested parties may listen to the webcast by accessing www.coach.com/investors on the Internet or dialing into 1-888-405-2080 and asking for the Coach earnings call led by Andrea Shaw Resnick, VP of Investor Relations & Corporate Communications. A telephone replay will be available starting at 12:00 noon today, for a period of five business days. The number to call is 1-866-352-7723. A webcast replay of this call will be available for five business days on the Coach website.

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

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

COACH, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Includes Stock Option Expense in Both Periods)

For the Quarters Ended October 1, 2005
and October 2, 2004

(in thousands, except per share data)

(unaudited)

	QUARTER ENDED	
	Oct. 1, 2005	Oct. 2, 2004
Net sales	\$448,951	\$344,065
Cost of sales	107,590	85,891
Gross profit	341,361	258,174
Selling, general and administrative expense	196,252	157,617
Operating income	145,109	100,557

Interest income, net	5,887	2,510
Income before income taxes and minority interest	150,996	103,067
Income taxes	57,381	39,165
Minority interest, net of tax	-	2,921
Net income	\$ 93,615	\$ 60,981
Net income per share		
Basic	\$ 0.25	\$ 0.16
Diluted	\$ 0.24	\$ 0.16
Shares used in computing net income per share		
Basic	379,551	377,981
Diluted	389,972	389,492

Supplemental Information to Remove Impact of Stock
Option Expense

Net income, as reported	\$ 93,615	\$ 60,981
Add back Stock Option Expense (after tax)	6,591	6,744
Pro forma net income, ex Stock Option Expense	\$100,206	\$ 67,725
Pro forma as adjusted basic net income, excluding stock option expense, per share	\$ 0.26	\$ 0.18
Pro forma as adjusted diluted net income, excluding stock option expense, per share	\$ 0.26	\$ 0.17

COACH, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

At October 1, 2005, July 2, 2005
and October 2, 2004

(in thousands)

(unaudited)

	Oct. 1, 2005	July 2, 2005	Oct. 2, 2004

ASSETS			
Cash, cash equivalents and short-term investments	\$ 447,630	\$ 383,051	\$ 441,888
Receivables	104,906	65,399	85,607
Inventories	215,251	184,419	204,479
Other current assets	95,761	76,491	63,890
Total current assets	863,548	709,360	795,864
Property and equipment, net	214,170	203,862	168,109
Long-term investments	90,890	122,065	107,547
Other noncurrent assets	333,163	334,869	62,118
Total assets	\$1,501,771	\$1,370,156	\$1,133,638
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LIABILITIES AND STOCKHOLDERS' EQUITY			
Accounts payable	\$ 70,250	\$ 64,985	\$ 60,469
Accrued liabilities	210,690	188,247	147,085
Subsidiary credit facilities	4,867	12,292	23,099
Current portion of long-term debt	170	150	150
Total current liabilities	285,977	265,674	230,803

Long-term debt	3,100	3,270	3,270
Other liabilities	46,359	45,306	50,913
Minority interest, net of tax	-	-	43,119
Stockholders' equity	1,166,335	1,055,906	805,533
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Total liabilities and stockholders' equity	\$1,501,771	\$1,370,156	\$1,133,638
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CONTACT: Coach
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