COACH, INC. NYSE-COH

RECENT PRICE 37.05 | P/E RATIO 15.2 (Trailing: 17.5 Median: NMF) | RELATIVE P/E RATIO 0.96 | DIV'D YLD 1.6% | VALUE LINE

TIMELINESS 2 Lowered 7/23/10

SAFETY 3 New 2/15/02

TECHNICAL 3 Raised 7/23/10

BETA 1.20 (1.00 = Market)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
High:	3.7	5.3	8.9	20.4	28.8	36.8	45.0	54.0	37.6	37.4	44.4
Low:	2.0	2.5	4.3	7.3	16.9	24.5	25.2	29.2	13.2	11.4	33.0

Target Price Range 2013 | 2014 | 2015

2013-15 PROJECTIONS

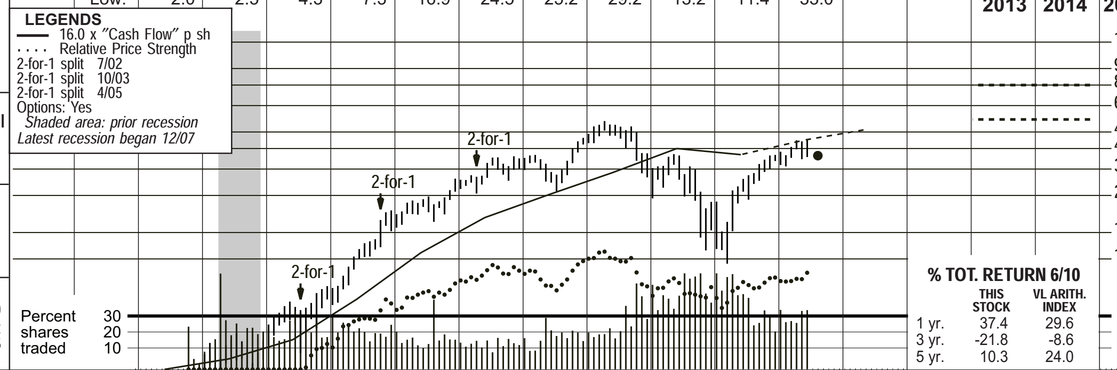
	Price	Gain	Ann'l Total Return
High	80	(+115%)	22%
Low	55	(+50%)	12%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	1	0	3	0	1	1	0	3	2
to Sell	0	2	3	0	1	1	0	3	1

Institutional Decisions

	3Q2009	4Q2009	1Q2010
to Buy	236	259	212
to Sell	245	249	295
Hld's(000)	280479	276411	265428



% TOT. RETURN 6/10

	THIS STOCK	VL ARITH. INDEX
1 yr.	37.4	29.6
3 yr.	-21.8	-8.6
5 yr.	10.3	24.0

Coach, Inc. was founded in 1941 as a maker of leather handbags. It was acquired by Sara Lee in 1985. 7,380,000 shares were issued to the public at $16.00 a share in October, 2000. The transaction was led by Goldman Sachs & Co., Morgan Stanley Dean Witter, and Prudential Securities. Sara Lee subsequently distributed the remaining stock to shareholders.

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	© VALUE LINE PUB., INC.	13-15
1.96	1.76	2.01	2.60	3.48	4.52	5.71	7.01	9.45	10.16	*11.70*	*13.15*	Sales per sh A	*18.00*
.22	.25	.31	.48	.80	1.18	1.51	1.93	2.50	2.34	*2.75*	*3.10*	"Cash Flow" per sh	*4.10*
.14	.19	.24	.40	.68	1.00	1.27	1.69	2.06	1.91	*2.25*	*2.60*	Earnings per sh A B	*3.40*
- -	- -	- -	- -	- -	- -	- -	- -	- -	.08	*.38*	*.60*	Div'ds Decl'd per sh	*.80*
.76	.42	.73	1.17	2.06	2.73	3.21	5.13	4.50	5.33	*5.45*	*6.55*	Book Value per sh	*10.55*
280.21	349.49	357.81	366.02	379.24	378.43	369.83	372.52	336.73	318.01	*303.00*	*295.00*	Common Shs Outst'g D	*275.00*
- -	18.7	22.1	21.4	26.5	25.8	26.2	24.7	17.7	11.3	*Bold figures are*		Avg Ann'l P/E Ratio	*20.0*
- -	.96	1.21	1.22	1.40	1.37	1.41	1.31	1.07	.75	*Value Line*		Relative P/E Ratio	*1.35*
- -	- -	- -	- -	- -	- -	- -	- -	- -	.3%	*estimates*		Avg Ann'l Div'd Yield	*1.2%*
548.9	616.1	719.4	953.2	1321.1	1710.4	2111.5	2612.5	3180.8	3230.5	*3540*	*3875*	Sales ($mill) A	*4950*
64.0%	68.4%	70.7%	74.2%	78.2%	80.0%	80.7%	80.5%	78.8%	75.7%	*76.0%*	*76.0%*	Gross Margin	*76.5%*
14.3%	21.2%	22.6%	28.7%	36.9%	39.7%	39.3%	41.1%	40.2%	34.8%	*35.0%*	*35.5%*	Operating Margin	*36.0%*
170	189	212	232	250	275	304	352	399	441	*465*	*485*	Number of Stores C	*560*
38.6	64.0	85.8	146.6	261.7	388.7	494.3	636.5	742.0	622.1	*700*	*775*	Net Profit ($mill)	*950*
30.6%	35.6%	35.5%	37.0%	37.5%	36.9%	38.0%	38.5%	39.0%	38.0%	*37.0%*	*38.0%*	Income Tax Rate	*40.0%*
7.0%	10.4%	11.9%	15.4%	19.8%	22.7%	23.4%	24.4%	23.3%	19.3%	*19.8%*	*20.0%*	Net Profit Margin	*19.2%*
54.1	47.1	128.2	287.0	523.7	443.6	632.7	1332.2	934.8	936.7	*1000*	*1300*	Working Cap'l ($mill)	*2000*
3.7	3.7	3.6	3.5	3.4	3.3	3.1	2.9	2.6	25.1	*24.0*	*20.0*	Long-Term Debt ($mill)	*Nil*
212.8	148.3	260.4	426.9	782.3	1032.8	1188.7	1910.4	1515.8	1696.0	*1650*	*1925*	Shr. Equity ($mill)	*2900*
17.9%	42.8%	32.7%	34.1%	33.3%	37.5%	41.5%	33.3%	48.9%	36.2%	*42.0%*	*40.0%*	Return on Total Cap'l	*33.0%*
18.1%	43.2%	33.0%	34.3%	33.5%	37.6%	41.6%	33.3%	49.0%	36.7%	*42.5%*	*40.5%*	Return on Shr. Equity	*33.0%*
18.1%	43.2%	33.0%	34.3%	33.5%	37.6%	41.6%	33.3%	49.0%	36.7%	*42.5%*	*31.0%*	Retained to Com Eq	*25.0%*
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	*14%*	*23%*	All Div'ds to Net Prof	*23%*

CAPITAL STRUCTURE as of 3/27/10

Total Debt $25.0 mill. **Due in 5 Yrs** $25.0 mill.

LT Debt $24.3 mill. **LT Interest** $1.0 mill. (1% of Cap'l)

Leases, Uncapitalized: Ann'l rentals $127.3 mill.

Pension Assets-6/09 $5.2 mill. **Oblig.** $10.7 mill.

Pfd Stock None

Common Stock 305,105,043 shs.

MARKET CAP: $11.3 billion (Large Cap)

CURRENT POSITION ($MILL.)	2008	2009	3/27/10
Cash Assets	698.9	800.4	907.7
Receivables	106.7	108.7	118.1
Inventory (Avg Cst)	345.5	326.1	306.7
Other	234.6	161.2	177.6
Current Assets	1385.7	1396.4	1510.1
Accts Payable	134.7	103.0	111.2
Debt Due	.3	.5	.7
Other	315.9	356.2	439.3
Current Liab.	450.9	459.7	551.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '07-'09 to '13-'15
Sales	- -	27.0%	13.0%
"Cash Flow"	- -	33.5%	11.0%
Earnings	- -	34.0%	11.0%
Dividends	- -	- -	NMF
Book Value	- -	30.5%	14.0%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Sep.Per	Dec.Per	Mar.Per	Jun.Per	Full Fiscal Year
2007	529.5	805.6	625.3	652.1	2612.5
2008	676.7	978.1	744.5	781.5	3180.8
2009	752.5	960.3	740.0	777.7	3230.5
2010	761.4	1065.0	830.7	*882.9*	*3540*
2011	*840*	*1165*	*905*	*965*	*3875*

Fiscal Year Ends	EARNINGS PER SHARE A B Sep.Per	Dec.Per	Mar.Per	Jun.Per	Full Fiscal Year
2007	.31	.57	.39	.42	1.69
2008	.41	.69	.46	.50	2.06
2009	.44	.67	.38	.43	1.91
2010	.44	.75	.50	*.56*	*2.25*
2011	*.52*	*.86*	*.57*	*.65*	*2.60*

Cal-endar	QUARTERLY DIVIDENDS PAID E Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	- -	- -	- -	- -	- -
2007	- -	- -	- -	- -	- -
2008	- -	- -	- -	- -	- -
2009	- -	.075	.075	.075	.225
2010	.075	- -	.15		

BUSINESS: Coach, Inc. is a designer, producer, and marketer of high-quality modern American classic accessories. Primary product offerings include handbags, women's and men's accessories, business cases, luggage, leather outerwear, gloves, scarves, and personal planning products. Also licenses watches, footwear, and home and office furniture. Operates 441 North American stores (including 111 factory outlets). Direct-to-consumer channel accounted for nearly 84% of total net sales in fiscal 2009; Indirect channel, (16%). Acquired remaining 50% interest in Coach Japan, 7/05. Off./dir. own 5.1% of common shares (10/09 Proxy). Chairman and CEO: Lew Frankfort. Inc.: MD. Add.: 516 W. 34th St., New York, NY, 10001. Tel.: 212-594-1850. Internet: www.coach.com.

All signs suggest that Coach closed out fiscal 2010 (ended June 30th) in impressive fashion. Fourth-quarter results were not released as of the day this issue was shipped, but the handbag and accessories maker showed great resilience in the March period, shrugging off weak global demand trends and reporting 32% earnings growth, on a 12% sales gain. Management has done a fine job circumventing the current environment that has put pressure on most other retailers, with the decision to introduce lower price points in order to drive traffic seeming particularly effective. Cost-containment efforts have been successful also, with lower manufacturing expenses and better inventory management auguring well for further margin expansion. We've slightly bumped up our June-quarter estimates and suspect that Coach posted a 30% share earnings advance, on a mid-double-digit sales gain.

Growth ought to remain healthy this year. The company's venture abroad, specifically into China, has been gaining momentum, with Chairman and CEO Lew Frankfort recently saying that this business is trending roughly a year ahead of schedule. Current expectations of $250 million in Chinese sales support our fiscal 2011 share-earnings estimate of $2.60.

Management is seeking to increase its footprint in Europe . . . Stores are set to open shortly in France, with launches in the U.K., Ireland, Spain, and Portugal to follow sometime next year.

. . . as well as tap into the men's market. Coach believes that this market is underserved and that there is a real opportunity here, given recent growth trends of men's designer fashions compared to those of women.

The stock remains on our recommended list, despite some recent share-price weakness. It has lost nearly 12% of its value since our May review, but is still favorably ranked for Timeliness based on our rosy earnings outlook for the coming six to 12 months.

It is also an appealing 3- to 5-year candidate. Coach is firing on all cylinders, and its proactive approach, though not without some risks, should continue to drive healthy gains over the pull to 2013-2015.

Andre J. Costanza *August 6, 2010*

(A) Fiscal year ends Sat. closest to June 30th. (B) Diluted egs. Includes the expensing of stock options beginning in fiscal 2007. Reflects discontinuation of corporate accounts business beginning 2006. Excludes $0.12 of nonrecurring items in '08. Next egs. report due mid-Oct. May not add due to rounding. (C) Store count only reflects North American retail and factory stores. Excludes 200 locations in Japan and China. (D) In mill., adj. for splits. (E) Initial dividend paid on 6/29/09 to stockholders on record as of 6/8/09.

Company's Financial Strength	A
Stock's Price Stability	55
Price Growth Persistence	85
Earnings Predictability	85