COACH, INC. NYSE-COH

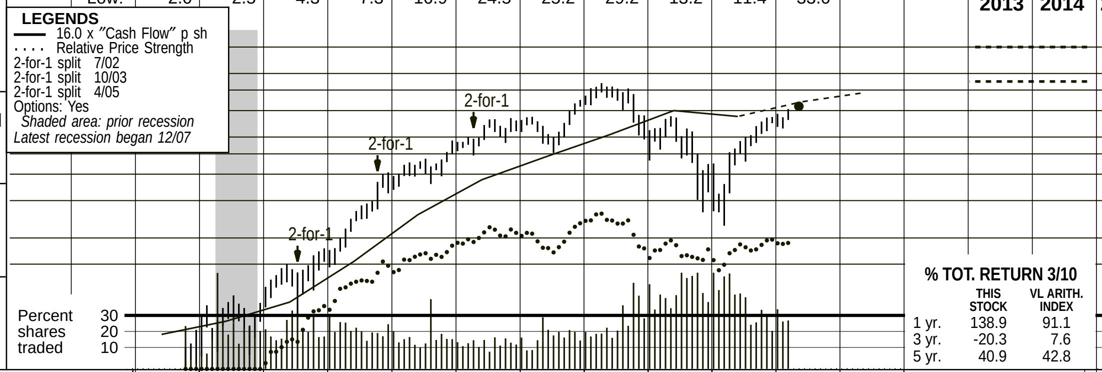
RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
41.97	18.2	(Trailing: 19.8 Median: NMF)	1.01	1.4%	VALUE LINE

TIMELINESS 1 Raised 4/30/10
SAFETY 3 New 2/15/02
TECHNICAL 3 Raised 4/23/10
BETA 1.25 (1.00 = Market)

High:	3.7	5.3	8.9	20.4	28.8	36.8	45.0	54.0	37.6	37.4	43.8
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	(+90%)	18%
Low	55	(+30%)	9%

Insider Decisions

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

Institutional Decisions

	2Q2009	3Q2009	4Q2009
to Buy	252	236	259
to Sell	249	245	249
Hld's(000)	279352	280479	276441

% TOT. RETURN 3/10

	THIS STOCK	VL ARITH. INDEX
1 yr.	138.9	91.1
3 yr.	-20.3	7.6
5 yr.	40.9	42.8

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	**11.55**	**12.95**	Sales per sh A	**17.80**
.22	.25	.31	.48	.80	1.18	1.51	1.93	2.50	2.34	**2.75**	**3.05**	"Cash Flow" per sh	**4.05**
.14	.19	.24	.40	.68	1.00	1.27	1.69	2.06	1.91	**2.23**	**2.55**	Earnings per sh A B	**3.35**
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.76	.42	.73	1.17	2.06	2.73	3.21	5.13	4.50	5.33	**5.55**	**6.20**	Book Value per sh	**10.10**
280.21	349.49	357.81	366.02	379.24	378.43	369.83	372.52	336.73	318.01	**305.00**	**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	**3530**	**3825**	Sales ($mill) A	**4900**
64.0%	68.4%	70.7%	74.2%	78.2%	80.0%	80.7%	80.5%	78.8%	75.7%	**76.0%**	**76.0%**	Gross Margin	**76.5%**
14.3%	21.2%	22.6%	28.7%	36.9%	39.7%	39.3%	41.1%	40.2%	34.8%	**35.0%**	**35.5%**	Operating Margin	**36.0%**
170	189	212	232	250	275	304	352	399	441	**465**	**485**	Number of Stores C	**560**
38.6	64.0	85.8	146.6	261.7	388.7	494.3	636.5	742.0	622.1	**700**	**760**	Net Profit ($mill)	**935**
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%**	**19.9%**	Net Profit Margin	**19.1%**
54.1	47.1	128.2	287.0	523.7	443.6	632.7	1332.2	934.8	936.7	**1000**	**1200**	Working Cap'l ($mill)	**1925**
3.7	3.7	3.6	3.5	3.4	3.3	3.1	2.9	2.6	25.1	**24.0**	**20.0**	Long-Term Debt ($mill)	**Nil**
212.8	148.3	260.4	426.9	782.3	1032.8	1188.7	1910.4	1515.8	1696.0	**1700**	**1825**	Shr. Equity ($mill)	**2775**
17.9%	42.8%	32.7%	34.1%	33.3%	37.5%	41.5%	33.3%	48.9%	36.2%	**41.0%**	**41.5%**	Return on Total Cap'l	**33.5%**
18.1%	43.2%	33.0%	34.3%	33.5%	37.6%	41.6%	33.3%	49.0%	36.7%	**41.0%**	**41.5%**	Return on Shr. Equity	**33.5%**
18.1%	43.2%	33.0%	34.3%	33.5%	37.6%	41.6%	33.3%	49.0%	36.7%	**35.5%**	**32.0%**	Retained to Com Eq	**26.0%**
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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 *307,600,000* shs.

MARKET CAP: $12.9 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%	10.0%
Earnings	--	34.0%	10.0%
Dividends	--	--	NMF
Book Value	--	30.5%	13.0%

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	**872.9**	**3530**
2011	**825**	**1150**	**900**	**950**	**3825**

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	**.54**	**2.23**
2011	**.51**	**.86**	**.56**	**.62**	**2.55**

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.

The investment community was forced to take notice of Coach's most recent success. Although the handbag and accessories maker's strong second-quarter (fiscal year ends July 3rd) was largely ignored by most on Wall Street, the stock has surged nearly 25% since our February review, with the bulk of the upswing coming on the heels of the company's release of March-period results. It posted earnings of $0.50 in the quarter, 32% better than the year before, with strength in the direct-to-consumer segment and in China fueling a 12% top-line advance. Meanwhile, lower manufacturing costs and a more favorable product mix enabled the operating margin to climb a few hundred basis points.

We've raised our fourth-quarter estimates. Most of management's earlier initiatives are paying off. It has been able to lower the cost structure and better control inventory levels, specifically in indirect channels, while continuing to grow the top line at a healthy clip. The decision to introduce lower-price products to circumvent the shaky economy and get customers in the doors has done just that. Coach should continue to gain traction in China, helping it earn $0.54 a share in the June quarter.

The company has its sights set on Western Europe now. Management has announced plans to launch at least 14 stores in France over the next three years with the first slated to open this summer. It also intends on breaking ground in the U.K., Ireland, Spain, and Portugal within the next year. This venture has prompted us to introduce a fiscal 2011 share-earnings estimate of $2.55. Although the initiative will likely take a little while to turn profitable, an aggressive share-repurchase plan should enable COH to maintain healthy bottom-line growth.

The stock is ranked 1 (Highest) for Timeliness. Coach is executing on all fronts and should continue to report healthy share-earnings advances for the foreseeable future. We've upped our Target Price Range to account for success overseas, and think the stock holds worthwhile 3- to 5-year appeal, despite the price run-up. The recent decision to double the quarterly dividend speaks volumes for the company's prognosis.

Andre J. Costanza *May 7, 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 late July. 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