Coach Inc.

S&P CAPITAL IQ
McGRAW HILL FINANCIAL

S&P Recommendation	Price	12-Mo. Target Price	Investment Style
STRONG BUY ★★★★★	$51.90 (as of Aug 16, 2013)	$65.00	Large-Cap Growth

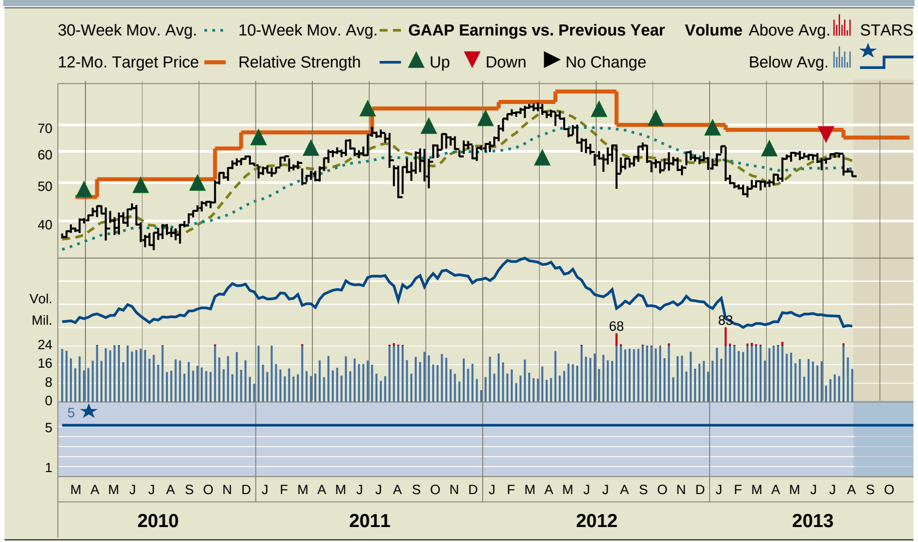
GICS Sector Consumer Discretionary
Sub-Industry Apparel, Accessories & Luxury Goods

Summary COH designs, makes and markets fine accessories for women and men, including handbags, weekend and travel accessories, outerwear, footwear, and business cases.

Key Stock Statistics (Source S&P, Vickers, company reports)

52-Wk Range	$63.24– 45.87	S&P Oper. EPS 2014E	3.80	Market Capitalization(B)	$14.583	Beta	1.52
Trailing 12-Month EPS	$3.61	S&P Oper. EPS 2015E	4.30	Yield (%)	2.60	S&P 3-Yr. Proj. EPS CAGR(%)	11
Trailing 12-Month P/E	14.4	P/E on S&P Oper. EPS 2014E	13.7	Dividend Rate/Share	$1.35		
$10K Invested 5 Yrs Ago	$17,728	Common Shares Outstg. (M)	281.0	Institutional Ownership (%)	85		

Price Performance



Options: ASE, CBOE, P, Ph

Analysis prepared by Equity Analyst **Jason N. Asaeda** on Aug 05, 2013, when the stock traded at **$54.16**.

Highlights

- We see net sales rising 4% in FY 14 (Jun.), to $5.28 billion. We expect intense competition in the North American women's handbag market to weigh on COH's performance. However, we look for the company to maintain investments in both retail expansion and new product development. Globally, COH plans to increase its retail square footage by about 9%. As part of its efforts to reposition Coach as a lifestyle brand anchored in accessories, the company launched a new women's footwear assortment this spring and plans to broaden its ready-to-wear offering this fall. COH is also increasing its focus on leather handbags across all price points to meet strong consumer demand.
- Before restructuring charges, COH reported FY 13 gross and EBIT margins of 73.0% and 31.1%, respectively. We expect 1.5 percentage points of gross margin erosion in FY 14, to 71.5%, due to a weaker Japanese yen (first half) and rising labor costs (second half). With SG&A expenses forecasted to grow in line with sales, we see EBIT margins narrowing to 29.7% in FY 14.
- Assuming an effective tax rate of 33.0%, versus FY 13's 32.0%, and $700 million in planned share repurchases, we see EPS of $3.80 in FY 14.

Investment Rationale/Risk

- COH estimates that the combined North American premium women's and men's bags and accessories markets grew 15% in FY 13, to $11 billion, versus a 6% increase in its direct sales. We think the Coach brand drove the men's category but lost market share in women's. We look for accessories designer Stuart Vevers, who is joining the company as Executive Creative Director in September, to leverage his background in luxury leather goods (most recently at the Loewe brand) to strengthen the competitive positioning of COH's women's handbag business in North America. This turnaround potential, coupled with what we consider to be the company's attractive international growth opportunities and its compelling valuation, support our strong buy recommendation.
- Risks to our recommendation and target price include sales shortfalls due to a sharp decline in global consumer spending, increased competition in core markets, and fashion risk.
- We arrive at our 12-month target price of $65 by applying a forward P/E multiple of 16X, below COH's 10-year historical average of 20X, reflecting turnaround execution risk, to our calendar 2014 EPS estimate of $4.08.

Qualitative Risk Assessment

LOW	**MEDIUM**	HIGH

Our risk assessment reflects our view of COH's strong brand equity and rising cash flow, offset by a highly competitive market amid retail consolidation.

Quantitative Evaluations

S&P Quality Ranking **B+**

D	C	B-	B	**B+**	A-	A	A+

Relative Strength Rank **WEAK**

16

LOWEST = 1 HIGHEST = 99

Revenue/Earnings Data

Revenue (Million $)

	1Q	2Q	3Q	4Q	Year
2013	1,161	1,504	1,188	1,223	5,075
2012	1,050	1,449	1,109	1,155	4,763
2011	911.7	1,264	950.7	1,032	4,159
2010	761.4	1,065	830.7	950.5	3,608
2009	752.5	960.3	739.9	777.7	3,230
2008	676.7	978.0	744.5	781.5	3,181

Earnings Per Share ($)

	1Q	2Q	3Q	4Q	Year
2013	0.77	1.23	0.84	0.78	3.61
2012	0.73	1.18	0.77	0.86	3.53
2011	0.63	1.00	0.62	0.68	2.92
2010	0.44	0.75	0.50	0.64	2.33
2009	0.44	0.67	0.36	0.46	1.91
2008	0.41	0.69	0.46	0.62	2.17

Fiscal year ended Jun. 30. Next earnings report expected: Late October. EPS Estimates based on S&P Operating Earnings; historical GAAP earnings are as reported.

Dividend Data (Dates: mm/dd Payment Date: mm/dd/yy)

Amount ($)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.300	08/21	09/06	09/10	10/01/12
0.300	11/15	12/05	12/07	12/27/12
0.300	02/13	03/06	03/08	04/01/13
0.338	05/16	06/05	06/07	07/01/13

Dividends have been paid since 2009. Source: Company reports.

Coach Inc.

Business Summary August 05, 2013

CORPORATE OVERVIEW. Coach is a leading U.S. designer and marketer of high-quality accessories. Founded in 1941, COH has over the past several years transformed the Coach brand, building on its popular core categories by introducing new products in a broader array of materials, styles and categories. The company has also implemented a flexible sourcing and manufacturing model, which it believes enables it to bring a broader range of products to market more rapidly and efficiently.

MARKET PROFILE. In FY 12 (Jun.), COH estimated the North American addressable market for women's accessories and handbags ($100+ handbags) grew at least 10%; the company reported a similar pace of growth in its direct channels. Despite increasing competition from other U.S. brands such as Michael Kors and Kate Spade, we see COH maintaining market leadership in FY 13 through retail store openings in both new and under-penetrated existing markets. One of these new locations will be a concession shop-in-shop -- the first of its kind for the company in the U.S. -- at Macy's Herald Square that is expected to open this fall.

COH is expanding its addressable market through a renewed focus on its men's business. The company reported that sales of its men's bags and accessories doubled in North America during FY 12, driving the overall men's premium category, which grew 25%, to $800 million. Globally, Coach men's sales doubled in FY 12, to over $400 million, supported by new dual-gender and stand-alone men's stores, and an expanded men's assortment in about half of COH's directly operated retail locations. The company had 30 men's stand-alone factory stores, five stand-alone men's retail stores, and over 85 men's retail shop-in-shops in North America at the end of FY 12.

For FY 13, COH plans to increase its overall North American square footage by 10%, driven by the opening of 10 men's factory stores and the expansion of five retail and 15 factory stores to create dedicated men's shops. The company additionally plans to open 30 new stores in China (all dual-gender, reflecting brand positioning in the market) and 13 stores in Japan (mostly dedicated men's), which will increase square footage in these markets by 35% and 10%, respectively. In Asia, where COH believes men tend to be more fashion conscious, the company sees a $12 billion market for men's premium handbags and accessories. Of that, China represents about a $3.2 billion opportunity.

PRIMARY BUSINESS DYNAMICS. Men's and women's handbags accounted for 65% of FY 12 sales, accessories 28%, and the remaining 7% consisted of all other, including watches, footwear, jewelry, wearables, sunwear, business cases, travel bags and fragrances.

COH sells its products through direct-to-consumer and indirect channels, with the former accounting for 89% of total sales in FY 12, up from 88% in FY 11 via store expansion and comp-store sales gains. As of June 30, 2012, direct-to-consumer channels included the Internet, direct mail catalogs, 354 North American retail stores, 169 North American factory stores, 180 department store shop-in-shops, retail stores and factory stores in Japan, 96 department store shop-in-shops, retail stores and factory stores in China, 27 department store shop-in-shops, retail stores and factory stores in Singapore, and seven department store shop-in-shops, retail stores and factory stores in Taiwan. Indirect channels included 990 U.S. department store locations and 205 international department store, retail store and duty-free shop locations in 20 countries. In early FY 13, COH took direct control of its retail operations in Malaysia (10 stores with annual retail sales of $30 million) and Korea (48 stores with annual retail sales of $60 million).

In FY 12, the operating margin of the direct-to-consumer business segment was 41.0%, or $1.73 billion, and compared to a 39.5% operating margin, or $1.44 billion, in FY 11, and was posted in tandem with a North American comparable-store sales gain of 6.6% in FY 12, versus a 10.6% increase in FY 11. Indirect, which includes the very profitable royalties earned on licensed products, achieved a segment operating profit margin of 56.2%, or $299 million, in FY 12, compared to 54.7%, or $280 million, in FY 11. Licensing revenues were $28.5 million in FY 12 and $24.7 million in FY 11.

COH is pursuing four key strategies to strengthen its leadership position and improve productivity: (1) build share of North American women's accessories market via continuous product innovation and improvement and retail expansion, ultimately bringing the total to over 500 locations including 30 in Canada; (2) grow the men's business in North America and Asia; (3) raise brand awareness and build market share of emerging markets, notably China; and (4) raise brand awareness and maximize online sales through its global e-commerce sites and programs, third-party flash sites, marketing sites and social networking.

FINANCIAL TRENDS. In the five years through FY 12, COH posted a revenue compound annual growth rate (CAGR) of 13%, a gross profit CAGR of 11%, an EBIT CAGR of 9%, and an income from continuing operations CAGR of 10%. Capital expenditures were $184 million in FY 12, up from $148 million in FY 11, and for FY 13 the company estimates a $250 million capital budget, supporting global store expansion and investments in technology. For FY 11, return on assets was 33%, return on capital was 52%, and return on equity was 58%, all at the top of the peer group. We expect COH to maintain industry leading financial and operational metrics, and we regard the company's management team as excellent brand stewards that uphold strong operating disciplines, and we forecast incremental improvements in gross margin along with SG&A leverage on increasing scale over the long term.

Corporate Information

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L. Frankfort

COO & Co-Pres
J. Stritzke

EVP, CFO & Chief Acctg Officer
J. Nielsen

EVP, Secy & General Counsel
T. Kahn

EVP & CIO
C. Putur

Board Members
L. Frankfort
G. W. Loveman
M. E. Murphy
S. Tilenius
S. J. Kropf
I. M. Menezes
I. Ruth Miller
J. J. Zeitlin

Domicile
Maryland

Founded
1941

Employees
18,000

Stockholders
3,400

Coach Inc.

Quantitative Evaluations

S&P Fair Value Rank 4+

1	2	3	**4**	5

LOWEST — HIGHEST

Based on S&P's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

Fair Value Calculation **$59.40**

Analysis of the stock's current worth, based on S&P's proprietary quantitative model suggests that COH is slightly undervalued by $7.50 or 14.5%.

Investability Quotient Percentile 96

LOWEST = 1 — HIGHEST = 100

COH scored higher than 96% of all companies for which an S&P Report is available.

Volatility

LOW	**AVERAGE**	HIGH

Technical Evaluation **BEARISH**

Since August, 2013, the technical indicators for COH have been BEARISH.

Insider Activity

UNFAVORABLE	NEUTRAL	FAVORABLE

Expanded Ratio Analysis

	2012	2011	2010	2009
Price/Sales	3.43	4.43	4.84	3.68
Price/EBITDA	9.93	12.87	13.70	10.86
Price/Pretax Income	10.84	14.15	15.17	12.17
P/E Ratio	15.72	20.90	23.77	19.08
Avg. Diluted Shares Outstg (M)	294.1	301.6	315.8	325.6

Figures based on calendar year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	14.54	13.96	11.84	18.29
Net Income	17.95	18.69	8.85	20.09
Ratio Analysis (Annual Avg.)				
Net Margin (%)	21.81	21.12	21.46	21.95
% LT Debt to Capitalization	0.05	1.02	0.94	0.64
Return on Equity (%)	57.63	53.35	48.91	46.20

Company Financials Fiscal Year Ended Jun. 30

Per Share Data ($)	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Tangible Book Value	NA	5.64	4.41	4.01	4.41	3.73	4.52	2.57	2.07	2.00
Cash Flow	NA	3.98	3.34	2.73	2.29	2.45	1.90	1.44	1.14	0.79
Earnings	3.61	3.53	2.92	2.33	1.91	2.17	1.69	1.27	1.00	0.68
S&P Core Earnings	NA	3.53	2.92	2.33	1.91	2.17	1.69	1.26	0.91	0.61
Dividends	1.24	0.98	0.68	0.38	0.08	Nil	Nil	Nil	Nil	Nil
Payout Ratio	34%	28%	23%	16%	4%	Nil	Nil	Nil	Nil	Nil
Prices:High	61.94	79.70	69.20	58.55	37.36	37.64	54.00	44.99	36.84	28.85
Prices:Low	45.87	48.24	45.70	32.96	11.41	13.19	29.22	25.18	24.51	16.88
P/E Ratio:High	17	23	24	25	20	17	32	35	37	42
P/E Ratio:Low	13	14	16	14	6	6	17	20	25	25
Income Statement Analysis (Million $)										
Revenue	NA	4,763	4,159	3,608	3,230	3,181	2,612	2,112	1,710	1,321
Operating Income	NA	1,645	1,430	1,276	1,095	1,280	1,074	830	679	487
Depreciation	NA	133	125	127	123	101	80.9	65.1	57.0	42.9
Interest Expense	NA	NA	NA	NA	NA	NA	Nil	Nil	1.22	0.81
Pretax Income	NA	1,506	1,301	1,152	977	1,195	1,035	797	638	448
Effective Tax Rate	NA	31.0%	32.3%	36.2%	36.2%	34.5%	38.5%	38.0%	36.9%	37.5%
Net Income	NA	1,039	881	735	623	783	637	494	389	262
S&P Core Earnings	NA	1,039	881	735	625	783	637	492	356	236
Balance Sheet & Other Financial Data (Million $)										
Cash	NA	917	702	696	800	699	557	143	155	263
Current Assets	2,071	1,805	1,452	1,303	1,396	1,386	1,740	974	709	706
Total Assets	NA	3,104	2,635	2,467	2,564	2,274	2,450	1,627	1,347	1,029
Current Liabilities	NA	718	593	529	460	451	408	342	266	182
Long Term Debt	NA	0.99	23.4	24.2	25.1	2.58	2.87	3.10	3.27	3.42
Common Equity	NA	1,993	1,613	1,505	1,696	1,516	1,910	1,189	1,033	782
Total Capital	NA	2,016	1,637	1,530	1,721	1,545	1,950	1,223	1,041	842
Capital Expenditures	NA	184	148	81.1	240	175	141	134	94.6	67.7
Cash Flow	NA	1,172	1,006	862	746	884	717	559	446	305
Current Ratio	NA	2.5	2.5	2.5	3.0	3.1	4.3	2.9	2.7	3.9
% Long Term Debt of Capitalization	NA	0.1	1.4	1.6	1.5	0.2	0.1	0.3	0.3	0.4
% Net Income of Revenue	NA	21.8	21.2	20.4	19.3	24.6	24.4	23.4	22.7	19.8
% Return on Assets	NA	36.2	34.5	29.2	25.8	33.2	31.2	33.0	32.5	31.8
% Return on Equity	NA	57.6	56.5	45.9	38.8	45.7	41.1	44.0	42.8	43.3

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

Coach Inc.

Sub-Industry Outlook

Our fundamental outlook for the apparel, accessories & luxury goods sub-industry is neutral. We believe the reduction in take home pay caused by the expiration of the payroll tax holiday benefit on January 1, 2013, will result in some consumers cutting back on their apparel purchases this year. While apparel is a relatively low cost category, we expect shoppers on limited budgets to invest more in accessories, which offer more "bang for the buck."

As for personal luxury goods, our outlook is positive despite global macroeconomic headwinds. According to international management consulting firm Bain & Co., worldwide sales of personal luxury goods grew an estimated 10% in 2012, to 212 billion euros, led by an estimated 16% increase in the leather goods category. By region, sales rose an estimated 18% in Asia-Pacific, 13% in the Americas, 8% in Japan, and 5% in Europe. Bain projects worldwide luxury goods sales to grow 4% to 5% globally in 2013 and an average of 5% to 6% annually through 2015. We look for growth to be supported by underlying demand for luxury goods in the U.S., Europe and Japan, and growing luxury demographics in Asia-Pacific, particularly China, and emerging markets.

Apparel brands are increasing their investments in company-owned retail, outlet, and online stores, which provide higher-margin growth opportunities than the highly competitive and promotional department store channel. This strategy enables apparel brands to showcase their entire merchandise assortment, enhance consumer brand awareness, and test new products. Apparel companies are also pursuing growth through development of new product lines specifically for discounters and mass merchandisers, as well as international expansion.

Finally, we expect lower cotton prices and supply chain improvements to support gross margin expansion for apparel and accessories brands in 2013. We also look for companies to maintain discipline in inventory and expense management in support of earnings growth. We believe companies with strong brands, differentiated products, and attractive price-value propositions are likely to outperform their peers.

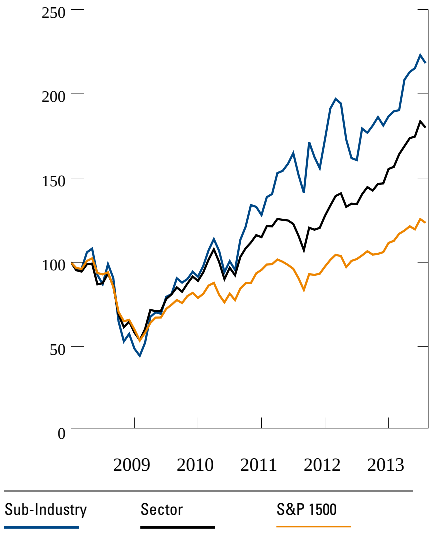
Year to date through July 12, the S&P Apparel, Accessories & Luxury Goods Index advanced 23.8%, versus an 18.1% gain by the S&P 1500 Composite Index. In 2012, the sub-industry index rose 16.2%, versus a 13.7% increase for the S&P 1500.

--Jason Asaeda

Stock Performance

GICS Sector: Consumer Discretionary
Sub-Industry: Apparel, Accessories & Luxury Goods

Based on S&P 1500 Indexes
Month-end Price Performance as of 7/31/13



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Sub-Industry : Apparel, Accessories & Luxury Goods Peer Group*: Designer Mens/Womens Apparel

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. $)	Recent Stock Price($)	52 Week High/Low($)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.($)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
Coach Inc	**COH**	**14,583**	**51.90**	**63.24/45.87**	**1.52**	**2.6**	**14**	**59.40**	**B+**	**96**	**21.8**	**0.1**
Fifth & Pacific Cos	FNP	2,935	24.47	26.11/9.98	2.56	Nil	NM	12.20	C	65	NM	139.5
Jones Group	JNY	1,266	15.81	17.78/10.42	NM	1.3	NM	12.90	B-	74	NM	48.1
PVH Corp	PVH	10,279	127.05	134.98/86.07	1.93	0.1	30	129.20	B+	95	7.2	39.8
Ralph Lauren Corp'A'	RL	10,500	172.08	192.03/144.14	1.54	0.9	22	169.80	A	100	10.8	NA
VF Corp	VFC	21,233	192.75	202.35/142.79	0.95	1.8	19	199.40	A	100	10.0	20.2

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

S&P Analyst Research Notes and other Company News

August 5, 2013
On July 29, 2013, Coach, Inc. entered into a resignation letter agreement with Reed Krakoff, who will resign from his positions as President and Executive Creative Director of the Company on the earlier to occur of the Closing or termination of the Purchase Agreement. The Resignation Letter supersedes the terms of the letter agreement dated as of July 10, 2013 between Coach and Krakoff. Pursuant to the Resignation Letter, Krakoff agreed to waive his right to receive any compensation, salary, bonuses, equity vesting and other benefits (except for continuation under Coach's health and welfare benefits) during the period from June 30, 2013 to the effective date of his resignation if the Closing occurs. In addition, Krakoff agreed to waive his right to receive any severance and bonus compensation if the Closing does not occur due to a breach of the Purchase Agreement by Buyer or Krakoff or the failure of Buyer or Krakoff to satisfy certain closing conditions. If the Closing does not occur due to the failure to obtain additional equity financing, Krakoff agreed to waive (i) $3 million in severance compensation plus (ii) an additional amount of severance compensation equal to approximately $3 million per month (subject to pro-ration for partial months) for the period beginning on August 1, 2013 and ending on the date that the Purchase Agreement is terminated. If the Closing does not occur for any reason other than those mentioned, Krakoff's resignation will be deemed for 'Good Reason' under his employment agreement with Coach. Following his resignation, Krakoff will be subject to certain restrictions with respect to the non-solicitation of Coach employees and the non-interference with Coach customers, vendors and suppliers. Such restrictions will extend through the first anniversary of the effective date of Krakoff's resignation.

July 30, 2013
DOWN 4.89 to 52.96... COH posts $0.78 vs. $0.86 Q2 EPS as higher costs offset 5.8% revenue rise. Posts $0.89 Q2 non-GAAP EPS. Capital IQ consensus forecast was $0.89.

July 30, 2013
12:08 pm ET ... S&P REITERATES STRONG BUY OPINION ON SHARES OF COACH, INC. (COH 52.71*****): We lower our FY 14 (Jun.) EPS estimate $0.45 to $3.80 and our target price by $3 to $65. Jun-Q adjusted EPS of $0.89, vs. $0.86, misses our $0.91 estimate on higher operating expenses in Asia. While the U.S. women's handbag business remained challenging, net sales rose 6% on strength in men's, footwear and international. We see a weaker yen and rising labor costs pressuring FY 14 margins. However, our outlook for COH remains positive as we see investments being made in new talent, products and distribution increasing global awareness and market penetration of the Coach brand. /J. Asaeda

July 30, 2013
11:29 am ET ... COACH, INC. (COH 52.91) DOWN 4.94, COACH (COH) REPORTS Q4 RESULTS. JEFFERIES MAINTAINS HOLD... Analyst Randal Konik says COH reported in-line Q4 results. Sees mgmt making right moves with executive appointments, momentum in Men's, Asia bizs. However, COH's North American (N.A.) comp returned to negative territory (-1.7%) due to deceleration in women's handbags, accessories. Notes this compares negatively to KORS, which posted +35% N.A. comps in its most recent Q. Says growing gap confirms COH losing traction in core N.A. women's handbag biz, which he thinks will only intensify as key competitors KORS, Kate Spade, Tory Burch take share. Keeps $50 target. M.Morrow

June 25, 2013
Coach, Inc. announced the appointment of Stuart Vevers as Executive Creative Director. Reporting directly to Coach's President and Chief Commercial Officer, Victor Luis, Mr. Vevers will be responsible for leading all creative aspects of the Coach brand, including women's and men's design, brand imagery, and store environments. Mr. Vevers joins Coach from Loewe where he held the role of Creative Director since 2008.

April 23, 2013
UP 5.34 to 55.93... COH posts $0.84 vs. $0.77 Q3 EPS on 7% higher total sales. Capital IQ consensus forecast was $0.80. Also announces its Board of Directors has voted to increase its cash dividend by $0.15 annually, raising it to an annual rate of $1.35 per share.

April 23, 2013
02:24 pm ET ... COACH, INC. (COH 55.63) UP 5.04, COACH (COH) POSTS Q3. WELLS FARGO MAINTAINS OUTPERFORM, $59-$63 VALUATION RANGE... Analyst Evren Kopelman says COH's Q3 results gave her more confidence in her thesis COH can grow into global lifestyle brand over time and its analytical approach & experience should enable it to successfully navigate through more difficult competitive environment in its core biz. Notes comps up 1%, gross margins up 35 bps both topped her expectations for zero and flat, respectively, impressive in weak traffic environment. Thinks current valuation of 12x PE on her CY 14E EPS is attractive for strong brand with significant intl, category growth opportunities. B.Brodie

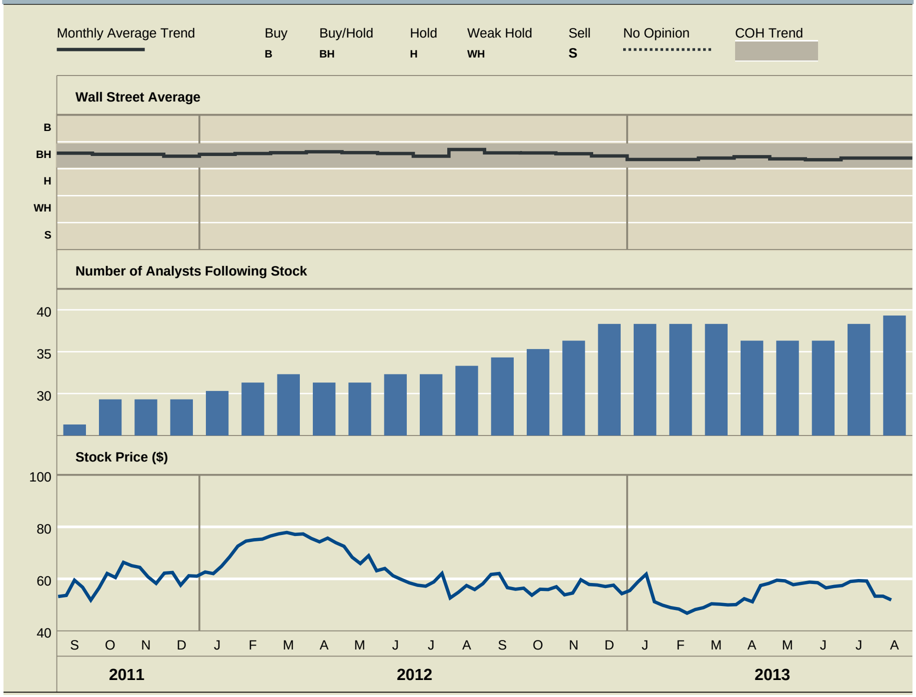
April 23, 2013
11:05 am ET ... S&P REITERATES STRONG BUY OPINION ON SHARES OF COACH, INC. (COH 56.41*****): We lift our FY 13 (Jun.) EPS estimate $0.03 to $3.75 but keep FY 14's at $4.25 and our target price at $68. Mar-Q EPS of $0.84, vs. $0.77, tops our $0.79 estimate as North American comps rose 1%, vs. the 2% decline we expected. COH estimates its addressable North American women's market grew by high single digits in the Mar-Q. With its total North American sales up 7%, we see COH defending its leading market share from competitors. We also note the company's initial success with its new women's footwear assortment and sustained growth momentum in men's and in China. /J. Asaeda

February 28, 2013
Coach, Inc. announced that Zach Augustine will join Coach as EVP, Global Environments, effective March 11, 2013, reporting to Reed Krakoff. Mr. Augustine will lead initiatives across Visual Merchandising, Architecture and Creative Development partnering with the other leaders to create a consistent and cohesive brand story. Mr. Augustine joins Coach from Nike, where he held the role of Global Creative Director -- Direct-to-Consumer Experience. Prior to Nike, he was co-founder of Winston, a consulting firm that worked with clients on projects ranging from brand identity design to retail and showroom design, development and production. He started his career in visual merchandising at Giorgio Armani and worked in creative leadership positions of increasing responsibility at Diesel, Polo Jeans, Nautica and Levi Strauss before launching Winston. Additionally, Erin Thompson will join Coach this spring as VP, Artistic Director, Global Environments. In this role, Ms. Thompson will oversee all creative development for windows, in-store, showrooms and events, reporting to Mr. Augustine. Ms. Thompson comes to Coach from Selfridges & Co., in London, where she most recently held the position of Head of Visual, having initially joined the company in 2002. Prior to Selfridges, Ms. Thompson spent twelve years at Mulberry in progressively senior visual merchandising roles. The company appointed Sandra Hill, EVP Women's Design who joined Coach in January 2013 with responsibility over all women's product. Ms. Hill was credited with building out the Women's business at Paul Smith Ltd.

Coach Inc.

S&P CAPITAL IQ
McGRAW HILL FINANCIAL

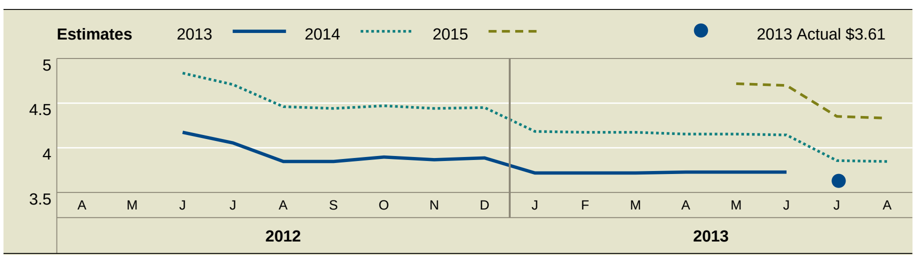
Analysts' Recommendations



Of the total 49 companies following COH, 40 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	17	42	16	14
Buy/Hold	3	7	3	4
Hold	18	45	18	17
Weak Hold	1	2	1	1
Sell	0	0	0	0
No Opinion	1	2	1	1
Total	**40**	**100**	**39**	**37**

Wall Street Consensus Estimates



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2015	4.34	5.09	3.69	31	12.0
2014	3.85	4.20	3.60	34	13.5
2015 vs. 2014	▲ 13%	▲ 21%	▲ 2%	▼ -9%	▼ -11%
Q1'15	0.87	0.91	0.79	11	59.7
Q1'14	0.78	0.93	0.69	27	66.5
Q1'15 vs. Q1'14	▲ 12%	▼ -2%	▲ 14%	▼ -59%	▼ -10%

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

Wall Steet Consensus Opinion

BUY/HOLD

Companies Offering Coverage

Over 30 firms follow this stock; not all firms are displayed.
Accountability Research Corporation
Argus Research Company
Atlantic Equities LLP
Avondale Partners, LLC
BMO Capital Markets, U.S. Equity Research
BofA Merrill Lynch
Brean Capital LLC
Buckingham Research Group Inc.
CLSA Americas LLC
Canaccord Genuity
Citigroup Inc
Collins Stewart LLC
Cowen and Company, LLC
Credit Suisse
DBS Vickers Research
Daiwa Capital Markets America Inc.
Daiwa Securities Capital Markets Co. Ltd.
Deutsche Bank
Goldman Sachs
HSBC
ISI Group Inc.
JP Morgan
Jefferies LLC
KeyBanc Capital Markets Inc.
Lazard Capital Markets
Macquarie Research
Miller Tabak & Co., LLC
Morgan Stanley
Morningstar Inc.
Needham & Company

Wall Street Consensus vs. Performance

For fiscal year 2014, analysts estimate that COH will earn $3.85. For fiscal year 2015, analysts estimate that COH's earnings per share will grow by 13% to $4.34.

Source: S&P, Capital IQ Estimates, Inc.

Coach Inc.

Glossary

S&P STARS
Since January 1, 1987, S&P Capital IQ Equity Research has ranked a universe of U.S. common stocks, ADRs (American Depositary Receipts), and ADSs (American Depositary Shares) based on a given equity's potential for future performance. Similarly, S&P Capital IQ Equity Research has used STARS® methodology to rank Asian and European equities since June 30, 2002. Under proprietary STARS (STock Appreciation Ranking System), S&P equity analysts rank equities according to their individual forecast of an equity's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350® Index or S&P 500® Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

S&P 12 Month Target Price
The S&P Capital IQ equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including S&P Fair Value.

Investment Style Classification
Characterizes the stock as Growth or Value, and indicates its capitalization level. Growth is evaluated along three dimensions (earnings, sales and internal growth), while Value is evaluated along four dimensions (book-to-price, cash flow-to-price, dividend yield and sale-to-price). Growth stocks score higher than the market average on growth dimensions and lower on value dimensions. The reverse is true for Value stocks. Certain stocks are classified as Blend, indicating a mixture of growth and value characteristics and cannot be classified as purely growth or value.

S&P Capital IQ EPS Estimates
S&P Capital IQ earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, S&P Capital IQ EPS estimates reflect either forecasts of S&P Capital IQ equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by Capital IQ, a data provider to S&P Capital IQ Equity Research. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

S&P Core Earnings
S&P Capital IQ Core Earnings is a uniform methodology for adjusting operating earnings by focusing on a company's after-tax earnings generated from its principal businesses. Included in the S&P Capital IQ definition are employee stock option grant expenses, pension costs, restructuring charges from ongoing operations, write-downs of depreciable or amortizable operating assets, purchased research and development, M&A related expenses and unrealized gains/losses from hedging activities. Excluded from the definition are pension gains, impairment of goodwill charges, gains or losses from asset sales, reversal of prior-year charges and provision from litigation or insurance settlements.

Qualitative Risk Assessment
The S&P Capital IQ equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the S&P Capital IQ U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices.

Quantitative Evaluations
In contrast to our qualitative STARS recommendations, which are assigned by S&P Capital IQ analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P Capital IQ analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

S&P Quality Ranking (also known as S&P Earnings & Dividend Rankings)
Growth and stability of earnings and dividends are deemed key elements in establishing S&P Capital IQ's Earnings and Dividend Rankings for common stocks, which are designed to capsulize the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B-	Below Average
A	High	C	Lower
A-	Above Average	D	Lowest
B+	Average	NR	In Reorganization
B	Below Average		

S&P Fair Value Rank
Using S&P Capital IQ's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

S&P Fair Value Calculation
The price at which a stock should trade at, according to S&P Capital IQ's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

Insider Activity
Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

Funds From Operations FFO
FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

Investability Quotient (IQ)
The IQ is a measure of investment desirability. It serves as an indicator of potential medium-to-long term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P Capital IQ proprietary measures.

S&P's IQ Rationale
Coach Inc

	Raw Score	Max Value
Proprietary S&P Measures	20	115
Technical Indicators	20	40
Liquidity/Volatility Measures	18	20
Quantitative Measures	73	75
IQ Total	**131**	**250**

Volatility
Rates the volatility of the stock's price over the past year.

Technical Evaluation
In researching the past market history of prices and trading volume for each company, S&P Capital IQ's computer models apply special technical methods and formulas to identify and project price trends for the stock.

Relative Strength Rank

Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P Capital IQ's universe on a rolling 13-week basis.

Global Industry Classification Standard (GICS)

An industry classification standard, developed by S&P Capital IQ in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 68 Industries, and 154 Sub-Industries.

S&P Issuer Credit Rating

A Standard & Poor's Issuer Credit Rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation. The Issuer Credit Rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer Credit Ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any Issuer Credit Rating and may, on occasion, rely on unaudited financial information. Issuer Credit Ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

Exchange Type

ASE - American Stock Exchange; AU - Australia Stock Exchange; BB - Bulletin Board; NGM - Nasdaq Global Market; NNM - Nasdaq Global Select Market; NSC - Nasdaq Capital Market; NYS - New York Stock Exchange; OTN - Other OTC (Over the Counter); OTC - Over the Counter; QB - OTCQB; QX - OTCQX; TS - Toronto Stock Exchange; TXV - TSX Venture Exchange; NEX - NEX Exchange.

S&P Capital IQ Equity Research

S&P Capital IQ Equity Research U.S. includes Standard & Poor's Investment Advisory Services LLC; Standard & Poor's Equity Research Services Europe includes McGraw-Hill Financial Research Europe Limited trading as Standard & Poor's; Standard & Poor's Equity Research Services Asia includes McGraw-Hill Financial Singapore Pte. Limited's offices in Singapore, Standard & Poor's Investment Advisory Services (HK) Limited in Hong Kong, Standard & Poor's Malaysia Sdn Bhd, and Standard & Poor's Information Services (Australia) Pty Ltd.

Abbreviations Used in S&P Capital IQ Equity Research Reports

CAGR - Compound Annual Growth Rate
CAPEX - Capital Expenditures
CY - Calendar Year
DCF - Discounted Cash Flow
DDM - Dividend Discount Model
EBIT - Earnings Before Interest and Taxes
EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization
EPS - Earnings Per Share
EV - Enterprise Value
FCF - Free Cash Flow
FFO - Funds From Operations
FY - Fiscal Year
P/E - Price/Earnings
P/NAV - Price to Net Asset Value
PEG Ratio - P/E-to-Growth Ratio
PV - Present Value
R&D - Research & Development
ROCE - Return on Capital Employed
ROE - Return on Equity
ROI - Return on Investment
ROIC - Return on Invested Capital
ROA - Return on Assets
SG&A - Selling, General & Administrative Expenses
SOTP - Sum-of-The-Parts
WACC - Weighted Average Cost of Capital

Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).

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In contrast to the qualitative STARS recommendations covered in this report, which are determined and assigned by S&P Capital IQ equity analysts, S&P Capital IQ ranks stocks in accordance with three other ranking methodologies: (a) S&P's Capital IQ's quantitative evaluations are derived from S&P Capital IQ's proprietary Fair Value quantitative ranking model. The Fair Value Ranking methodology is a relative ranking methodology. As a quantitative model, Fair Value relies on history and consensus estimates and does not introduce an element of subjectivity. (b) Global Markets Intelligence uses two different quantitative methodologies to determine recommendations for the Trade Detector research report. One methodology is based on a target price model, while the other methodology is based on four separate quantitative strategies. The STARS, quantitative evaluations and Trade Detector methodologies reflect different criteria, assumptions and analytical methods and may have differing recommendations.

S&P Capital IQ Global STARS Distribution as of June 30, 2013

Ranking	North America	Europe	Asia	Global
Buy	34.6%	31.8%	36.5%	34.3%
Hold	57.6%	44.1%	59.6%	55.7%
Sell	7.8%	24.1%	3.9%	10.0%
Total	100%	100%	100%	100%

5-STARS (Strong Buy): Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.
4-STARS (Buy): Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.
3-STARS (Hold): Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.
2-STARS (Sell): Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price is not anticipated to show a gain.
1-STARS (Strong Sell): Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks: In North America, the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are the S&P Europe 350 Index and the S&P Asia 50 Index, respectively.

For All Regions:
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S&P Capital IQ Global Quantitative Model Recommendations Distribution as of June 30, 2013

Ranking	North America	Europe	Asia	Global
Buy	40.0%	38.1%	57.0%	47.1%
Hold	20.0%	20.9%	19.0%	19.8%
Sell	40.0%	41.0%	24.0%	33.1%
Total	100%	100%	100%	100%

Trade Detector Recommendations Distribution as of March 31, 2013
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