TIFFANY & CO.

ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED JANUARY 31, 2014
NOTICE OF 2014 ANNUAL MEETING AND PROXY STATEMENT

FROM TOP: *The Tiffany® Setting engagement ring, The Gatsby Collection Savoy headpiece, Fancy colored diamond rings, Atlas® bangle, Tiffany & Co. Schlumberger® paillonné enamel bracelets and Elsa Peretti® Open Heart pendants.*

TIFFANY & CO.

727 FIFTH AVENUE
NEW YORK, NEW YORK 10022

212 755 8000

MICHAEL J. KOWALSKI
CHAIRMAN OF THE BOARD
CHIEF EXECUTIVE OFFICER

April 1, 2014

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of Tiffany & Co. on Thursday, May 22, 2014 at 9:30 a.m. in the Great Ballroom of the W New York – Union Square hotel, 201 Park Avenue South (at 17th Street), New York, New York.

To attend the meeting, you will need to register online. To do so, please follow the instructions in the Proxy Statement on page PS-4. When you arrive at the meeting you will be asked to provide your registration confirmation and photo identification. *This procedure is new this year; we look forward to your cooperation.*

Your participation in the affairs of Tiffany & Co. is important. Therefore, whether or not you plan to attend the meeting, please vote your shares. You can vote by accessing the Internet site to vote electronically, by completing and returning the enclosed proxy card by mail or by calling the number listed on the card and following the prompts.

Tiffany & Co.'s fundamental strategies remain remarkably consistent and very successful: designing and crafting products of inspiring beauty and legendary style, engaging our customers with warmth and elegance, and doing so in stores that radiate the energy and excitement of New York City. Our objective remains to deliver the promise of the Blue Box.

Tiffany's success in 2013 can be measured worldwide in sales growth, improved profitability, store expansion, exciting product introductions, and important additions to our management team. Reflecting those successes, Tiffany's stock price rose 27% in the fiscal year and we increased the quarterly dividend rate by 6%, representing the 12th increase in 11 years.

In 2013, net earnings were $181 million, or $1.41 per diluted share. This included an after-tax charge of $2.28 per diluted share related to an adverse arbitration award (see Note K on page K-66) and an after-tax charge of $0.04 per diluted share for specific cost-reduction initiatives. Excluding those charges, net earnings were $3.73 per diluted share, compared with our initial expectation of $3.43–$3.53 and the prior year's $3.25 per diluted share.

Net sales rose 6% to $4 billion in 2013 with solid and/or improving performance across our regions. On a constant-exchange-rate basis that excludes the translation effect from foreign

currencies, net sales rose 10% and comparable store sales increased 6%. On that basis, net sales increased 5% in the Americas, 18% in Asia-Pacific, 11% in Japan and 7% in Europe. Comparable store sales growth drove much of those increases, but we also added a net of 14 stores last year, opening six in the Americas, seven in Asia-Pacific and three in Europe, while closing one store in Japan and one in Asia-Pacific.

Excluding the charges, our profitability also improved: earnings from operations increased 14% and the ratio of earnings from operations to sales increased to 19.7%. We benefited from a higher gross margin and by managing selling, general and administrative expenses so that sales growth outpaced expense growth.

A free cash outflow (cash flow from operating activities less capital expenditures) in 2013 was entirely due to the arbitral-award payment to The Swatch Group Limited, and excluding the payment would have exceeded our objective. Combined short-term and long-term debt of $1 billion at year-end represented 37% of stockholders' equity, providing us with continued financial flexibility to support the expansion of our global business.

In terms of product category performance, we were especially pleased with sales growth in our statement and fine jewelry category and encouraged by signs of improvement in the fashion jewelry category. Specific product highlights included the introductions of the GATSBY and ZIEGFELD collections in the spring, the reinterpretation of our ATLAS ® collection in the fall and the global debut of our TIFFANY HARMONY ® engagement and band ring collection.

In 2013, we continued to engage the luxury consumer wherever they shopped. Our visual merchandising efforts were enhanced to bring more theater to our stores, and our much awarded digital ecosystem continued to grow and evolve, highlighted by the fall launch of a fully redesigned Tiffany.com. Our marketing messages were designed to protect our position as the ideal place to help celebrate important occasions while lifting up Tiffany's powerful relevance for style and fashion.

We further strengthened our management team in 2013, hiring new regional heads for Northern America and Europe, and welcomed a new Design Director. Frederic Cumenal was named President of the Company with added responsibility for product and store design, merchandising and marketing, and was elected to the Board of Directors.

We have exciting plans for the coming year, and will introduce compelling new jewelry collections, including an important new fashion jewelry collection in the fall. New stores will be added across all our regions, including a major new store in Paris. And we will continue to invest in our operational infrastructure, including expanded diamond-cutting and polishing facilities and making critical new investments in information technology.

Our management team remains enthusiastic about the long-term growth opportunities at Tiffany & Co., and we thank you for your continuing interest and support.

Sincerely,

FINANCIAL HIGHLIGHTS

(in thousands, except percentages, per share amounts and stores)	2013	2012
Net sales	$ 4,031,130	$ 3,794,249
Increase from prior year	6 %	4 %
Worldwide comparable store sales increase on a constant-exchange-rate basis *	6 %	1 %
Net earnings	$ 181,369	$ 416,157
Decrease from prior year	(56)%	(5)%
As a percentage of net sales	4 %	11 %
Per diluted share	$ 1.41	$ 3.25
Net earnings, as adjusted *	$ 480,557	$ 416,157
Increase (decrease) from prior year	15 %	(5)%
As a percentage of net sales *	12 %	11 %
Per diluted share *	$ 3.73	$ 3.25
Weighted-average number of diluted common shares	128,867	127,934
Free cash (outflow) inflow *	$ (66,800)	$ 108,760
Total debt-to-equity ratio	37 %	37 %
Cash dividends paid per share	$ 1.34	$ 1.25
Company-operated TIFFANY & CO. stores	289	275

All references to the years relate to fiscal years which ended on January 31 of the following calendar year.

See "Item 6. Selected Financial Data" for certain expenses that affected 2013 earnings.

* See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Measures" for a reconciliation of GAAP to Non-GAAP measures.

Tiffany & Co. Year-End Report 2013

Table of Contents

Annual Report on Form 10-K for the fiscal year ended January 31, 2014

		Page
	PART I	
Item 1.	Business	K-3
Item 1A.	Risk Factors	K-13
Item 1B.	Unresolved Staff Comments	K-18
Item 2.	Properties	K-19
Item 3.	Legal Proceedings	K-20
Item 4.	Mine Safety Disclosures	K-22
	PART II	
Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	K-22
Item 6.	Selected Financial Data	K-24
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	K-26
Item 7A.	Quantitative and Qualitative Disclosures about Market Risk	K-44
Item 8.	Financial Statements and Supplementary Data	K-45
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	K-90
Item 9A.	Controls and Procedures	K-90
Item 9B.	Other Information	K-91
	PART III	
Item 10.	Directors, Executive Officers and Corporate Governance	K-92
Item 11.	Executive Compensation	K-92
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	K-92
Item 13.	Certain Relationships and Related Transactions, and Director Independence	K-92
Item 14.	Principal Accounting Fees and Services	K-92
	PART IV	
Item 15.	Exhibits, Financial Statement Schedules	K-93

Tiffany & Co. Year-End Report 2013

Table of Contents

Proxy Statement for the 2014 Annual Meeting of Shareholders

	Page
Attendance and Voting Matters	PS - 1
Introduction	PS - 1
Matters to be Voted on at 2014 Annual Meeting	PS - 2
How to Vote Your Shares	PS - 2
How to Revoke Your Proxy	PS - 3
The Number of Votes That You Have	PS - 4
What a Quorum Is	PS - 4
What a "Broker Non-Vote" Is	PS - 4
What Vote is Required to Approve Each Proposal	PS - 5
Proxy Voting on Proposals in the Absence of Instructions	PS - 5
How Proxies Are Solicited	PS - 6
Ownership of the Company	PS - 7
Stockholders Who Own at Least Five Percent of the Company	PS - 7
Ownership by Directors, Director Nominees and Executive Officers	PS - 8
Section 16(a) Beneficial Ownership Reporting Compliance	PS - 9
Relationship with Independent Registered Public Accounting Firm	PS - 10
Fees and Services of PricewaterhouseCoopers LLP	PS - 10
Board of Directors and Corporate Governance	PS - 11
The Board, In General	PS - 11
The Role of the Board in Corporate Governance	PS - 11
Political Spending	PS - 11
Executive Sessions of Non-management Directors/Presiding Non-management Director	PS - 12
Communication with Non-management Directors	PS - 12
Director Attendance at Annual Meeting	PS - 12
Independent Directors Constitute a Majority of the Board	PS - 12
Board and Committee Meetings and Attendance during Fiscal 2013	PS - 13
Committees of the Board	PS - 13
Self-Evaluation	PS - 17
Resignation on Job Change or New Directorship	PS - 17
Board Leadership Structure	PS - 17
Board Role in Risk Oversight	PS - 18
Business Conduct Policy and Code of Ethics	PS - 19
Limitation on Adoption of Poison Pill Plans	PS - 19
Transactions with Related Persons	PS - 20
Contributions to Director-Affiliated Charities	PS - 20
Report of the Audit Committee	PS - 21
Executive Officers of the Company	PS - 22
Compensation of the CEO and Other Executive Officers	PS - 25
Compensation Discussion and Analysis	PS - 26

Tiffany & Co. Year-End Report 2013

Table of Contents

	Page
Compensation Committee Report	PS - 49
Summary Compensation Table	PS - 50
Grants of Plan-Based Awards	PS - 54
Discussion of Summary Compensation Table and Grants of Plan-Based Awards	PS - 56
Non-Equity Incentive Plan Awards	PS - 56
Equity Incentive Plan Awards - Performance-Based Restricted Stock Units	PS - 58
Equity Incentive Plan Awards - Stock Options	PS - 60
Life Insurance Benefits	PS - 60
Frederic Cumenal Employment Agreement	PS - 60
Outstanding Equity Awards at Fiscal Year-End	PS - 62
Option Exercises and Stock Vested	PS - 64
Pension Benefits Table	PS - 65
Assumptions Used in Calculating the Present Value of the Accumulated Benefits	PS - 66
Features of the Retirement Plans	PS - 66
Nonqualified Deferred Compensation Table	PS - 69
Features of the Executive Deferral Plan	PS - 69
Excess DCRB Feature of the Executive Deferral Plan	PS - 70
Potential Payments on Termination or Change in Control	PS - 71
Explanation of Potential Payments on Termination or Change in Control	PS - 72
Director Compensation Table	PS - 75
Discussion of Director Compensation Table	PS - 76
Equity Compensation Plan Information	PS - 77
Performance of Company Stock	PS - 78
Discussion of Proposals Presented by the Board	PS - 78
Item 1. Election of Directors	PS - 78
Item 2. Appointment of the Independent Registered Public Accounting Firm	PS - 82
Item 3. Approval of the Compensation paid to the Named Executive Officers	PS - 82
Item 4. Approval of the Adoption of the 2014 Tiffany & Co. Employee Incentive Plan	PS - 83
Other Matters	PS - 91
Shareholder Proposals for Inclusion in the Proxy Statement for the 2015 Annual Meeting	PS - 91
Other Proposals	PS - 91
Householding	PS - 91
Reminder to Vote	PS - 91
Appendix I. Non-GAAP Measures	PS - 92
Appendix II. Corporate Governance Principles	PS - 93
Appendix III. 2014 Employee Incentive Plan	PS - 101

Corporate Information

Board of Directors and Executive Officers of Tiffany & Co.	C-1
Shareholder Information	C-2

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 January 31, 2014

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission file number: 1-9494

TIFFANY & CO.

(Exact name of registrant as specified in its charter)

Delaware	**13-3228013**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
727 Fifth Avenue, New York, NY	**10022**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (212) 755-8000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $.01 par value 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 ☐

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 ☐ 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 ☐

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 ☐

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 Form10-K or any amendment to this Form10-K. ☐

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	☐
Non-accelerated filer	☐	(Do not check if a smaller reporting company)	Smaller reporting company	☐

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

As of July 31, 2013, the aggregate market value of the registrant's voting and non-voting stock held by non-affiliates of the registrant was approximately $10,091,092,432 using the closing sales price on this day of $79.51. See Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

As of March 24, 2014, the registrant had outstanding 128,845,017 shares of its common stock, $.01 par value per share.

DOCUMENTS INCORPORATED BY REFERENCE.

The following documents are incorporated by reference into this Annual Report on Form 10-K: Registrant's Proxy Statement Dated April 10, 2014 (Part III).

FORM 10-K

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, including documents incorporated herein by reference, contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 concerning the Company's goals, plans and projections with respect to store openings and closings, product introductions, sales, retail prices, gross margin, expenses, operating margin, effective income tax rate, net earnings and net earnings per share, inventories, capital expenditures, cash flow and liquidity. In addition, management makes other forward-looking statements from time to time concerning objectives and expectations. One can identify these forward-looking statements by the fact that they use words such as "believes," "intends," "plans" and "expects" and other words and terms of similar meaning and expression in connection with any discussion of future operating or financial performance. One can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. Such forward-looking statements are based on management's current plans and involve inherent risks, uncertainties and assumptions that could cause actual outcomes to differ materially from current goals, plans and projections. The Company has included important factors in the cautionary statements included in this Annual Report, particularly under "Item 1A. Risk Factors," that the Company believes could cause actual results to differ materially from any forward-looking statement.

Although the Company believes it has been prudent in developing its plans and the underlying assumptions, no assurance can be given that any goal or plan set forth in forward-looking statements can or will be achieved, and readers are cautioned not to place undue reliance on such statements which speak only as of the date this Annual Report on Form 10-K was first filed with the Securities and Exchange Commission. The Company undertakes no obligation to update any of the forward-looking information included in this document, whether as a result of new information, future events, changes in expectations or otherwise.

PART I

Item 1. Business.

GENERAL HISTORY OF BUSINESS

Tiffany & Co. (the "Registrant") is a holding company that operates through its subsidiary companies (collectively, the "Company"). The Registrant's principal subsidiary is Tiffany and Company ("Tiffany"). Charles Lewis Tiffany founded Tiffany's business in 1837. He incorporated Tiffany in New York in 1868. The Registrant acquired Tiffany in 1984 and completed the initial public offering of the Registrant's Common Stock in 1987. The Registrant, through its subsidiaries, sells jewelry and other items that it manufactures or has made by others to its specifications.

FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS

The Company's segment information for the fiscal years ended January 31, 2014, 2013 and 2012 is reported in "Item 8. Financial Statements and Supplementary Data - Note Q - Segment Information."

NARRATIVE DESCRIPTION OF BUSINESS

All references to years relate to fiscal years that end on January 31 of the following calendar year.

MAINTENANCE OF THE TIFFANY & CO. BRAND

The TIFFANY & CO. brand (the "Brand") is the single most important asset of Tiffany and, indirectly, of the Company. The strength of the Brand goes beyond trademark rights (see "TRADEMARKS" below) and is derived from consumer perceptions of the Brand. Management monitors the strength of the Brand through focus groups and survey research.

Management believes that consumers associate the Brand with high-quality gemstone jewelry, particularly diamond jewelry; excellent customer service; an elegant store and online environment; upscale store locations; "classic" product positioning; distinctive and high-quality packaging materials (most significantly, the TIFFANY & CO. blue box); and sophisticated style and romance. Tiffany's business plan includes expenses to maintain the strength of the Brand, such as the following:

- Maintaining its position within the high-end of the jewelry market requires Tiffany to invest significantly in diamond and gemstone inventory and to accept reduced overall gross margins; it also causes some consumers to view Tiffany as beyond their price range;
- To provide excellent service, stores must be well staffed with knowledgeable professionals;
- Elegant stores in the best "high street" and luxury mall locations are more expensive and difficult to secure and maintain, but reinforce the Brand's luxury connotations through association with other luxury brands;
- In-store display practices enable Tiffany to showcase fine jewelry in a manner consistent with the Brand's positioning but require sufficient space;
- The classic positioning of much of Tiffany's product line supports the Brand, but limits the display space that can be allocated to new product introductions;
- Tiffany's packaging supports consumer expectations with respect to the Brand but is expensive; and

- A significant amount of advertising is required to both reinforce the Brand's association with luxury, sophistication, style and romance, as well as to market specific products.

All of the foregoing require that management make tradeoffs between business initiatives that might generate incremental sales and earnings and Brand maintenance objectives. This is a dynamic process. To the extent that management deems that product, advertising or distribution initiatives will unduly and negatively affect the strength of the Brand, such initiatives have been and will be curtailed or modified appropriately. At the same time, Brand maintenance suppositions are regularly questioned by management to determine if the tradeoff between sales and earnings is truly worth the positive effect on the Brand. At times, management has determined, and may in the future determine, that the strength of the Brand warranted, or that it will permit, more aggressive and profitable distribution and marketing initiatives.

REPORTABLE SEGMENTS

Americas

Sales in the Americas were 48% of worldwide net sales in 2013, while sales in the U.S. represented 88% of net sales in the Americas.

Retail Sales. Retail sales in the Americas are transacted in 121 Company-operated TIFFANY & CO. stores in (number of stores at January 31, 2014 included in parentheses): the U.S. (94), Canada (12), Mexico (10) and Brazil (5). Included within these totals are 12 Company-operated stores located within various department stores in Canada and Mexico.

Internet and Catalog Sales. The Company distributes a selection of its products in the U.S. and Canada through the websites at www.tiffany.com and www.tiffany.ca. To a lesser extent, sales are also generated through catalogs that the Company distributes to its proprietary list of customers in the U.S. and Canada.

Business-to-Business Sales. Sales executives call on business clients, primarily in the U.S., selling products drawn from the retail product line and items specially developed for the business market, including trophies and items designed for the particular customer. Purchases may also be made through the Company's website at www.tiffany.com/business. Price allowances are given to business account holders for certain purchases.

Wholesale Distribution. Selected TIFFANY & CO. merchandise is sold to independent distributors for resale in markets in the Central/South American and Caribbean regions. Such sales represent less than 1% of worldwide net sales.

Asia-Pacific

Sales in Asia-Pacific represented 23% of worldwide net sales in 2013, while sales in Greater China represented more than half of Asia-Pacific's net sales.

Retail Sales. Retail sales in Asia-Pacific are transacted in 72 Company-operated TIFFANY & CO. stores in (number of stores at January 31, 2014 included in parentheses): China (26), Korea (14), Hong Kong (9), Taiwan (8), Australia (6), Singapore (5), Macau (2) and Malaysia (2). Included within these totals are 24 Company-operated stores located within various department stores.

Internet Sales. The Company offers a selection of TIFFANY & CO. merchandise for purchase in Australia through its website at www.tiffany.com.au.

Wholesale Distribution. Selected TIFFANY & CO. merchandise is sold to independent distributors for resale in certain markets. Such sales represent less than 1% of worldwide net sales.

Japan

Sales in Japan represented 14% of worldwide net sales in 2013.

Retail Sales. Retail sales in Japan are transacted in 54 Company-operated TIFFANY & CO. stores. Included within this total are 50 stores located within department stores, generating 77% of Japan's net sales. There are four large department store groups in Japan. The Company operates TIFFANY & CO. stores in locations controlled by these groups as follows (number of locations at January 31, 2014 included in parentheses): Isetan Mitsukoshi (14), J. Front Retailing Co. (Daimaru and Matsuzakaya department stores) (9), Takashimaya (9) and Millennium Retailing Co. (Sogo and Seibu department stores) (4). The Company also operates 14 stores in other department stores.

Internet Sales. The Company offers a selection of TIFFANY & CO. merchandise for purchase in Japan through its website at www.tiffany.co.jp.

Business-to-Business Sales. Products drawn from the retail product line and items specially developed are sold to business customers.

Wholesale Distribution. Selected TIFFANY & CO. merchandise is sold to independent distributors for resale in Japan. Such sales represent less than 1% of worldwide net sales.

Europe

Sales in Europe represented 12% of worldwide net sales in 2013, while sales in the United Kingdom ("U.K.") represented more than 40% of European net sales.

Retail Sales. Retail sales in Europe are transacted in 37 Company-operated TIFFANY & CO. stores in (number of stores at January 31, 2014 included in parentheses): the U.K. (10), Germany (7), Italy (7), France (4), Spain (2), Switzerland (2), Austria (1), Belgium (1), the Czech Republic (1), Ireland (1) and the Netherlands (1). Included within these totals are seven Company-operated stores located within various department stores.

Internet Sales. The Company offers a selection of TIFFANY & CO. merchandise for purchase in the U.K., Austria, Belgium, France, Germany, Ireland, Italy, the Netherlands and Spain through its websites, which are accessible through www.tiffany.com.

Wholesale Distribution. Selected TIFFANY & CO. merchandise is sold to independent distributors for resale in Europe. Such sales represent less than 1% of worldwide net sales.

Other

Other consists of all non-reportable segments, including: (i) retail sales and wholesale distribution in the Emerging Markets region; (ii) wholesale sales of diamonds; and (iii) licensing agreements.

Emerging Markets region. Since July 2012, retail sales have been transacted in five Company-operated TIFFANY & CO. stores in the United Arab Emirates ("U.A.E.") and, beginning in February 2014, in one Company-operated store in Russia. Additionally, selected TIFFANY & CO. merchandise is sold to independent distributors for resale in certain markets primarily in the Middle East, and through January 2014 in Russia. Such wholesale sales represent less than 1% of worldwide net sales.

Wholesale Sales of Diamonds. The Company regularly purchases parcels of rough diamonds for polishing and further processing. Some rough diamonds so purchased, and a small percentage of diamonds so polished, are found not to be suitable for Tiffany jewelry; those diamonds are sold to third parties. Management's objective from such sales is to recoup its original costs, thereby earning minimal, if any, gross margin on those transactions.

Licensing Agreements. The Company receives earnings from a licensing agreement with Luxottica Group for the distribution of TIFFANY & CO. brand eyewear. The licensing agreement with The Swatch Group Ltd. and one of its affiliates (together, the "Swatch Group") for TIFFANY & CO. brand watches was deemed terminated as of March 1, 2013. See "Item 3. Legal Proceedings" for additional information concerning the Swatch Group. The earnings received from licensing agreements represented less than 1% of worldwide net sales in 2013, 2012 and 2011.

Expansion of Operations

Management regularly evaluates potential markets for new TIFFANY & CO. stores with a view to the demographics of the area to be served, consumer demand and the proximity of other luxury brands and existing TIFFANY & CO. locations. Management recognizes that over-saturation of any market could diminish the distinctive appeal of the Brand, but believes that there are a significant number of opportunities remaining in new and existing markets that will meet the requirements for a TIFFANY & CO. location in the future.

The following chart details the number of TIFFANY & CO. retail locations operated by the Company since 2003:

	Americas						
Year:	U.S.	Canada & Latin America	Asia-Pacific	Japan	Europe	Emerging Markets	Total
2003	51	7	22	50	11	—	141
2004	55	7	24	53	12	—	151
2005	59	7	25	50	13	—	154
2006	64	9	28	52	14	—	167
2007	70	10	34	53	17	—	184
2008	76	10	39	57	24	—	206
2009	79	12	45	57	27	—	220
2010	84	12	52	56	29	—	233
2011	87	15	58	55	32	—	247
2012	91	24	66	55	34	5	275
2013	94	27	72	54	37	5	289

As part of its long-term strategy to open additional stores, management plans to add 13 Company-operated stores and close four existing stores in 2014: opening four in the Americas, five in Asia-Pacific, two in Japan, and one each in Europe and Russia, while closing one each in the Americas, Asia-Pacific, Japan and the U.A.E.

As noted above, the Company currently operates e-commerce enabled websites in 13 countries. Sales transacted on those websites accounted for 6% of worldwide net sales in 2013, 2012 and 2011. The Company periodically invests in enhancing these websites and intends to expand its e-commerce sites to additional countries in the future.

Products

The Company's principal product category is jewelry, which represented 92%, 90% and 91% of worldwide net sales in 2013, 2012 and 2011. The Company offers an extensive selection of TIFFANY & CO. brand jewelry at a wide range of prices. Designs are developed by employees, suppliers, independent designers and independent "named" designers (see "MATERIAL DESIGNER LICENSE" below).

The Company also sells timepieces, leather goods, sterling silver goods (other than jewelry), china, crystal, stationery, fragrances and accessories, which represented, in total, 7%, 8% and 8% of worldwide net sales in 2013, 2012 and 2011. The remaining 1% - 2% of worldwide net sales were attributable to wholesale sales of diamonds and earnings received from third-party licensing agreements.

Sales by Reportable Segment of TIFFANY & CO. Jewelry by Category

2013	% of total Americas Sales	% of total Asia-Pacific Sales	% of total Japan Sales	% of total Europe Sales	% of total Reportable Segment Sales
Statement, fine & solitaire jewelry [a]	23%	27%	20%	19%	23%
Engagement jewelry & wedding bands [b]	23%	36%	47%	25%	30%
Fashion jewelry [c]	43%	35%	26%	53%	40%
2012					
Statement, fine & solitaire jewelry [a]	20%	24%	17%	16%	20%
Engagement jewelry & wedding bands [b]	23%	37%	48%	26%	30%
Fashion jewelry [c]	45%	37%	28%	54%	41%
2011					
Statement, fine & solitaire jewelry [a]	19%	25%	15%	16%	19%
Engagement jewelry & wedding bands [b]	24%	37%	47%	24%	31%
Fashion jewelry [c]	45%	35%	29%	55%	41%

a) This category includes statement, fine and solitaire jewelry (other than engagement jewelry). Most sales in this category are of items containing diamonds, other gemstones or both. Most jewelry in this category is constructed of platinum, although gold was used as the primary metal in approximately 12% of sales in 2013. The average price of merchandise sold in 2013, 2012 and 2011 in this category was approximately $4,600, $4,300 and $4,300 for total reportable segments.

b) This category includes engagement rings and wedding bands marketed to brides and grooms. Most sales in this category are of items containing diamonds. Most jewelry in this category is constructed of platinum, although gold was used as the primary metal in approximately 7% of sales in 2013. The average price of merchandise sold in 2013, 2012 and 2011 in this category was approximately $3,600, $3,500 and $3,600 for total reportable segments.

c) This category generally consists of non-gemstone, sterling silver (approximately 60% of the category in 2013), gold or RUBEDO® metal (beginning in 2012) jewelry, although small gemstones are used as accents in some pieces. RUBEDO® metal is an alloy composed of copper, gold and silver which was developed by the Company. The average price of merchandise sold in 2013, 2012 and 2011 in this category was approximately $300, $295 and $280 for total reportable segments.

The previously disclosed designer jewelry category, of items bearing the name of and attributed to one of the Company's "named" designers: Elsa Peretti, Paloma Picasso and Frank Gehry, has been reclassified into the three remaining categories to conform with management's current internal analysis of product sales.

ADVERTISING, MARKETING, PUBLIC AND MEDIA RELATIONS

The Company regularly advertises in newspapers, magazines and through digital media. Public and media relations activities are also significant to the Company's business. The Company engages in a program of media activities and marketing events to maintain consumer awareness of the Brand and TIFFANY & CO. products. It also publishes its well-known *Blue Book* to showcase its high-end jewelry. In 2013, 2012 and 2011, the Company spent $247,466,000, $242,524,000 and $234,050,000, representing 6.1%, 6.4% and 6.4% of worldwide net sales in those respective years, on advertising, marketing, public and media relations, which include costs for media, production, catalogs, Internet, visual merchandising (in-store and window displays), marketing events and other related items.

In addition, management believes that the Brand is enhanced by a program of charity sponsorships, grants and merchandise donations. The Company also makes donations to The Tiffany & Co. Foundation, a private foundation organized to support 501(c)(3) charitable organizations. The efforts of this Foundation are primarily focused on environmental conservation and urban parks.

TRADEMARKS

The designations TIFFANY® and TIFFANY & CO.® are the principal trademarks of Tiffany, and also serve as tradenames. Tiffany has obtained and is the proprietor of trademark registrations for TIFFANY and TIFFANY & CO., as well as the TIFFANY BLUE BOX® and the color TIFFANY BLUE® for a variety of product categories and services in the U.S. and in other countries.

Tiffany maintains a program to protect its trademarks and institutes legal action where necessary to prevent others either from registering or using marks which are considered to create a likelihood of confusion with the Company or its products.

Tiffany has been generally successful in such actions and management considers that the Company's worldwide trademark rights in TIFFANY and TIFFANY & CO. are strong. However, use of the designation TIFFANY by third parties on related or unrelated goods or services, frequently transient in nature, may not come to the attention of Tiffany or may not rise to a level of concern warranting legal action.

Tiffany actively pursues those who produce or sell counterfeit TIFFANY & CO. goods through civil action and cooperation with criminal law enforcement agencies. However, counterfeit TIFFANY & CO. goods remain available in many markets because it is not possible or cost-effective to eradicate the problem. The cost of enforcement is expected to continue to rise. In recent years, there has been an increase in the availability of counterfeit goods, predominantly silver jewelry, on the Internet and in various markets by street vendors and small retailers. Tiffany has responded to Internet counterfeiting by engaging investigators and counsel to monitor the Internet and taking various actions to stop infringing activity, including sending cease and desist letters, initiating civil proceedings and participating in joint actions and anti-counterfeiting programs with other like-minded third party rights holders.

Despite the general fame of the TIFFANY and TIFFANY & CO. name and mark for the Company's products and services, Tiffany is not the sole person entitled to use the name TIFFANY in every category of use in every country of the world; for example, third parties have registered the name TIFFANY in the U.S. in the food services category, and in a number of foreign countries in respect of certain product categories (including, in a few countries, the categories of food, cosmetics, jewelry, clothing and tobacco products) under circumstances where Tiffany's rights were not sufficiently clear under local law, and/or where management concluded that Tiffany's foreseeable business interests did not warrant the expense of legal action.

MATERIAL DESIGNER LICENSE

Since 1974, Tiffany has been the sole licensee for the intellectual property rights necessary to make and sell jewelry and other products designed by Elsa Peretti and bearing her trademarks. The designs of Ms. Peretti accounted for 9%, 10% and 10% of the Company's worldwide net sales in 2013, 2012 and 2011.

In December 2012, Tiffany entered into an Amended and Restated Agreement (the "Peretti Agreement") with Ms. Peretti. Pursuant to the Peretti Agreement, which largely reflects the long-standing rights and marketing and royalty obligations of the parties, Ms. Peretti granted Tiffany an exclusive license, in all of the countries in which Peretti-designed jewelry and products are currently sold, to make, have made, advertise and sell these items. Ms. Peretti continues to retain ownership of the copyrights for her designs and her trademarks and remains entitled to exercise approval and consultation rights with respect to important aspects of the promotion, display, manufacture and merchandising of the products made in accordance with her designs. Under and in accordance with the terms set forth in the Peretti Agreement, Tiffany is required to display the licensed products in stores, to devote a portion of its advertising budget to the promotion of the licensed products, to pay royalties to Ms. Peretti for the licensed products sold, to maintain total on-hand and on-order inventory of non-jewelry licensed products (such as tabletop products) at approximately $8,000,000 and to take certain actions to protect the use and registration of Ms. Peretti's copyrights and trademarks.

The Peretti Agreement has a term of 20 years and is binding upon Ms. Peretti, her heirs, estate, trustees and permitted assignees. During the term of the Peretti Agreement, Ms. Peretti may not sell, lease or otherwise dispose of her copyrights and trademarks unless the acquiring party expressly agrees with Tiffany to be bound by the provisions of the Peretti Agreement. The Peretti Agreement is terminable by Ms. Peretti only in the event of a material breach by Tiffany (subject to a cure period) or upon a change of control of Tiffany or the Company. It is terminable by Tiffany only in the event of a material breach by Ms. Peretti or following an attempt by Ms. Peretti to revoke the exclusive license (subject, in each case, to a cure period).

MERCHANDISE PURCHASING, MANUFACTURING AND RAW MATERIALS

The Company produces jewelry in New York, Rhode Island and Kentucky, and silver hollowware in Rhode Island. The Company processes, cuts and polishes diamonds at facilities outside the U.S. In total, those manufacturing facilities produce approximately 60% of merchandise sold by the Company. The balance, including almost all non-jewelry items, is purchased from third-parties. The Company may increase the percentage of internally-manufactured jewelry in the future, but management does not expect that the Company will ever manufacture all of its needs. Factors considered by management in its decision to use third-party manufacturers include product quality, gross margin, access to or mastery of various jewelry-making skills and technology, support for alternative capacity and the cost of capital investments.

Rough and Polished Diamonds. Of the world's largest diamond producing countries, the vast majority of diamonds purchased by the Company originate from Australia, Botswana, Canada, Namibia, Russia, Sierra

Leone and South Africa. The Company has established diamond processing operations that purchase, sort, cut and/or polish rough diamonds for its use. The Company has such operations in Belgium, Botswana, Mauritius, Namibia, South Africa and Vietnam, and intends to establish operations in Cambodia in 2014. The Company's operations in Botswana, Namibia and South Africa allow it to access rough diamond allocations reserved for local manufacturers as operations in those countries are conducted through companies in which local third-parties own minority, non-controlling interests. The Company maintains a relationship and has an arrangement with these local third-parties in each of those countries; however, if circumstances warranted, the Company could seek to replace its existing local partners.

In order to acquire rough diamonds, the Company must purchase mixed assortments of rough diamonds. It is thus necessary to knowingly purchase some rough diamonds that cannot be cut and polished to meet the Company's quality standards and that must be sold to third-parties; such sales are reported in the Other non-reportable segment. To make such sales, the Company charges a market price and is, therefore, unable to earn a significant profit, if any, above its original cost. Sales of rough diamonds in the Other non-reportable segment have had and are expected to continue to have the effect of modestly reducing the Company's overall gross margins.

The Company, from time to time, secures supplies of rough diamonds by agreeing to purchase a defined portion of a mine's output at the market price prevailing at the time of production. Under such agreements, management anticipates that it will purchase approximately $200,000,000 of rough diamonds in 2014. In addition, the Company will also purchase rough diamonds from other suppliers, although it has no contractual obligations to do so. In certain instances, the Company has provided loans to, or made equity investments in, mining projects in order to secure diamond supplies. The Company may continue to do so.

Approximately 60% - 70% (by dollar value) of the polished diamonds used in jewelry is produced from rough diamonds that the Company has purchased. The balance of its needs for polished diamonds is purchased from polishers or polished-diamond dealers. It is the Company's intention to continue to supply the majority of its needs for diamonds by purchasing and polishing rough diamonds.

The Company purchases polished diamonds principally from four key vendors. The Company generally enters into purchase orders for fixed quantities with its polished-diamond vendors. These relationships may be terminated at any time by either party; but such a termination would not discharge either party's obligations under unfulfilled purchase orders accepted prior to the termination. However, were trade relations between the Company and one or more of these vendors to be disrupted, the Company's sales could be adversely affected in the short term until alternative supply arrangements could be established.

Products containing one or more diamonds of varying sizes, including diamonds used as accents, side-stones and center-stones, accounted for approximately 58%, 55% and 55% of worldwide net sales in 2013, 2012 and 2011. Products containing one or more diamonds of one carat or larger accounted for 15%, 13% and 14% of worldwide net sales in each of those years.

Conflict Diamonds. Media attention has been drawn to the issue of "conflict" or "blood" diamonds. These terms are used to refer to diamonds extracted from war-torn geographic regions and sold by rebel forces to fund insurrection. Allegations have also been made that trading in such diamonds supports terrorist activities. Management believes that it is not possible in most purchasing scenarios to distinguish conflict diamonds from diamonds produced in other regions once they have been polished. Therefore, concerned participants in the diamond trade, including the Company and nongovernment organizations, seek to exclude "conflict" or "blood" diamonds, which represent a small fraction of the world's supply, from legitimate trade through an international system of certification and legislation known as the Kimberley Process Certification Scheme. All rough diamonds the Company buys, crossing an international border, must be accompanied by a Kimberley Process certificate and all trades of rough and polished diamonds must conform to a system of warranties that references the aforesaid scheme. It is not expected that such efforts will substantially affect the supply of diamonds. In addition, concerns over human rights abuses in

Zimbabwe underscore that the aforementioned system does not control diamonds produced in state-sanctioned mines under poor working conditions. The Company has informed its vendors that it does not intend to purchase Zimbabwean-produced diamonds. Accordingly, the Company has implemented the Diamond Source Warranty Protocol, which requires vendors to provide a warranty that loose polished diamonds were not obtained from Zimbabwean mines.

The Diamond Trading Company ("DTC"). The supply and prices of rough and polished diamonds in the principal world markets have been and continue to be influenced by the DTC, an affiliate of the De Beers Group. Over the past decade, the DTC's historical ability to control worldwide production has been significantly diminished due to its lower share of worldwide production, changing policies in diamond-producing countries and revised contractual arrangements with third-party mine operators. Although the market share of the DTC has diminished, the DTC continues to supply a meaningful portion of the world market for rough, gem-quality diamonds.

The DTC continues to exert influence on the demand for polished diamonds through the requirements it imposes on those ("sightholders") who purchase rough diamonds from the DTC. Some, but not all, of the Company's suppliers are DTC sightholders and it is estimated that a significant portion of the diamonds that it has purchased have had their source with the DTC. The Company is a DTC sightholder for rough diamonds through its operations in Belgium and its African joint ventures.

Worldwide Availability and Price of Diamonds. The availability and price of diamonds are dependent on a number of factors, including global consumer demand, the political situation in diamond-producing countries, the opening of new mines, the continuance of the prevailing supply and marketing arrangements for rough diamonds and levels of industry liquidity. In recent years, there has been substantial volatility in the prices of both rough and polished diamonds. Prices for rough diamonds do not necessarily reflect current demand for polished diamonds.

Sustained interruption in the supply of diamonds, an overabundance of supply or a substantial change in the marketing arrangements described above could adversely affect the Company and the retail jewelry industry as a whole. Changes in the marketing and advertising spending of the DTC and its direct purchasers could affect consumer demand for diamonds.

The Company purchases conflict-free rough and polished fine white diamonds, in the color ranges D through I. Management does not foresee a shortage of diamonds in this color range in the short term but believes that, unless new mines are developed, rising demand will eventually create such a shortage, and lead to higher prices.

Manufactured Diamonds. Manufactured diamonds are produced in small but growing quantities. Although significant questions remain as to the ability of producers to produce manufactured diamonds economically within a full range of sizes and natural diamond colors, and as to consumer acceptance of manufactured diamonds, manufactured diamonds are becoming a larger factor in the market. Should manufactured diamonds be offered in significant quantities, the supply of and prices for natural diamonds may be affected. The Company does not produce and does not intend to purchase or sell manufactured diamonds.

Purchases of Other Polished Gemstones and Precious Metals. Other polished gemstones and precious metals used in making jewelry are purchased from a variety of sources. Most purchases are from suppliers with which Tiffany enjoys long-standing relationships.

The Company generally enters into purchase orders for fixed quantities with other polished gemstone and precious metals vendors. These relationships may be terminated at any time by either party; such termination would not discharge either party's obligations under unfulfilled purchase orders accepted prior to the termination.

The Company purchases precious metals for use in its internal manufacturing operations and for use by third-party manufacturers contracted to supply Tiffany merchandise. While the Company may supply precious metals to a manufacturer, it cannot determine, in all circumstances, whether the finished goods provided by such manufacturer were actually produced with Tiffany-supplied precious metals. Additionally, not all precious metals used by third-party vendors or in the Company's own manufacturing operations are sourced from a single mine or refinery.

In recent years, there has been substantial volatility in the prices of precious metals.

The Company believes that there are numerous alternative sources for other polished gemstones and precious metals and that the loss of any single supplier would not have a material adverse effect on its operations.

Finished Jewelry. Finished jewelry is purchased from approximately 60 manufacturers, most of which have long-standing relationships with the Company. However, the Company does not enter into long-term supply arrangements with its finished goods vendors. The Company does enter into written blanket purchase order agreements with nearly all of its finished goods vendors. These relationships may be terminated at any time by either party; such termination would not discharge either party's obligations under unfulfilled purchase orders accepted prior to termination. The blanket purchase order agreements establish non-price terms by which the Company may purchase and by which vendors may sell finished goods to the Company. These terms include payment terms, shipping procedures, product quality requirements, merchandise specifications and vendor social responsibility requirements. The Company actively seeks alternative sources for its top-selling jewelry items to mitigate any potential disruptions in supply. However, due to the craftsmanship involved in a small number of designs, the Company may have difficulty finding readily available alternative suppliers for those jewelry designs in the short term.

Watches. Prior to 2007, the Company arranged for the production of TIFFANY & CO. brand watches with various third-party Swiss component manufacturers and assemblers. In 2007, the Company entered into a 20-year license and distribution agreement (the "Agreement") with the Swatch Group for the manufacture and distribution of TIFFANY & CO. brand watches. In December 2013, an arbitral panel deemed the Agreement terminated effective March 1, 2013. See "Item 3. Legal Proceedings" for additional information regarding the arbitration proceeding. Royalties payable to the Company under the Agreement were not significant in any year and watches manufactured under the Agreement and sold in TIFFANY & CO. stores constituted 1% of worldwide net sales in 2013, 2012 and 2011.

The Company is proceeding with plans to design, produce, market and distribute TIFFANY & CO. brand watches. The effective development and growth of this watch business will require additional resources and will involve risks and uncertainties. Additionally, the continued presence in the retail market of TIFFANY & CO. brand watches produced under the Agreement may negatively impact the Company’s sales and marketing efforts for newly produced watches. Under the Agreement, the Swatch Group has the right to sell, for two years following termination of the Agreement, watches marked with the TIFFANY & CO. trademark which were on hand at the time of termination.

COMPETITION

The global jewelry industry is competitively fragmented. The Company encounters significant competition in all product lines. Some competitors specialize in just one area in which the Company is active. Many competitors have established worldwide, national or local reputations for style, quality, expertise and customer service similar to the Company and compete on the basis of that reputation. Certain other jewelers and retailers compete primarily through advertised price promotion. The Company competes on the basis of the Brand's reputation for high-quality products, customer service and distinctive merchandise and does not engage in price promotional advertising.

Competition for engagement jewelry sales is particularly and increasingly intense. The Company's retail price for diamond jewelry reflects the rarity of the stones it offers and the rigid parameters it exercises with respect to the cut, clarity and other diamond quality factors which increase the beauty of the diamonds, but which also increase the Company's cost. The Company competes in this market by emphasizing quality.

SEASONALITY

As a jeweler and specialty retailer, the Company's business is seasonal in nature, with the fourth quarter typically representing approximately one-third of annual net sales and a higher percentage of annual net earnings. Management expects such seasonality to continue.

EMPLOYEES

As of January 31, 2014, the Company employed an aggregate of approximately 10,600 full-time and part-time persons. Of those employees, approximately 5,200 are employed in the United States.

AVAILABLE INFORMATION

The Company files annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy and information statements and amendments to reports filed or furnished pursuant to Sections 13(a), 14 and 15(d) of the Securities Exchange Act of 1934, as amended. The public may read and copy these materials at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website at www.sec.gov that contains reports, proxy and information statements and other information regarding Tiffany & Co. and other companies that electronically file materials with the SEC. Copies of the Company's annual reports on Form 10-K, Forms 10-Q and Forms 8-K may be obtained, free of charge, on the Company's website at http://investor.tiffany.com/financials.cfm.

Item 1A. Risk Factors.

As is the case for any retailer, the Company's success in achieving its objectives and expectations is dependent upon general economic conditions, competitive conditions and consumer attitudes. However, certain factors are specific to the Company and/or the markets in which it operates. The following "risk factors" are specific to the Company; these risk factors affect the likelihood that the Company will achieve the financial objectives and expectations communicated by management:

(i) Challenging global economic conditions and related low levels of consumer confidence over a prolonged period of time could adversely affect the Company's sales.

As a retailer of goods which are discretionary purchases, the Company's sales results are particularly sensitive to changes in economic conditions and consumer confidence. Consumer confidence is affected by general business conditions; changes in the market value of securities and real estate; inflation; interest rates and the availability of consumer credit; tax rates; and expectations of future economic conditions and employment prospects.

Consumer spending for discretionary goods generally declines during times of falling consumer confidence, which negatively affects the Company's earnings because of its cost base and inventory investment.

Certain competitors may react to any declines in consumer confidence by reducing retail prices and promoting such reductions; such reductions and/or inventory liquidations can have a short-term adverse effect on the Company's sales, especially given the Company's policy of not engaging in price promotional activity.

The Company has invested in and operates a significant number of stores in Greater China and anticipates significant further expansion. Should the Chinese economy experience an economic slowdown, the sales and profitability of stores in Greater China as well as stores in other markets that serve Chinese tourists could be affected.

Uncertainty surrounding the current global economic environment makes it more difficult for the Company to forecast operating results. The Company's forecasts employ the use of estimates and assumptions. Actual results could differ from forecasts, and those differences could be material.

(ii) Sales may decline or remain flat in the Company's fourth fiscal quarter, which includes the Holiday selling season.

The Company's business is seasonal in nature, with the fourth quarter typically representing approximately one-third of annual net sales and a higher percentage of annual net earnings. Poor sales results during the fourth quarter would have a material adverse effect on sales and earnings and would result in higher inventories.

(iii) The Company conducts significant operations outside the United States, and the risks of doing business internationally could increase its costs, reduce its profits or disrupt its business.

The Company generates a majority of its worldwide net sales outside the United States. It also has foreign manufacturing operations, and relies on certain foreign third-party vendors and suppliers. In addition, the Company maintains investments in, and provides loans to, certain foreign suppliers. As a result, the Company is subject to the risks of doing business outside the United States, including:

- the laws, regulations and policies of foreign governments relating to investments, loans and operations, the costs or desirability of complying with local practices and customs and the impact of various anti-corruption and other laws affecting the activities of U.S. companies abroad;
- potential negative consequences from changes in taxation policies or currency restructurings;
- import and export licensing requirements and regulations, as well as unforeseen changes in regulatory requirements;
- economic instability in foreign countries;
- the difficulty of managing an organization doing business in many jurisdictions;
- uncertainties as to enforcement of certain contract and other rights;
- the potential for rapid and unexpected changes in government, economic and political policies, political or civil unrest, acts of terrorism or the threat of international boycotts or U.S. anti-boycott legislation; and
- inventory risk exposures related to providing raw materials to foreign vendors.

While these factors and the effect of these factors are difficult to predict, any one or more of them could lower the Company's revenues, increase its costs, reduce its earnings or disrupt its business.

(iv) Regional instability and conflict could disrupt tourist travel and local consumer spending.

Unsettled regional and global conflicts or crises such as military actions, terrorist activities, natural disasters, government regulations or other conditions creating disruptions or disincentives to, or changes in the pattern, practice or frequency of tourist travel to the various regions and local consumer spending where the Company operates retail stores, could adversely affect its sales and earnings.

(v) Weakening foreign currencies may negatively affect the Company's sales and profitability.

The Company operates retail stores in various countries outside of the U.S. and, as a result, is exposed to market risk from fluctuations in foreign currency exchange rates. In 2013, sales in countries outside of the U.S. in aggregate represented more than half of the Company's net sales and earnings from operations, of which Japan represented 14% of the Company's net sales and 27% of the Company's earnings from operations before other operating expenses. In order to maintain its worldwide relative pricing structure, a substantial weakening of foreign currencies against the U.S. dollar would require the Company to raise its retail prices or reduce its profit margins in various locations outside of the U.S. Consumers in those markets may not accept significant price increases on the Company's goods; thus, there is a risk that a substantial weakening of foreign currencies would result in reduced sales and profitability.

The results of operations of the Company's international subsidiaries are exposed to foreign exchange rate fluctuations as the financial results of the applicable subsidiaries are translated from the local currency into U.S. dollars during the process of financial statement consolidation. If the U.S. dollar strengthens against foreign currencies, the translation of these foreign currency-denominated transactions would decrease consolidated net sales and profitability.

In addition, a weakening in foreign currency exchange rates may create disincentives to, or changes in the pattern, practice or frequency of tourist travel to the various regions where the Company operates retail stores which could adversely affect its net sales and profitability.

(vi) Volatile global economic conditions may have a material adverse effect on the Company's liquidity and capital resources.

The global economy and the credit and equity markets have undergone significant disruption in recent years. Any prolonged economic weakness could have an adverse effect on the Company's cost of borrowing, could diminish its ability to service or maintain existing financing and could make it more difficult for the Company to obtain additional financing or to refinance existing long-term obligations. In addition, any significant deterioration in the equity markets could negatively affect the valuation of pension plan assets and result in increased minimum funding requirements.

(vii) Changes in the Company's product or geographic sales mix could affect the Company's profitability.

The Company sells an extensive selection of jewelry and other merchandise at a wide range of retail price points that yield different gross profit margins. Additionally, the Company's geographical regions achieve different operating profit margins due to a variety of factors including product mix, store size and occupancy costs, labor costs, retail pricing and fixed versus variable expenses. If the Company's sales mix were to shift toward products or geographic regions that are significantly different than the Company's plans, it could have an effect, either positively or negatively, on its expected profitability.

(viii) Changes in costs of diamonds and precious metals or reduced supply availability may adversely affect the Company's ability to produce and sell products at desired profit margins.

Most of the Company's jewelry and non-jewelry offerings are made with diamonds, gemstones and/or precious metals. Acquiring diamonds is difficult because of limited supply and the Company may not be

able to maintain a comprehensive selection of diamonds in each retail location due to the broad assortment of sizes, colors, clarity grades and cuts demanded by customers. A significant change in the costs or supply of these commodities could adversely affect the Company's business, which is vulnerable to the risks inherent in the trade for such commodities. A substantial increase or decrease in the cost or supply of raw materials and/or high-quality rough and polished diamonds within the quality grades, colors and sizes that customers demand could affect, negatively or positively, customer demand, sales and gross profit margins.

If trade relationships between the Company and one or more of its significant vendors were disrupted, the Company's sales could be adversely affected in the short-term until alternative supply arrangements could be established.

(ix) The Company may be unable to lease sufficient space for its retail stores in prime locations.

The Company, positioned as a luxury goods retailer, has established its retail presence in choice store locations. If the Company cannot secure and retain locations on suitable terms in prime and desired luxury shopping locations, its expansion plans, sales and earnings will be jeopardized.

In Japan, many of the TIFFANY & CO. stores are located in department stores generating 77% of the net sales in Japan and 11% of worldwide net sales in 2013. In the past decade, the Japanese department store industry has, in general, suffered declining sales and there is a risk that such financial difficulties will force further consolidations or store closings. Should one or more Japanese department store operators elect or be required to close one or more stores now housing a TIFFANY & CO. store, the Company's sales and earnings would be reduced while alternative premises were being obtained. The Company's commercial relationships with department stores in Japan, and their respective abilities to continue as leading department store operators, have been and will continue to be substantial factors affecting the Company's business in Japan.

(x) The value of the TIFFANY & CO. and TIFFANY trademarks could decline due to third-party use and infringement.

The TIFFANY & CO. and TIFFANY trademarks are assets that are essential to the competitiveness and success of the Company's business, and the Company takes appropriate action to protect them. The Company actively pursues those who produce or sell counterfeit TIFFANY & CO. goods through civil action and cooperation with criminal law enforcement agencies. However, use of the designation TIFFANY by third parties on related goods or services and the Company's failure or inability to protect against such use could adversely affect and dilute the value of the TIFFANY & CO. brand.

Notwithstanding the general success of the Company's enforcement actions, such actions have not stopped the imitation and counterfeiting of the Company's merchandise or the infringement of the trademark, and counterfeit TIFFANY & CO. goods remain available in most markets. In recent years, there has been an increase in the availability of counterfeit goods, predominantly silver jewelry, on the Internet and in various markets by street vendors and small retailers. The continued sale of counterfeit merchandise could have an adverse effect on the TIFFANY & CO. brand by undermining the Company's reputation for quality goods and making such goods appear less desirable to consumers of luxury goods. Damage to the TIFFANY & CO. brand would result in lost sales and earnings.

(xi) The Company's business is dependent upon the distinctive appeal of the TIFFANY & CO. brand.

The TIFFANY & CO. brand's association with quality, luxury and exclusivity is integral to the success of the Company's business. The Company's expansion plans for retail and direct selling operations and merchandise development, production and management support the appeal of the TIFFANY & CO. brand. Consequently, poor maintenance, promotion and positioning of the TIFFANY & CO. brand, as well as

market over-saturation, may adversely affect the business by diminishing the distinctive appeal of the TIFFANY & CO. brand and tarnishing its image. This would result in lower sales and earnings.

In addition, adverse publicity regarding TIFFANY & CO. products or in respect of the Company's third-party vendors or the diamond or jewelry industry, and any media coverage resulting there from, may harm the TIFFANY & CO. brand and reputation, cause a loss of consumer confidence in the TIFFANY & CO. brand and the industry, and negatively affect the Company's results of operations. The considerable expansion in the use of social media over recent years has compounded the potential scope of the negative publicity that could be generated by such incidents.

(xii) If diamond mining and exploration companies, to which the Company or its subsidiaries have provided financing, were to experience financial difficulties, those funds might not be recovered, which would reduce the Company's earnings and could result in losing access to the mine's output.

The Company and its subsidiaries may, from time to time, provide financing to diamond mining and exploration companies in order to obtain rights to purchase mining output. As of January 31, 2014, the carrying amount of receivables was $72,994,000 under these arrangements, of which more than $50,000,000 was related to one mining and exploration company. Mining operations are inherently risky, and there is no assurance that the diamond mining and exploration companies under these arrangements will be able to meet their obligations to the Company. If a diamond mining or exploration company defaults under these financings, the Company would be required to take a period charge in respect of all or a portion of the financing, which would affect the Company's earnings. Additionally, the Company could lose access to the mine's output under the related supply agreements. The Company has experienced such situations in the past.

(xiii) A significant privacy breach of the Company's information systems could affect its business.

The protection of customer, employee and company data is important to the Company, and the Company's customers and employees expect that their personal information will be adequately protected. In addition, the regulatory environment surrounding information security and privacy is becoming increasingly demanding, with evolving requirements in the various jurisdictions in which the Company does business. Although the Company has developed and implemented systems and processes that are designed to protect personal and Company information and prevent data loss and other security breaches, such measures cannot provide absolute security. Additionally, the Company’s increased use and reliance on web-based hosted (i.e. cloud computing) applications and systems for the storage, processing and transmission of information, including customer and employee information, could expose the Company, its employees and its customers to a risk of loss or misuse of such information. A significant breach of customer, employee or company data could damage the Company's reputation, its relationship with customers and the TIFFANY & CO. brand and could result in lost sales, sizable fines, significant breach-notification costs and lawsuits as well as adversely affect results of operations.

(xiv) Failure to successfully implement or make changes to information systems could disrupt or negatively impact the Company's business.

In the ordinary course of business, the Company regularly evaluates and makes changes and upgrades to its information systems. The Company has commenced a multi-year effort to evaluate and, where appropriate, to upgrade and/or replace certain of its information systems, including systems for global customer relationship management, order management and inventory management. These system changes and upgrades can require significant capital investments and dedication of resources. While the Company follows a disciplined methodology when evaluating and making such changes, there can be no assurances that the Company will successfully implement such changes, that such changes will occur without disruptions to its operations or that the new or upgraded systems will achieve the desired business objectives. Any such disruptions, or the failure to successfully implement new or upgraded systems such

as those referenced above, could have a material adverse effect on the Company's results of operations and could also affect the Company's reputation, its relationship with customers and the TIFFANY & CO. brand.

(xv) The loss, or a prolonged disruption in the operation, of the Company's centralized distribution centers could adversely affect its business and operations.

The Company maintains two separate distribution centers in close proximity to one another in New Jersey. Both are dedicated to warehousing merchandise; one handles worldwide store replenishment and the other processes direct-to-customer orders. Although the Company believes that it has appropriate contingency plans, unforeseen disruptions impacting one or both locations for a prolonged period of time may result in delays in the delivery of merchandise to stores or in fulfilling customer orders.

(xvi) The Company is engaged in efforts to design, produce, market and distribute TIFFANY & CO. brand watches; however, there is no assurance that the Company will be able to effectively develop its new watch business or that such business will be successful.

The Company is proceeding with plans to design, produce, market and distribute TIFFANY & CO. brand watches through a Swiss subsidiary. The effective development and growth of a watch business requires additional resources and involves risks and uncertainties, including: (i) upfront and ongoing expenditures, many of which will precede sales to customers; (ii) the need to hire highly specialized and experienced personnel; (iii) new regulatory requirements; (iv) dependence on unfamiliar supply chains and relatively small supply partners; (v) production and distribution inefficiencies; and (vi) the need to integrate operations with the Company's existing business models. In addition, as with any new business, the Company will be competing with businesses with stronger market positions and will be required to invest significant resources in marketing to build customer awareness and to establish product differentiation. Despite the Company's efforts, there is, however, no assurance that the Company will be able to effectively develop its new watch business or that such business will be successful in growing the Company's revenues or enhancing its profitability.

Item 1B. Unresolved Staff Comments.

NONE

Item 2. Properties.

The Company leases its various store premises (other than the New York Flagship store, which is owned by the Company) under arrangements that generally range from 3 to 10 years. The following table provides information on the number of locations and square footage of Company-operated TIFFANY & CO. stores as of January 31, 2014:

	Total Stores	Total Gross Retail Square Footage	Gross Retail Square Footage Range	Average Gross Retail Square Footage
Americas:				
New York Flagship	1	45,500	45,500	45,500
Other stores	120	659,700	500 - 17,600	5,500
Asia-Pacific	72	183,800	700 - 12,800	2,600
Japan:				
Tokyo Ginza	1	12,000	12,000	12,000
Other stores	53	130,300	900 - 7,500	2,500
Europe:				
London Old Bond Street	1	22,400	22,400	22,400
Other stores	36	104,900	600 - 7,100	2,900
Emerging Markets	5	7,100	400 - 3,600	1,400
Total	289	1,165,700	400 - 45,500	4,000

FORM 10-K

NEW YORK FLAGSHIP STORE

The Company owns the building housing its New York Flagship store at 727 Fifth Avenue, which was designed to be a retail store for Tiffany and is well located for this function. Currently, approximately 45,500 gross square feet of this 124,000 square foot building are devoted to retail sales, with the balance devoted to administrative offices, certain product services, jewelry manufacturing and storage. The New York Flagship store is the focal point for marketing and public relations efforts. Retail sales in the New York Flagship store represented 8% of worldwide net sales in 2013, 2012 and 2011.

RETAIL SERVICE CENTER

The Company's Retail Service Center ("RSC"), located in Parsippany, New Jersey, comprises approximately 370,000 square feet. Approximately half of the building is devoted to office and information technology operations and half to warehousing, shipping, receiving, merchandise processing and other distribution functions. The RSC receives merchandise and replenishes retail stores. The Company has a 20-year lease for this facility, which expires in 2025, and has two 10-year renewal options.

CUSTOMER FULFILLMENT CENTER

The Company owns the Customer Fulfillment Center ("CFC") in Whippany, New Jersey and leases the land on which the facility resides. The CFC is approximately 266,000 square feet and is primarily used for warehousing merchandise and processing direct-to-customer orders. The land lease expires in 2032 and the Company has the right to renew the lease for an additional 20-year term.

MANUFACTURING FACILITIES

The Company owns and operates jewelry manufacturing facilities in Cumberland, Rhode Island, Mount Vernon, New York and Lexington, Kentucky and leases a jewelry manufacturing facility in Pelham, New York. That lease expires in 2023. The owned and leased facilities total approximately 195,000 square feet.

The Company leases facilities in Belgium, South Africa and Mauritius and owns facilities in Botswana, Cambodia, Namibia and Vietnam (although the land in Cambodia, Namibia and Vietnam is leased) that sort, cut and/or polish rough diamonds for use by Tiffany. These facilities total approximately 275,000 square feet and the lease expiration dates range from 2014 to 2062.

Item 3. Legal Proceedings.

Arbitration Award. On December 21, 2013, an award was issued (the "Arbitration Award") in favor of The Swatch Group Ltd. ("Swatch") and its wholly-owned subsidiary Tiffany Watch Co. ("Watch Company"; Swatch and Watch Company, together, the "Swatch Parties") in an arbitration proceeding (the "Arbitration") between the Registrant and its wholly-owned subsidiaries, Tiffany and Company and Tiffany (NJ) Inc. (the Registrant and such subsidiaries, together, the "Tiffany Parties") and the Swatch Parties.

The Arbitration was initiated in June 2011 by the Swatch Parties, who sought damages for alleged breach of agreements entered into, by and among the Swatch Parties and the Tiffany Parties in December 2007 (the "Agreements"). The Agreements pertained to the development and commercialization of a watch business and, among other things, contained various licensing and governance provisions and approval requirements relating to business, marketing and branding plans and provisions allocating profits relating to sales of the watch business between the Swatch Parties and the Tiffany Parties.

In general terms, the Swatch Parties alleged that the Tiffany Parties breached the Agreements by obstructing and delaying development of Watch Company's business and otherwise failing to proceed in good faith. The Swatch Parties sought damages based on alternate theories ranging from CHF 73,000,000 (or approximately $81,000,000 at January 31, 2014) (based on its alleged wasted investment) to CHF 3,800,000,000 (or approximately $4,200,000,000 at January 31, 2014) (calculated based on alleged future lost profits of the Swatch Parties and their affiliates over the entire term of the Agreements).

The Registrant believes that the claims of the Swatch Parties are without merit. In the Arbitration, the Tiffany Parties defended against the Swatch Parties' claims vigorously, disputing both the merits of the claims and the calculation of the alleged damages. The Tiffany Parties also asserted counterclaims for damages attributable to breach by the Swatch Parties, stemming from the Swatch Parties' September 12, 2011 public issuance of a Notice of Termination purporting to terminate the Agreements due to alleged material breach by the Tiffany Parties, and for termination due to such breach. In general terms, the Tiffany Parties alleged that the Swatch Parties did not have grounds for termination, failed to meet the high standard for proving material breach set forth in the Agreements and failed to provide appropriate management, distribution, marketing and other resources for TIFFANY & CO. brand watches and to honor their contractual obligations to the Tiffany Parties regarding brand management. The Tiffany Parties' counterclaims sought damages based on alternate theories ranging from CHF 120,000,000 (or approximately $133,000,000 at January 31, 2014) (based on its wasted investment) to approximately CHF 540,000,000 (or approximately $598,000,000 at January 31, 2014) (calculated based on alleged future lost profits of the Tiffany Parties).

The Arbitration hearing was held in October 2012 before a three-member arbitral panel convened in the Netherlands pursuant to the Arbitration Rules of the Netherlands Arbitration Institute (the "Rules"), and the Arbitration record was completed in February 2013.

Under the terms of the Arbitration Award, and at the request of the Swatch Parties and the Tiffany Parties, the Agreements were deemed terminated as of March 1, 2013. Pursuant to the Arbitration Award, the Tiffany Parties were ordered to pay the Swatch Parties damages of CHF 402,737,000 (the "Arbitration Damages"), as well as interest from June 30, 2012 to the date of payment, two-thirds of the cost of the Arbitration and two-thirds of the Swatch Parties' legal fees, expenses and costs. These amounts were paid in full in January 2014.

Additionally, in connection with the Arbitration Award, the Company amended the terms of certain credit facilities and Unsecured Senior Note agreements. See "Item 8. Financial Statements and Supplementary Data - Note H - Debt" for additional details of these amendments.

Prior to the ruling of the arbitral panel, no accrual was established in the Company's consolidated financial statements because management did not believe the likelihood of an award of damages to the Swatch Parties was probable. As a result of the ruling, in the fourth quarter of 2013, the Company recorded a charge of $480,211,000, which includes the damages, interest, and other costs associated with the ruling and which has been classified as Arbitration award expense in the consolidated statement of earnings.

On March 31, 2014, the Tiffany Parties took action in the courts of the Netherlands to annul the Arbitration Award. Generally, arbitration awards are final; however, Dutch law does provide for limited grounds on which arbitral awards may be set aside. The Tiffany Parties have petitioned to annul the Arbitration Award on these statutory grounds. These grounds include, for example, that the arbitral tribunal violated its mandate by changing the express terms of the Agreements.

Management expects that the annulment action will not be ultimately resolved for at least two years; however, if the Arbitration Award is finally annulled, management anticipates that the claims and counterclaims that formed the basis of the Arbitration, and potentially additional claims and counterclaims, will be litigated in court proceedings between and among the Swatch Parties and the Tiffany Parties. The identity and location of the courts that would hear such actions cannot be determined at this time.

In any such litigation, issues of liability and damages will be pled and determined without regard to the findings of the arbitral panel. As such, it is possible that the court could find that the Swatch Parties were in material breach of their obligations under the Agreements, that the Tiffany Parties were in material breach of their obligations under the Agreements or that neither the Swatch Parties nor the Tiffany Parties were in material breach. If the Swatch Parties' claims of liability were accepted by the court, the damages award cannot be reasonably estimated at this time, but could exceed the Arbitration Damages and could have a material adverse effect on the Registrant's consolidated financial statements or liquidity.

Management has not established any accrual in the Company's consolidated financial statements for the year ended January 31, 2014 related to the annulment process or any potential subsequent litigation because it does not believe that an annulment of the Arbitration Award and the subsequent award of damages exceeding the Arbitration Damages is probable.

Royalties payable to the Tiffany Parties by Watch Company under the Agreements were not significant in any year and watches manufactured by Watch Company and sold in TIFFANY & CO. stores constituted 1% of worldwide net sales in 2013, 2012 and 2011.

The Company is proceeding with plans to design, produce, market and distribute TIFFANY & CO. brand watches through a Swiss subsidiary. The effective development and growth of this watch business will require additional resources and will involve risks and uncertainties.

Other Matters. The Company is from time to time involved in routine litigation incidental to the conduct of its business, including proceedings to protect its trademark rights, litigation with parties claiming infringement of patents and other intellectual property rights by the Company, litigation instituted by persons alleged to have been injured upon premises under the Company's control and litigation with present and former employees and customers. Although litigation with present and former employees is routine and incidental to the conduct of the Company'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. However, the Company believes that litigation currently pending to which it is a party or to which its properties are subject will be resolved without any material adverse effect on the Company's financial position, earnings or cash flows.

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.

The Registrant's Common Stock is traded on the New York Stock Exchange. In consolidated trading, the high and low selling prices per share for shares of such Common Stock for 2013 were:

	High	Low
First Quarter	$ 74.20	$ 61.42
Second Quarter	$ 81.25	$ 70.70
Third Quarter	$ 83.33	$ 73.63
Fourth Quarter	$ 93.64	$ 78.15

On March 24, 2014, the high and low selling prices quoted on such exchange were $90.07 and $86.70. On March 24, 2014, there were 15,645 holders of record of the Registrant's Common Stock.

In consolidated trading, the high and low selling prices per share for shares of such Common Stock for 2012 were:

	High	Low
First Quarter	$ 74.20	$ 63.29
Second Quarter	$ 69.41	$ 49.72
Third Quarter	$ 65.92	$ 52.76
Fourth Quarter	$ 66.78	$ 55.83

It is the Company's policy to pay a quarterly dividend on its Common Stock, subject to declaration by its Board of Directors. In 2012, a dividend of $0.29 per share of Common Stock was paid on April 10, 2012. On May 17, 2012, the Company announced a 10% increase in its regular quarterly dividend rate to a new rate of $0.32 per share of Common Stock which was paid on July 10, 2012, October 10, 2012 and January 10, 2013.

In 2013, a dividend of $0.32 per share of Common Stock was paid on April 10, 2013. On May 16, 2013, the Company announced a 6% increase in its regular quarterly dividend rate to a new rate of $0.34 per share of Common Stock which was paid on July 10, 2013, October 10, 2013 and January 10, 2014.

In calculating the aggregate market value of the voting stock held by non-affiliates of the Company shown on the cover page of this Annual Report on Form 10-K, 1,023,625 shares of Common Stock beneficially owned by the executive officers and directors of the Company (exclusive of shares which may be acquired on exercise of employee stock options) were excluded, on the assumption that certain of those persons could be considered "affiliates" under the provisions of Rule 405 promulgated under the Securities Act of 1933.

The following table contains the Company's purchases of equity securities in the fourth quarter of 2013:

Issuer Purchases of Equity Securities

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
November 1, 2013 to November 30, 2013	—	$ —	—	$163,794,000
December 1, 2013 to December 31, 2013	—	$ —	—	$163,794,000
January 1, 2014 to January 31, 2014	—	$ —	—	$ —
TOTAL	—	$ —	—	$ —

In January 2011, the Company's Board of Directors approved a new stock repurchase program ("2011 Program") and terminated the previously-existing program. The 2011 Program authorized the Company to repurchase up to $400,000,000 of its Common Stock through open market or private transactions. In January 2013, the Board of Directors extended the expiration date of the 2011 Program to January 31, 2014. The 2011 Program expired on January 31, 2014.

Item 6. Selected Financial Data.

The following table sets forth selected financial data, certain of which have been derived from the Company's consolidated financial statements for fiscal years 2009-2013, which ended on January 31 of the following calendar year:

(in thousands, except per share amounts, percentages, ratios, stores and employees)	2013 [a]	2012	2011 [b]	2010 [c]	2009 [d]
EARNINGS DATA					
Net sales	$ 4,031,130	$ 3,794,249	$ 3,642,937	$ 3,085,290	$ 2,709,704
Gross profit	2,340,443	2,163,284	2,151,154	1,822,278	1,530,219
Selling, general & administrative expenses	1,555,903	1,466,067	1,442,728	1,227,497	1,089,727
Net earnings from continuing operations	181,369	416,157	439,190	368,403	265,676
Net earnings	181,369	416,157	439,190	368,403	264,823
Net earnings from continuing operations per diluted share	1.42	3.25	3.40	2.87	2.12
Net earnings per diluted share	1.41	3.25	3.40	2.87	2.11
Weighted-average number of diluted common shares	128,867	127,934	129,083	128,406	125,383
BALANCE SHEET AND CASH FLOW DATA					
Total assets	$ 4,752,351	$ 4,630,850	$ 4,158,992	$ 3,735,669	$ 3,488,360
Cash and cash equivalents	345,778	504,838	433,954	681,591	785,702
Inventories, net	2,326,580	2,234,334	2,073,212	1,625,302	1,427,855
Short-term borrowings and long-term debt (including current portion)	1,003,519	959,272	712,147	688,240	754,049
Stockholders' equity	2,733,968	2,611,318	2,348,905	2,177,475	1,883,239
Working capital	2,531,648	2,564,997	2,262,998	2,204,632	1,845,393
Cash flows from operating activities	154,652	328,290	210,606	298,925	687,199
Capital expenditures	221,452	219,530	239,443	127,002	75,403
Stockholders' equity per share	21.31	20.57	18.54	17.15	14.91
Cash dividends paid per share	1.34	1.25	1.12	0.95	0.68
RATIO ANALYSIS AND OTHER DATA					
As a percentage of net sales:					
Gross profit	58.1%	57.0%	59.0%	59.1%	56.5%
Selling, general & administrative expenses	38.6%	38.6%	39.6%	39.8%	40.2%
Net earnings from continuing operations	4.5%	11.0%	12.1%	11.9%	9.8%
Net earnings	4.5%	11.0%	12.1%	11.9%	9.8%
Capital expenditures	5.5%	5.8%	6.6%	4.1%	2.8%
Return on average assets	3.9%	9.5%	11.1%	10.2%	8.0%
Return on average stockholders' equity	6.8%	16.8%	19.4%	18.1%	15.3%
Total debt-to-equity ratio	36.7%	36.7%	30.3%	31.6%	40.0%
Dividends as a percentage of net earnings	93.9%	38.1%	32.5%	32.7%	31.9%
Company-operated TIFFANY & CO. stores	289	275	247	233	220
Number of employees	10,600	9,900	9,800	9,200	8,400

NOTES TO SELECTED FINANCIAL DATA

a. Financial information and ratios for 2013 include $482,101,000 of net pre-tax expense ($299,188,000 net after-tax expense, or $2.32 per diluted share after tax):

- $480,211,000 pre-tax expense associated with the Swatch arbitration award and $7,489,000 pre-tax income associated with foreign currency transaction gains on this expense. See "Item 8. Financial Statements and Supplementary Data - Note K - Commitments and Contingencies" for additional information regarding the arbitration proceeding; and
- $9,379,000 pre-tax expense associated with severance related to staffing reductions and subleasing of certain office space for which only a portion of the Company's future rent obligations will be recovered.

b. Financial information and ratios for 2011 include $42,719,000 of net pre-tax expense ($25,994,000 net after-tax expense, or $0.20 per diluted share after tax) associated with the relocation of Tiffany's New York headquarters staff to a single location. This expense is primarily related to the fair value of the remaining non-cancelable lease obligations reduced by the estimated sublease rental income as well as the acceleration of the useful lives of certain property and equipment, incremental rent during the transition period and lease termination payments.

c. Financial information and ratios for 2010 include the following amounts, totaling $17,635,000 of net pre-tax expense ($7,672,000 net after-tax expense, or $0.06 per diluted share after tax):

- $17,635,000 pre-tax expense associated with the relocation of Tiffany's New York headquarters staff to a single location. This expense is primarily related to the acceleration of the useful lives of certain property and equipment and incremental rent during the transition period; and
- $3,096,000 net income tax benefit primarily due to a change in the tax status of certain subsidiaries associated with the acquisition in 2009 of additional equity interests in diamond sourcing and polishing operations.

d. Financial information and ratios for 2009 include the following amounts, totaling $442,000 of net pre-tax income ($10,456,000 net after-tax income, or $0.08 per diluted share after tax):

- $4,000,000 pre-tax expense related to the termination of a third-party management agreement;
- $4,442,000 pre-tax income in connection with the assignment to an unrelated third party of the Tahera Diamond Corporation note receivable previously impaired in 2007; and
- $11,220,000 income tax benefit associated with the settlement of certain tax audits and the expiration of statutory periods.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis should be read in conjunction with the Company's consolidated financial statements and related notes. All references to years relate to fiscal years which ended on January 31 of the following calendar year.

KEY STRATEGIES

The Company's key strategies are:

- To enhance customer awareness of the TIFFANY & CO. trademark (the “Brand”), its heritage, its products and its association with quality and luxury.

  The Brand is the single most important asset of the Company. Management will continue to invest in marketing and public relations programs designed to build awareness of the Brand, its heritage and its products with both new and existing customers, as well as to enhance the Brand’s association among consumers with quality and luxury. Management will continue to monitor these efforts and the strength of the Brand through market research.

- To maintain an active product development program.

  The Company continues to invest in product development in order to introduce new design collections and extensions of existing collections that will appeal to the Company’s existing customer base as well as to new customers. The Company will also invest in the watch category, which it deems appropriate for the Brand and which presents incremental growth opportunities.

- To enhance the customer experience with superior customer service and through engaging store environments.

  To ensure a superior shopping experience, the Company employs highly qualified sales and customer service professionals, focuses on enhancing ongoing sales and product training programs, and is investing in enhancing its information systems for customer relationship management. The Company also focuses on continually enhancing the design of its stores, as well as the creative visual presentation of its merchandise, to provide an engaging luxury experience in both its new and existing stores.

- To selectively expand global distribution without compromising the value of the Brand.

  Management intends to continue to expand its global distribution by adding stores in both new and existing markets and through its e-commerce websites. Management recognizes that over-saturation of any market could diminish the distinctive appeal of the Brand, but believes that there are a significant number of potential worldwide locations remaining that meet financial and Brand requirements.

- To increase store productivity.

  Through the above efforts, the Company is committed to growing sales per square foot by increasing both consumer traffic and the percentage of store visitors who make a purchase. In addition, the Company is increasing, through store renovations, the percentage of selling space in some of its stores, which is contributing to higher store productivity.

- To maintain substantial control over product supply through direct diamond sourcing and internal jewelry manufacturing.

  The Company's diamond processing operations purchase, sort, cut and/or polish rough diamonds for use in merchandise. The Company will continue to seek additional sources of diamonds which, combined with continued focus on its internal manufacturing operations, are intended to secure adequate product supplies and favorable costs.

- To achieve improved operating margins.

  Management's long-term objective is to improve operating margin through the above efforts, along with the realization of efficiencies in product sourcing, manufacturing and distribution, the control of selling, general and administrative expenses and the enhancement of productivity through sales leverage on fixed costs, such that sales growth can generate a higher relative rate of earnings growth.

2013 SUMMARY

- Worldwide net sales increased 6% to $4,031,130,000. On a constant-exchange-rate basis (see "Non-GAAP Measures" below), worldwide net sales in 2013 increased 10% due to sales growth in all regions, and comparable store sales increased 6%.
- The Company added a net of 14 TIFFANY & CO. stores (opening six in the Americas, seven in Asia-Pacific and three in Europe while closing one in Asia-Pacific and one in Japan).
- Operating margin decreased 10.9 percentage points. However, excluding certain expenses (see "Non-GAAP Measures" below), operating margin increased 1.3 percentage points primarily due to an increase in gross margin as well as sales leverage on operating expenses.
- Net earnings decreased 56% to $181,369,000, or $1.41 per diluted share. However, excluding certain expenses (see "Non-GAAP Measures" below), net earnings increased 15% to $480,557,000, or $3.73 per diluted share.
- In May 2013, the Board of Directors approved a 6% increase in the quarterly dividend rate to $0.34 per share of the Company's Common Stock, or an annual dividend rate of $1.36 per share.
- Free cash flow (see "Non-GAAP Measures" below) was an outflow of $66,800,000 in 2013 entirely due to the arbitration award payment, compared with an inflow of $108,760,000 in 2012.

RESULTS OF OPERATIONS

Non-GAAP Measures

The Company reports information in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). The Company's management does not, nor does it suggest that investors should, consider non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. The Company presents such non-GAAP financial measures in reporting its financial results to provide investors with an additional tool to evaluate the Company's operating results.

Net Sales. The Company's reported net sales reflect either a translation-related benefit from strengthening foreign currencies or a detriment from a strengthening U.S. dollar. Internally, management monitors and measures its sales performance on a non-GAAP basis that eliminates the positive or negative effects that result from translating sales made outside the U.S. into U.S. dollars ("constant-exchange-rate basis"). Management believes this constant-exchange-rate basis provides a more representative assessment of sales performance and provides better comparability between reporting periods. The following table reconciles the sales percentage increases (decreases) from the GAAP to the non-GAAP basis versus the previous year:

	2013			2012		
	GAAP Reported	Translation Effect	Constant-Exchange-Rate Basis	GAAP Reported	Translation Effect	Constant-Exchange-Rate Basis
Net Sales:						
Worldwide	6%	(4)%	10%	4%	(1)%	5%
Americas	5	—	5	2	—	2
Asia-Pacific	17	(1)	18	8	—	8
Japan	(9)	(20)	11	4	(2)	6
Europe	9	2	7	3	(4)	7
Other	53	—	53	41	—	41
Comparable Store Sales:						
Worldwide	3%	(3)%	6%	—%	(1)%	1%
Americas	3	—	3	(2)	—	(2)
Asia-Pacific	10	(1)	11	3	1	2
Japan	(10)	(20)	10	4	(3)	7
Europe	6	2	4	(2)	(4)	2
Other*	14	—	14	—	—	—

* Represents sales in five TIFFANY & CO. stores in the United Arab Emirates ("U.A.E."), which were converted from independently-operated to Company-operated in July 2012, and became comparable in the third quarter of 2013.

Statement of Earnings. Internally, management monitors and measures its earnings performance excluding certain items listed below. Management believes excluding such items presents the Company's results on a more comparable basis to the corresponding period in the prior year, thereby providing investors with an additional perspective to analyze the results of operations of the Company. The following tables reconcile certain GAAP amounts to non-GAAP amounts:

(in thousands, except per share amounts)	GAAP	Arbitration award [a] increase/ (decrease)	Specific cost-reduction initiatives [b] (decrease)/ increase	Non-GAAP
Year Ended January 31, 2014				
Selling, general and administrative ("SG&A") expenses	$ 1,555,903	$ —	$ (9,379)	$ 1,546,524
Earnings from operations	304,329	480,211	9,379	793,919
As a % of sales	7.5%			19.7%
Other income, net	13,191	(7,489)	—	5,702
Provision for income taxes	73,497	179,319	3,594	256,410
Effective tax rate	28.8%			34.8%
Net earnings	181,369	293,403	5,785	480,557
As a % of sales	4.5%			11.9%
Diluted earnings per share	1.41	2.28	0.04	3.73

[a] Amounts associated with the award issued in arbitration between the Swatch Group Ltd. and the Company. See "Item 8. Financial Statements and Supplementary Data - Note K - Commitments and Contingencies" for further information.

[b] Expenses associated with specific cost-reduction initiatives which included severance related to staffing reductions and subleasing of certain office space for which only a portion of the Company's future rent obligations will be recovered.

(in thousands)	GAAP	New York Headquarters Staff Relocation (decrease)/increase	Non-GAAP
Year Ended January 31, 2012			
SG&A expenses	$ 1,442,728	$ (42,506)	$ 1,400,222
Earnings from operations	708,426	42,719 [a]	751,145
Net earnings	439,190	25,994	465,184

[a] On a pre-tax basis included charges of $213,000 within cost of sales and $42,506,000 within SG&A expenses for the year ended January 31, 2012 associated with Tiffany's consolidation of its New York headquarters staff to one location.

Free Cash Flow. Internally, management monitors its cash flow on a non-GAAP basis. The ability to generate free cash flow demonstrates how much cash the Company has available for discretionary and non-discretionary items after deduction of capital expenditures. The Company's operations require regular capital expenditures for the opening, renovation and expansion of stores and distribution and manufacturing facilities as well as ongoing investments in information technology. Management believes this provides a more representative assessment of operating cash flows. The following table reconciles GAAP net cash provided by operating activities to non-GAAP free cash flow:

	Years Ended January 31,	
(in thousands)	2014	2013
Net cash provided by operating activities	$ 154,652	$ 328,290
Less: Capital expenditures	(221,452)	(219,530)
Free cash (outflow) inflow	$ (66,800)	$ 108,760

Comparable Store Sales

Comparable store sales include only sales transacted in Company-operated stores open for more than 12 months. In markets other than Japan, sales for relocated stores are included in comparable store sales if the relocation occurs within the same geographical market. In Japan, sales for a new store are not included if the store was relocated from one department store to another or from a department store to a free-standing location. In all markets, the results of a store in which the square footage has been expanded or reduced remain in the comparable store base.

Net Sales

Net sales by segment were as follows:

(in thousands)	2013	2012	2011	2013 vs. 2012 % Change	2012 vs. 2011 % Change
Americas	$ 1,926,864	$ 1,839,969	$ 1,805,783	5%	2%
Asia-Pacific	944,676	810,420	748,214	17	8
Japan	578,571	639,185	616,505	(9)	4
Europe	469,784	432,167	421,141	9	3
Other	111,235	72,508	51,294	53	41
	$ 4,031,130	$ 3,794,249	$ 3,642,937	6%	4%

Americas. Americas currently includes sales in 121 Company-operated TIFFANY & CO. stores in the United States, Canada and Latin America, as well as sales of TIFFANY & CO. products in certain of those markets through business-to-business, Internet, catalog and wholesale operations. Americas represented 48%, 48% and 50% of worldwide net sales in 2013, 2012 and 2011, while sales in the U.S. represented 88%, 89% and 90% of net sales in the Americas in those same periods.

In 2013, total sales in the Americas increased $86,895,000, or 5%, due to an increase in the average price per jewelry unit sold partly offset by fewer jewelry units sold. Comparable store sales increased $43,393,000, or 3%, led by growth in New York Flagship store sales as well as modest growth in branch store sales. Non-comparable store sales grew $46,563,000. On a constant-exchange-rate basis, sales in the Americas increased 5%, and comparable store sales increased 3%.

In 2012, total sales in the Americas increased $34,186,000, or 2%, due to an increase in the average price per jewelry unit sold partly offset by fewer jewelry units sold. Comparable store sales decreased $32,800,000, or 2%, consisting of similar percentage decreases in New York Flagship store sales and in

comparable branch store sales. Non-comparable store sales grew $56,362,000 and sales of TIFFANY & CO. merchandise to independent distributors increased $3,158,000. On a constant-exchange-rate basis, sales in the Americas increased 2%, and comparable store sales decreased 2%. Combined Internet and catalog sales in the Americas increased $6,946,000, or 4%, due to an increase in the average sales per order.

Asia-Pacific. Asia-Pacific currently includes sales in 72 Company-operated TIFFANY & CO. stores, as well as sales of TIFFANY & CO. products in certain markets through Internet and wholesale operations. Asia-Pacific represented 23%, 21% and 21% of worldwide net sales in 2013, 2012 and 2011. Sales in Greater China represented more than half of Asia-Pacific's net sales in those same periods.

In 2013, total sales in Asia-Pacific increased $134,256,000, or 17%, due to an increase in the number of jewelry units sold and in the average price per jewelry unit sold. Comparable store sales increased $74,818,000, or 10%, non-comparable store sales grew $44,519,000 and sales of TIFFANY & CO. merchandise to independent distributors increased $15,232,000. On a constant-exchange-rate basis, Asia-Pacific sales increased 18% and comparable store sales increased 11% due to geographically broad-based sales growth across the region.

In 2012, total sales in Asia-Pacific increased $62,206,000, or 8%, primarily due to an increase in the number of jewelry units sold. Comparable store sales increased $18,374,000, or 3%, non-comparable store sales grew $32,571,000 and sales of TIFFANY & CO. merchandise to independent distributors increased $9,447,000. On a constant-exchange-rate basis, Asia-Pacific sales increased 8% and comparable store sales increased 2% due to geographically broad-based sales growth in most markets.

Japan. Japan currently includes sales in 54 Company-operated TIFFANY & CO. stores, as well as sales of TIFFANY & CO. products through business-to-business, Internet and wholesale operations. Japan represented 14%, 17% and 17% of worldwide net sales in 2013, 2012 and 2011. The decline in 2013 was entirely due to a negative translation effect from the Japanese yen weakening against the U.S. dollar.

In 2013, total sales in Japan decreased $60,614,000, or 9%, and comparable store sales decreased $57,525,000, or 10%, due to currency translation. On a constant-exchange-rate basis, Japan sales increased 11% due to an increase in the average price per jewelry unit sold partly offset by a decrease in the number of jewelry units sold and comparable store sales increased 10%.

In 2012, total sales in Japan increased $22,680,000, or 4%, due to an increase in the average price per jewelry unit sold partly offset by a decline in the number of jewelry units sold. Comparable store sales increased $24,263,000, or 4%. On a constant-exchange-rate basis, Japan sales increased 6% and comparable store sales increased 7%.

Europe. Europe currently includes sales in 37 Company-operated TIFFANY & CO. stores, as well as sales of TIFFANY & CO. products in certain markets through Internet and wholesale operations. Europe represented 12%, 11% and 12% of worldwide net sales in 2013, 2012 and 2011. Sales in the United Kingdom ("U.K.") represent more than 40% of European net sales.

In 2013, total sales in Europe increased $37,617,000, or 9%, due to an increase in the number of jewelry units sold and in the average price per jewelry unit sold. Comparable store sales increased $21,653,000, or 6%, non-comparable store sales increased $10,927,000 and Internet sales increased $5,047,000. On a constant-exchange-rate basis, sales in Europe increased 7% and comparable store sales increased 4% reflecting growth in most countries.

In 2012, total sales in Europe increased $11,026,000, or 3%, due to an increase in the average price per jewelry unit sold partly offset by a decrease in the number of jewelry units sold. Comparable store sales decreased $6,929,000, or 2%, non-comparable store sales increased $15,438,000 and Internet sales

increased $2,679,000. On a constant-exchange-rate basis, sales in Europe increased 7% and comparable store sales increased 2% reflecting growth in most of continental Europe and a modest sales decline in the U.K.

Other. Other consists of all non-reportable segments. Other includes the Emerging Markets region, which consists of retail sales in five TIFFANY & CO. stores in the U.A.E. which were converted from independently-operated to Company-operated stores in July 2012, and wholesale sales of TIFFANY & CO. merchandise to independent distributors for resale in certain emerging markets (primarily in the Middle East, and through January 2014 in Russia). In addition, Other includes wholesale sales of diamonds obtained through bulk purchases that were subsequently deemed not suitable for the Company's needs as well as earnings received from third-party licensing agreements.

In 2013, Other sales increased $38,727,000, or 53%, primarily due to retail sales growth in the U.A.E. as well as higher wholesale sales of rough diamonds. Comparable store sales of five TIFFANY & CO. stores in the U.A.E. increased 14%. In 2012, Other sales increased $21,214,000, or 41%, primarily due to the incremental retail sales from the conversion of the five stores in the U.A.E.

Product Category Information. In 2013, worldwide net sales increased $236,881,000, or 6%, primarily driven by increases of $176,712,000, or 23%, in the statement, fine & solitaire jewelry category (reflecting growth throughout the category, along with growing demand for colored diamonds and other gemstones); $39,596,000, or 3%, in the engagement jewelry & wedding bands category (reflecting growth in solitaire diamonds rings); and $36,965,000, or 2%, in the fashion jewelry category (primarily due to sales growth of gold jewelry).

In 2012, worldwide net sales increased $151,312,000, or 4%, primarily driven by increases of $44,015,000, or 6%, in the statement, fine & solitaire jewelry category (reflecting particularly strong sales of yellow and fancy colored diamond jewelry); $37,457,000, or 3%, in the engagement jewelry & wedding bands category; and $66,470,000, or 4%, in the fashion jewelry category (primarily due to the introduction of the RUBEDO® metal in 2012 and sales growth in jewelry designed by Elsa Peretti and Paloma Picasso).

Store Data. In 2013, the Company added a net of 14 stores: six in the Americas (three in the U.S., one each in Canada, Mexico and Brazil), seven in Asia-Pacific (four in China, two in Taiwan and one in Hong Kong) and three in Europe (two in Italy and one in Germany) while closing one store each in Asia-Pacific and in Japan.

In 2012, the Company added a net of 28 stores: 13 in the Americas (six in Canada which included the conversion of four department-store locations from independently-operated wholesale distribution to Company-operated stores, four in the U.S., two in Mexico and one in Brazil), eight in Asia-Pacific (six in China, one in Singapore and one in Australia), two in Europe (France and the Czech Republic) and five stores in the U.A.E.

Sales per gross square foot generated by all company-operated stores were approximately $3,100 in 2013 and $3,000 in both 2012 and 2011.

Gross Margin

	2013	2012	2011
Gross profit as a percentage of net sales	58.1%	57.0%	59.0%

Gross margin (gross profit as a percentage of net sales) increased by 1.1 percentage points in 2013 primarily benefiting from reduced product cost pressures and price increases taken in the first half of the year. A continued shift in sales mix toward higher-priced, lower-margin products offset a portion of these benefits.

Gross margin decreased by 2.0 percentage points in 2012 largely due to high precious metal and diamond costs, as well as a shift in sales mix toward higher-priced, lower-margin products, and reduced sales leverage on fixed costs. Sales mix was affected by, among other items, a decline in sales of silver jewelry which earns a higher margin than the Company's overall gross margin.

Management periodically reviews and adjusts its retail prices when appropriate to address product cost increases, specific market conditions and changes in foreign currencies/U.S. dollar relationships. Its long-term strategy is to continue that approach. Among the market conditions that management considers are consumer demand for the product category involved, which may be influenced by consumer confidence, and competitive pricing conditions. Management uses derivative instruments to mitigate certain foreign exchange and precious metal price exposures (see "Item 8. Financial Statements and Supplementary Data – Note I - Hedging Instruments"). Management increased retail prices in the first half of 2013 across all geographic regions and product categories as previous increases were insufficient to offset commodity cost pressures experienced in recent years. Price increases in 2012 were not significant.

Selling, General and Administrative Expenses

	2013	2012	2011
SG&A expenses as a percentage of net sales	38.6%	38.6%	39.6%

SG&A expenses increased $89,836,000, or 6%, in 2013 and $23,339,000, or 2%, in 2012. SG&A expenses in those years are not comparable due to the inclusion of certain expenses associated with specific cost-reduction initiatives in 2013 and expenses associated with the relocation of the New York headquarters staff in 2011. See "Non-GAAP Measures" for further details.

Excluding the 2013 items noted in "Non-GAAP Measures", SG&A expenses in 2013 increased $80,457,000, or 5%, primarily due to increased fixed and variable labor costs, such as sales commissions and incentive compensation, of $34,628,000 and increased store occupancy and depreciation expenses of $32,577,000 related to new and existing stores. In 2013, changes in foreign currency exchange rates had the effect of decreasing SG&A expenses by 3%.

Excluding the 2011 items noted in "Non-GAAP Measures", SG&A expenses increased $65,845,000, or 5%, in 2012 primarily due to increased store occupancy and depreciation expenses of $36,090,000 related to new and existing stores, increased marketing expenses of $8,474,000 and increased labor and benefit costs of $5,081,000. In 2012, the modest increase in labor and benefit costs reflected reduced incentive compensation.

SG&A expenses as a percentage of net sales, excluding the items noted in "Non-GAAP Measures", would have been 38.4% in both 2013 and 2011.

The Company's SG&A expenses are largely fixed in nature. Variable costs (which include items such as variable store rent, sales commissions and fees paid to credit card companies) represent approximately one-fifth of total SG&A expenses.

Arbitration Award Expense

In the quarter ended January 31, 2014, the Company recorded a charge of $480,211,000, related to the adverse arbitration ruling between The Swatch Group Ltd. and the Company, which includes the damages, interest and other costs associated with the ruling. See "Item 8. Financial Statements and Supplementary Data - Note K - Commitments and Contingencies" for additional information.

Earnings from Operations

(in thousands)	2013	% of Net Sales	2012	% of Net Sales	2011	% of Net Sales
Earnings (losses) from operations*:						
Americas	$ 374,342	19.4 %	$ 345,917	18.8 %	$ 387,951	21.5 %
Asia-Pacific	244,142	25.8	188,510	23.3	205,711	27.5
Japan	215,582	37.3	204,510	32.0	184,767	30.0
Europe	101,153	21.5	90,955	21.0	105,728	25.1
Other	(649)	(0.6)	(6,254)	(8.6)	(5,247)	(10.2)
	934,570		823,638		878,910	
Unallocated corporate expenses	(140,651)	(3.5)%	(126,421)	(3.3)%	(127,765)	(3.5)%
Earnings from operations before other operating expenses	793,919	19.7 %	697,217	18.4 %	751,145	20.6 %
Other operating expenses	(489,590)		—		(42,719)	
Earnings from operations	$ 304,329	7.5 %	$ 697,217	18.4 %	$ 708,426	19.4 %

* Percentages represent earnings (losses) from operations as a percentage of each segment's net sales.

Earnings from operations decreased 56% in 2013 but would have increased 14% when excluding other operating expenses. On a segment basis, the ratio of earnings (losses) from operations to each segment's net sales in 2013 compared with 2012 was as follows:

- Americas – the ratio increased 0.6 percentage point resulting from an improvement in gross margin as well as sales leveraging of operating expenses;
- Asia-Pacific – the ratio increased 2.5 percentage points primarily due an improvement in gross margin as well as sales leveraging of operating expenses;
- Japan – the ratio increased 5.3 percentage points primarily due to an improvement in gross margin (which includes a benefit from the Company's ongoing program to utilize forward contracts for a portion of forecasted merchandise purchases) as well as sales leveraging of operating expenses;
- Europe – the ratio increased 0.5 percentage point due to an improvement in gross margin partly offset by increased store-related operating expenses; and
- Other – the ratio improved 8.0 percentage points due to increased earnings as well as sales leveraging of operating expenses in the Emerging Markets region offset by charges associated with the valuation of wholesale diamonds not suitable for the Company's needs.

Earnings from operations decreased 2% in 2012. On a segment basis, the ratio of earnings (losses) from operations to each segment's net sales in 2012 compared with 2011 was as follows:

- Americas – the ratio decreased 2.7 percentage points primarily resulting from a decline in gross margin as well as increased operating expenses due to the opening of new stores;
- Asia-Pacific – the ratio decreased 4.2 percentage points primarily due to a decline in gross margin as well as increased operating expenses due to the opening of new stores and increased marketing;
- Japan – the ratio increased 2.0 percentage points primarily due to the sales leveraging of operating expenses as well as an increase in gross margin;
- Europe – the ratio decreased 4.1 percentage points primarily due to a decline in gross margin; and
- Other – the operating loss is primarily attributable to spending for the development of the Emerging Markets region.

Unallocated corporate expenses include costs related to administrative support functions which the Company does not allocate to its segments. Such unallocated costs include those for centralized information technology, finance, legal and human resources departments. Unallocated corporate expenses increased as a percentage of net sales in 2013 primarily due to increases in management incentive and stock-based compensation. Unallocated corporate expenses decreased as a percentage of sales in 2012.

Other operating expenses in 2013 represent $480,211,000 of expenses associated with the adverse arbitration ruling between the Swatch Group Ltd. and the Company and $9,379,000 of expenses associated with specific cost-reduction initiatives. Other operating expenses of $42,719,000 in 2011 related to Tiffany's relocation of its New York headquarters staff to a single location. See "Item 8. Financial Statements and Supplementary Data - Note K - Commitments and Contingencies."

Interest Expense and Financing Costs

Interest expense and financing costs increased $3,585,000, or 6%, in 2013 and $10,495,000, or 22%, in 2012, primarily due to increased interest expense related to increased borrowings.

Other Income, Net

Other income, net includes interest income, gains/losses on investment activities and foreign currency transactions. Other income, net increased $7,763,000, or 143%, in 2013, but the increase was only $274,000 when excluding foreign currency transaction gains related to the Arbitration award expense. See "Item 8. Financial Statements and Supplementary Data - Note K - Commitments and Contingencies" and "Non-GAAP Measures" for further information. Other income, net increased $329,000 in 2012.

Provision for Income Taxes

The effective income tax rate was 28.8% in 2013 compared with 35.3% in 2012 and 34.0% in 2011. Excluding the effects of certain expenses noted in "Non-GAAP Measures", the effective income tax rate would have been 34.8% in 2013. The tax rate for 2011 included a valuation allowance reversal against certain deferred tax assets where management had determined it was more likely than not that the deferred tax assets would be realized in the future.

2014 Outlook

Management expects net earnings to be in a range of $4.05–$4.15 per diluted share. This is based on the following assumptions, which are approximate and may or may not prove valid, and which should be read in conjunction with "Item 1A. Risk Factors" on page K-13:

- Worldwide net sales increasing by a high-single-digit percentage in U.S. dollars and on a constant-exchange-rate basis, with all regions expected to achieve growth in their total sales and comparable store sales.
- Adding 13 Company-operated stores and closing four existing stores: opening four in the Americas, five in Asia-Pacific, two in Japan, and one each in Europe and Russia, while closing one each in the Americas, Asia-Pacific, Japan and the U.A.E.
- Earnings from operations as a percentage of net sales ("operating margin") increasing due to a higher gross margin and SG&A expense growth less than sales growth.
- Interest and other expenses, net of $65,000,000 to $70,000,000 with the increase over 2013 reflecting the interest cost on higher average levels of net-debt.
- An effective income tax rate of 35%.
- A 6% increase in net inventories.
- Capital expenditures increasing to $270,000,000, with the increase over 2013 largely reflecting incremental investments in certain information technology systems.
- Free cash flow of at least $400,000,000.

LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity needs have been, and are expected to remain, primarily a function of its ongoing, seasonal and expansion-related working capital requirements and capital expenditure needs. Over the long term, the Company manages its cash and capital structure to maintain a strong financial position that provides flexibility to pursue strategic initiatives. Management regularly assesses its working capital needs, capital expenditure requirements, debt service, dividend payouts, share repurchases and future investments. Management believes that cash on hand, internally-generated cash flows, the funds available under its revolving credit facilities and the ability to access the debt and capital markets are sufficient to support the Company's liquidity and capital requirements for the foreseeable future.

As of January 31, 2014, the Company’s cash and cash equivalents totaled $345,778,000, of which approximately one-half was held in locations outside the U.S. where the Company has the intention to indefinitely reinvest any undistributed earnings to support its continued expansion and investments outside of the U.S. Such cash balances are not available to fund U.S. cash requirements unless the Company were to decide to repatriate such funds. The Company has sufficient sources of cash in the U.S. to fund its U.S. operations without the need to repatriate any of those funds held outside the U.S.

The following table summarizes cash flows from operating, investing and financing activities:

(in thousands)	2013	2012	2011
Net cash provided by (used in):			
Operating activities	$ 154,652	$ 328,290	$ 210,606
Investing activities	(246,781)	(331,146)	(242,583)
Financing activities	(65,426)	71,446	(213,817)
Effect of exchange rates on cash and cash equivalents	(1,505)	2,294	(1,843)
Net (decrease) increase in cash and cash equivalents	$ (159,060)	$ 70,884	$ (247,637)

Operating Activities

The Company had a net cash inflow from operating activities of $154,652,000 in 2013, $328,290,000 in 2012 and $210,606,000 in 2011. The change from 2012 to 2013 was impacted by the payment of the Arbitration Award (see "Item 8. Financial Statements and Supplementary Data - Note K - Commitments and Contingencies"), a decelerated rate of inventory growth and the timing of income tax payments. The increase from 2011 to 2012 primarily resulted from a decelerated rate of inventory growth offset by various other outflows.

Working Capital. Working capital (current assets less current liabilities) and the corresponding current ratio (current assets divided by current liabilities) were $2,531,648,000 and 4.6 at January 31, 2014, compared with $2,564,997,000 and 5.4 at January 31, 2013.

Accounts receivable, less allowances at January 31, 2014 were 9% higher than January 31, 2013 due to sales growth. When excluding the effect of foreign currency translation, primarily from the weaker Japanese yen, accounts receivable, less allowances would have been 14% higher than January 31, 2013. On a 12-month rolling basis, accounts receivable turnover was 22 times in 2013 and 21 times in 2012.

Inventories, net at January 31, 2014 were 4% higher than January 31, 2013. Finished goods inventories rose 3% and combined raw material and work-in-process inventories increased 5% to support new store openings, expanded product assortments, rough diamond sourcing and internal manufacturing requirements. Net inventories rose 6% from January 31, 2013 when excluding the effect of foreign currency translation, primarily from the weaker Japanese yen.

Prepaid expenses and other current assets at January 31, 2014 were 55% higher than January 31, 2013. The increase was largely due to income tax receivables primarily resulting from the impact and timing of the Arbitration Award on the Company's estimated income tax payments. Additionally, Other assets, net at January 31, 2014 were 10% higher than January 31, 2013 as certain income tax receivables are anticipated to be received after fiscal 2014.

Investing Activities

The Company had a net cash outflow from investing activities of $246,781,000 in 2013, $331,146,000 in 2012 and $242,583,000 in 2011. The increased outflow in 2012 was primarily due to payments of $82,664,000 to acquire intangible assets as well as a $25,000,000 payment related to an acquisition.

Marketable Securities and Short-Term Investments. The Company invests a portion of its cash in marketable securities and short-term investments. The Company had net purchases of investments in marketable securities and short-term investments of $23,460,000 during 2013 and net proceeds received from the sale of marketable securities and short-term investments of $4,063,000 during 2012 and $55,139,000 during 2011.

Capital Expenditures. Capital expenditures are typically related to the opening, renovation and/or relocation of stores (which represented slightly more than half of capital expenditures in 2013, 2012 and 2011 excluding the relocation in 2011 of Tiffany's New York headquarters staff), distribution and manufacturing facilities and ongoing investments in information technology. Capital expenditures were $221,452,000 in 2013, $219,530,000 in 2012 and $239,443,000 in 2011, representing 5%, 6% and 7% of net sales in those respective years.

Notes Receivable Funded. The Company may, from time to time, extend loans to diamond mining and exploration companies in order to obtain rights to purchase the mine's output. The Company loaned $3,050,000 and $8,015,000 in 2013 and 2012 to various companies. In 2011, the Company loaned $56,605,000 to various companies of which $50,000,000 was provided to Koidu Limited (previously Koidu Holdings S.A.). See "Item 8. Financial Statements and Supplementary Data - Note K - Commitments and Contingencies."

Proceeds from Notes Receivable Funded. In 2013, the Company received $1,181,000 of repayments associated with loans extended to diamond mining and exploration companies discussed in *Notes Receivable Funded* above.

Payments to acquire intangible assets. In 2012, the Company made a $47,059,000 payment to retain an exclusive license for Peretti-designed jewelry and products. The Company also made a $35,605,000 payment to secure a prime retail location in Europe. See "Item 8. Financial Statements and Supplementary Data - Note B - Summary of Significant Accounting Policies."

Payment for acquisition. In 2012, the Company made a $25,000,000 payment related to the acquisition of net assets associated with the five existing independently-operated TIFFANY & CO. stores located in the U.A.E. See "Item 8. Financial Statements and Supplementary Data - Note C - Acquisition."

Financing Activities

The Company had a net cash outflow from financing activities of $65,426,000 in 2013 compared with an inflow of $71,446,000 in 2012 and an outflow of $213,817,000 in 2011. Year-over-year changes in cash flows from financing activities are largely driven by borrowings. Additionally, the Company did not repurchase any of its Common Stock in 2013.

Recent Borrowings. The Company had net proceeds from short-term and long-term borrowings as follows:

(in thousands)	2013	2012	2011
Short-term borrowings:			
Proceeds from credit facility borrowings, net	$ 49,883	$ 47,278	$ 13,548
Proceeds from other credit facility borrowings	89,806	40,298	61,020
Repayment of other credit facility borrowings	(69,737)	(361)	(4,517)
Net proceeds from short-term borrowings	69,952	87,215	70,051
Long-term borrowings:			
Proceeds from issuance	—	250,000	—
Repayments	—	(60,000)	(58,915)
Net proceeds from long-term borrowings	—	190,000	(58,915)
Net proceeds from total borrowings	$ 69,952	$ 277,215	$ 11,136

In July 2013, the Company's wholly-owned subsidiary, Tiffany & Co. (Shanghai) Commercial Company Limited ("Tiffany-Shanghai"), entered into a three-year multi-bank revolving credit agreement (the "Tiffany-

Shanghai Credit Agreement"). The Tiffany-Shanghai Credit Agreement has an aggregate borrowing limit of RMB 930,000,000 ($153,457,000 at January 31, 2014). The Tiffany-Shanghai Credit Agreement is available for Tiffany-Shanghai's general working capital requirements, which included repayment of a portion of the indebtedness under Tiffany-Shanghai's existing bank loan facilities. The Tiffany-Shanghai Credit Agreement contains affirmative and negative covenants usual and customary for facilities of this size and purpose. The six lenders that are party to the Tiffany-Shanghai Credit Agreement will make loans, upon Tiffany-Shanghai's request, for periods of up to 12 months at the applicable interest rates as announced by the People's Bank of China. The Tiffany-Shanghai Credit Agreement matures in July 2016. In connection with this agreement, the Company entered into a guaranty agreement by and between the Company and the facility agent under the Tiffany-Shanghai Credit Agreement (the "Guaranty").

In December 2011, the Company entered into a three-year $200,000,000 and a five-year $200,000,000 multi-bank, multi-currency, committed unsecured revolving credit facility (the "Credit Facilities"). In July 2012, the commitments were each increased to $275,000,000, resulting in a total borrowing capacity of $550,000,000. The Credit Facilities are available for working capital and other corporate purposes. Under the Credit Facilities, borrowings may be made from 10 participating banks at interest rates based upon either (i) local currency borrowing rates or (ii) the Federal Funds Rate plus 0.5%, whichever is higher, plus a margin based on the Company's leverage ratio.

Under all of the Company's credit facilities, there were $252,365,000 of borrowings, $3,952,000 letters of credit issued but not outstanding and $565,540,000 available for borrowing at January 31, 2014. The weighted-average interest rate for the amount outstanding at January 31, 2014 was 3.37% compared with 3.05% at January 31, 2013.

In 2012, the Company issued $250,000,000 of long-term debt at an interest rate of 4.40%. Proceeds were used to repay $60,000,000 of 10-year term, 6.56% Series D Senior Notes that came due in July 2012 and for general corporate purposes.

The ratio of total debt (short-term borrowings, current portion of long-term debt and long-term debt) to stockholders' equity was 37% at both January 31, 2014 and 2013.

In January 2014, the Company entered into amendments to each of the Credit Facilities, each of the Unsecured Senior Notes agreements and the Guaranty which were required as a result of the issuance of the Arbitration Award. See "Item 8. Financial Statements and Supplementary Data - Note K - Commitments and Contingencies." These amendments: (i) provided that only half of the Arbitration Award amount would be included in the ratio used to determine the interest rate for borrowings and for the facility fee, in each case under the Credit Facilities; (ii) extended the time in which a judgment or decree may be paid, stayed on appeal, discharged, bonded or dismissed before an event of default would arise; (iii) amended certain financial definitions to exclude the impact of the Arbitration Award from the calculation of certain financial covenants; and (iv) waived certain defaults and events of default that had arisen in connection with the issuance of the Arbitration Award.

At January 31, 2014, the Company was in compliance with all debt covenants.

Share Repurchases. In January 2011, the Company's Board of Directors approved a stock repurchase program ("2011 Program") and terminated a previously-existing program. The 2011 Program authorized the Company to repurchase up to $400,000,000 of its Common Stock through open market or private transactions. The timing of repurchases and the actual number of shares to be repurchased depended on a variety of discretionary factors such as stock price, cash-flow forecasts and other market conditions. The Company suspended share repurchases during the second quarter of 2012 in order to allow for a more effective allocation of resources consistent with the Company's growth strategies. In January 2013, the Board of Directors extended the expiration date of the 2011 Program to January 31, 2014. The 2011 Program expired on January 31, 2014.

The Company's share repurchase activity was as follows:

(in thousands, except per share amounts)	2013	2012	2011
Cost of repurchases	$ —	$ 54,107	$ 174,118
Shares repurchased and retired	—	813	2,629
Average cost per share	$ —	$ 66.54	$ 66.23

Dividends. The cash dividend on the Company's Common Stock was increased once in each of 2013, 2012 and 2011. The Company's Board of Directors declared quarterly dividends which totaled $1.34, $1.25 and $1.12 per common share in 2013, 2012 and 2011 with cash dividends paid of $170,312,000, $158,594,000 and $142,840,000 in those respective years. The dividend payout ratio (dividends as a percentage of net earnings) was 94%, 38% and 33% in 2013, 2012 and 2011. Dividends as a percentage of adjusted net earnings (see "Non-GAAP Measures") were 35% in 2013 and 31% in 2011.

At least annually, the Company's Board of Directors reviews its policies with respect to dividends and share repurchases with a view to actual and projected earnings, cash flows and capital requirements.

Proceeds from Non-controlling Interest. In 2012, the Company received proceeds of $12,750,000 associated with its venture with Damas Jewellery LLC that acquired the five existing independently-operated TIFFANY & CO. stores located in the U.A.E. as noted in *Payment for acquisition* above. See "Item 8. Financial Statements and Supplementary Data - Note C - Acquisition" for additional details on the venture.

Contractual Cash Obligations and Commercial Commitments

The following is a summary of the Company's contractual cash obligations at January 31, 2014:

(in thousands)	Total	2014	2015-2016	2017-2018	Thereafter
Unrecorded contractual obligations:					
Operating leases	$1,407,072	$ 215,345	$ 343,189	$ 254,754	$ 593,784
Inventory purchase obligations [a]	421,183	421,183	—	—	—
Interest on debt [b]	456,697	51,704	92,829	53,396	258,768
Other contractual obligations [c]	81,929	61,793	9,828	3,008	7,300
Recorded contractual obligations:					
Short-term borrowings	252,365	252,365	—	—	—
Long-term debt	751,154	—	201,154	175,000	375,000
	$3,370,400	$1,002,390	$ 647,000	$ 486,158	$1,234,852

a) The Company will, from time to time, secure supplies of diamonds by agreeing to purchase a defined portion of a mine's output. Inventory purchase obligations associated with these agreements have been estimated for 2014 and included in this table. Purchases beyond 2014 that are contingent upon mine production have been excluded as they cannot be reasonably estimated.

b) Excludes interest payments on amounts outstanding under available lines of credit, as the outstanding amounts fluctuate based on the Company's working capital needs.

c) Consists primarily of fixed royalty commitments, construction-in-progress and packaging supplies.

The summary above does not include the following items:

- Cash contributions to the Company's pension plan and cash payments for other postretirement obligations. The Company plans to contribute approximately $30,000,000 to the pension plan in 2014. However, this expectation is subject to change if actual asset performance is different than the assumed long-term rate of return on pension plan assets. In addition, the Company estimates cash payments for postretirement health-care and life insurance benefit obligations to be $1,966,000 in 2014.

- Unrecognized tax benefits at January 31, 2014 of $27,626,000 and accrued interest and penalties of $9,752,000. The final outcome of tax uncertainties is dependent upon various matters including tax examinations, interpretation of the applicable tax laws or expiration of statutes of limitations. The Company believes that its tax positions comply with applicable tax law and that it has adequately provided for these matters. However, the examinations may result in proposed assessments where the ultimate resolution may result in the Company owing additional taxes. Management anticipates that it is reasonably possible that the total gross amount of unrecognized tax benefits will decrease by approximately $20,000,000 in the next 12 months, a portion of which may affect the effective tax rate; however, management does not currently anticipate a significant effect on net earnings. Future developments may result in a change in this assessment.

The following is a summary of the Company's outstanding borrowings and available capacity under its credit facilities at January 31, 2014:

(in thousands)	Total Capacity	Borrowings Outstanding	Letters of Credit Issued	Available Capacity
Three-year revolving credit facility [a]	$ 275,000	$ 41,159	$ —	$ 233,841
Five-year revolving credit facility [b]	275,000	78,053	3,952	192,995
Other credit facilities [c]	271,857	133,153	—	138,704
	$ 821,857	$ 252,365	$ 3,952	$ 565,540

[a] Matures in December 2014.

[b] Matures in December 2016.

[c] Maturities range from 2014 through 2016.

In addition, the Company has other available letters of credit and financial guarantees of $70,151,000 of which $26,534,000 was outstanding at January 31, 2014. Of those available letters of credit and financial guarantees, $54,970,000 expires within one year.

Seasonality

As a jeweler and specialty retailer, the Company's business is seasonal in nature, with the fourth quarter typically representing approximately one-third of annual net sales and a higher percentage of annual net earnings. Management expects such seasonality to continue.

Critical Accounting Estimates

The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. These principles require management to make certain estimates and assumptions that affect amounts reported and disclosed in the financial statements and related notes. Actual results could differ from those estimates and the differences could be material. Periodically, the Company reviews all significant estimates and assumptions affecting the financial statements and records any necessary adjustments.

The development and selection of critical accounting estimates and the related disclosures below have been reviewed with the Audit Committee of the Company's Board of Directors. The following critical accounting policies that rely on assumptions and estimates were used in the preparation of the Company's consolidated financial statements:

Inventory. The Company writes down its inventory for discontinued and slow-moving products. This write-down is equal to the difference between the cost of inventory and its estimated market value, and is based on assumptions about future demand and market conditions. If actual market conditions are less favorable than those projected by management, additional inventory write-downs might be required. The Company has not made any material changes in the accounting methodology used to establish its reserve for discontinued and slow-moving products during the past three years. At January 31, 2014, a 10% change in the reserve for discontinued and slow-moving products would have resulted in a change of $6,411,000 in inventory and cost of sales.

Property, plant and equipment and intangibles assets and key money. The Company reviews its property, plant and equipment and intangibles assets and key money for impairment when management determines that the carrying value of such assets may not be recoverable due to events or changes in circumstances. Recoverability of these assets is evaluated by comparing the carrying value of the asset with estimated future undiscounted cash flows. If the comparisons indicate that the value of the asset is not recoverable, an impairment loss is calculated as the difference between the carrying value and the fair value of the asset and the loss is recognized during that period. The Company did not record any material impairment charges in 2013, 2012 or 2011.

Goodwill. The Company performs its annual impairment evaluation of goodwill during the fourth quarter of its fiscal year or when circumstances otherwise indicate an evaluation should be performed. A qualitative assessment is first performed for each reporting unit to determine whether it is more-likely-than-not that the fair value of the reporting unit is less than its carrying value. If it is concluded that this is the case, an evaluation, based upon discounted cash flows, is performed and requires management to estimate future cash flows, growth rates and economic and market conditions. The 2013, 2012 and 2011 evaluations resulted in no impairment charges.

Notes receivables and other financing arrangements. The Company may, from time to time, provide financing to diamond mining and exploration companies in order to obtain rights to purchase the mine's output. Management evaluates these financing arrangements for potential impairment by reviewing the parties' financial statements and projections and business, operational and other economic factors on a periodic basis. If the analyses indicate that the financing receivable is not recoverable, an impairment loss is recognized, in respect to all or a portion of the financing, during that period. The Company did not record any material impairment charges in 2013, 2012 or 2011.

Income taxes. The Company is subject to income taxes in both the U.S. and foreign jurisdictions. The calculation of the Company's tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations in a multitude of jurisdictions across the Company's global operations. Significant judgments and estimates are required in determining the consolidated income tax expense. The Company's income tax expense, deferred tax assets and liabilities and reserves for uncertain tax positions reflect management's best assessment of estimated future taxes to be paid.

Foreign and domestic tax authorities periodically audit the Company's income tax returns. These audits often examine and test the factual and legal basis for positions the Company has taken in its tax filings with respect to its tax liabilities, including the timing and amount of deductions and the allocation of income among various tax jurisdictions ("tax filing positions"). Management believes that its tax filing positions are reasonable and legally supportable. However, in specific cases, various tax authorities may take a contrary position. In evaluating the exposures associated with the Company's various tax filing

positions, management records reserves using a more-likely-than-not recognition threshold for income tax positions taken or expected to be taken. Earnings could be affected to the extent the Company prevails in matters for which reserves have been established or is required to pay amounts in excess of established reserves.

In evaluating the Company's ability to recover its deferred tax assets within the jurisdiction from which they arise, management considers all available evidence. The Company records valuation allowances when management determines it is more likely than not that deferred tax assets will not be realized in the future.

Employee benefit plans. The Company maintains several pension and retirement plans, as well as provides certain postretirement health-care and life insurance benefits for retired employees. The Company makes certain assumptions that affect the underlying estimates related to pension and other postretirement costs. Significant changes in interest rates, the market value of securities and projected health-care costs would require the Company to revise key assumptions and could result in a higher or lower charge to earnings.

The Company used discount rates of 4.50% to determine its 2013 pension expense for all U.S. plans and 4.50% to determine its 2013 postretirement expense. Holding all other assumptions constant, a 0.5% increase in the discount rate would have decreased 2013 pension and postretirement expenses by $5,678,000 and $527,000. A decrease of 0.5% in the discount rate would have increased the 2013 pension and postretirement expenses by $6,307,000 and $770,000. The discount rate is subject to change each year, consistent with changes in the yield on applicable high-quality, long-term corporate bonds. Management selects a discount rate at which pension and postretirement benefits could be effectively settled based on (i) an analysis of expected benefit payments attributable to current employment service and (ii) appropriate yields related to such cash flows.

The Company used an expected long-term rate of return of 7.50% to determine its 2013 pension expense. Holding all other assumptions constant, a 0.5% change in the long-term rate of return would have changed the 2013 pension expense by $1,483,000. The expected long-term rate of return on pension plan assets is selected by taking into account the average rate of return expected on the funds invested or to be invested to provide for the benefits included in the projected benefit obligation. More specifically, consideration is given to the expected rates of return (including reinvestment asset return rates) based upon the plan's current asset mix, investment strategy and the historical performance of plan assets.

For postretirement benefit measurement purposes, 7.00% (for pre-age 65 retirees) and 6.25% (for post-age 65 retirees) annual rates of increase in the per capita cost of covered health care were assumed for 2014. The rates were assumed to decrease gradually to 4.75% by 2020 and remain at that level thereafter. A one-percentage-point change in the assumed health-care cost trend rate would not have a significant effect on the aggregate service and interest cost components of the 2013 postretirement expense.

NEW ACCOUNTING STANDARDS

See "Item 8. Financial Statements and Supplementary Data - Note B - Summary of Significant Accounting Policies."

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The Company is exposed to market risk from fluctuations in foreign currency exchange rates, precious metal prices and interest rates, which could affect its consolidated financial position, earnings and cash flows. The Company manages its exposure to market risk through its regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. The Company uses derivative financial instruments as risk management tools and not for trading or speculative purposes, and does not maintain such instruments that may expose the Company to significant market risk.

Foreign Currency Risk

The Company may use foreign exchange forward contracts or put option contracts to offset a portion of the foreign currency exchange risks associated with foreign currency-denominated liabilities, intercompany transactions and forecasted purchases of merchandise between entities with differing functional currencies. The term of all outstanding foreign exchange forward contracts as of January 31, 2014 ranged from less than one month to 12 months. At January 31, 2014 and 2013, the fair value of the Company's outstanding foreign exchange forward and put option contracts were net assets of $6,453,000 and $18,968,000, respectively. At January 31, 2014, a 10% depreciation in the hedged foreign exchange rates from the prevailing market rates would have resulted in a liability with a fair value of approximately $10,000,000.

Precious Metal Price Risk

The Company periodically hedges a portion of its forecasted purchases of precious metals for use in its internal manufacturing operations through the use of forward contracts in order to minimize the effect of volatility in precious metal prices. The maximum term over which the Company is hedging its exposure to the variability of future cash flows for all forecasted transactions is 12 months. At January 31, 2014 and 2013, the fair value of the Company's outstanding precious metal derivative instruments were net liabilities of $1,599,000 and net assets of $362,000, respectively. At January 31, 2014, a 10% depreciation in precious metal prices from the prevailing market rates would have resulted in a liability with a fair value of approximately $5,000,000.

Item 8. Financial Statements and Supplementary Data.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Tiffany & Co.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of earnings, of comprehensive earnings, of stockholders' equity, and of cash flows present fairly, in all material respects, the financial position of Tiffany & Co. and its subsidiaries (the "Company") at January 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended January 31, 2014 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 31, 2014, based on criteria established in *Internal Control - Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting, appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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 its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
New York, New York
April 1, 2014

CONSOLIDATED BALANCE SHEETS

(in thousands, except per share amounts)	January 31, 2014	January 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 345,778	$ 504,838
Short-term investments	21,257	1,363
Accounts receivable, less allowances of $10,337 and $9,710	188,814	173,998
Inventories, net	2,326,580	2,234,334
Deferred income taxes	101,012	79,508
Prepaid expenses and other current assets	244,947	157,548
Total current assets	3,228,388	3,151,589
Property, plant and equipment, net	855,095	818,838
Deferred income taxes	278,390	306,385
Other assets, net	390,478	354,038
	$ 4,752,351	$ 4,630,850
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	$ 252,365	$ 194,034
Accounts payable and accrued liabilities	342,090	295,424
Income taxes payable	31,976	30,487
Merchandise and other customer credits	70,309	66,647
Total current liabilities	696,740	586,592
Long-term debt	751,154	765,238
Pension/postretirement benefit obligations	268,112	361,246
Deferred gains on sale-leasebacks	81,865	96,724
Other long-term liabilities	220,512	209,732
Commitments and contingencies		
Stockholders' equity:		
Preferred Stock, $0.01 par value; authorized 2,000 shares, none issued and outstanding	—	—
Common Stock, $0.01 par value; authorized 240,000 shares, issued and outstanding 128,312 and 126,934	1,283	1,269
Additional paid-in capital	1,095,304	1,019,997
Retained earnings	1,682,398	1,671,341
Accumulated other comprehensive loss, net of tax	(58,548)	(93,875)
Total Tiffany & Co. stockholders' equity	2,720,437	2,598,732
Non-controlling interests	13,531	12,586
Total stockholders' equity	2,733,968	2,611,318
	$ 4,752,351	$ 4,630,850

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF EARNINGS

	Years Ended January 31,		
(in thousands, except per share amounts)	2014	2013	2012
Net sales	$ 4,031,130	$ 3,794,249	$ 3,642,937
Cost of sales	1,690,687	1,630,965	1,491,783
Gross profit	2,340,443	2,163,284	2,151,154
Selling, general and administrative expenses	1,555,903	1,466,067	1,442,728
Arbitration award expense	480,211	—	—
Earnings from operations	304,329	697,217	708,426
Interest expense and financing costs	62,654	59,069	48,574
Other income, net	13,191	5,428	5,099
Earnings from operations before income taxes	254,866	643,576	664,951
Provision for income taxes	73,497	227,419	225,761
Net earnings	$ 181,369	$ 416,157	$ 439,190
Net earnings per share:			
Basic	$ 1.42	$ 3.28	$ 3.45
Diluted	$ 1.41	$ 3.25	$ 3.40
Weighted-average number of common shares:			
Basic	127,835	126,737	127,397
Diluted	128,867	127,934	129,083

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

	Years Ended January 31,		
(in thousands)	2014	2013	2012
Net earnings	$ 181,369	$ 416,157	$ 439,190
Other comprehensive (loss) earnings, net of tax			
Foreign currency translation adjustments	(27,218)	(5,145)	7,794
Unrealized gain (loss) on marketable securities	828	1,719	(12)
Unrealized (loss) gain on hedging instruments	(3,400)	5,522	(7,537)
Net unrealized gain (loss) on benefit plans	65,117	(10,841)	(72,810)
Total other comprehensive earnings (loss), net of tax	35,327	(8,745)	(72,565)
Comprehensive earnings	$ 216,696	$ 407,412	$ 366,625

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(in thousands)	Total Stockholders' Equity	Retained Earnings	Accumulated Other Comprehensive Loss	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Non-controlling Interests
Balances, January 31, 2011	$ 2,177,475	$ 1,324,804	$ (12,565)	126,969	$ 1,269	$ 863,967	$ —
Exercise of stock options and vesting of restricted stock units ("RSUs")	65,566	—	—	2,272	23	65,543	—
Tax effect of exercise of stock options and vesting of RSUs	20,944	—	—	—	—	20,944	—
Share-based compensation expense	30,753	—	—	—	—	30,753	—
Issuance of Common Stock under Employee Profit Sharing and Retirement Savings ("EPSRS") Plan	4,500	—	—	64	1	4,499	—
Purchase and retirement of Common Stock	(174,118)	(158,601)	—	(2,629)	(26)	(15,491)	—
Cash dividends on Common Stock	(142,840)	(142,840)	—	—	—	—	—
Other comprehensive loss, net of tax	(72,565)	—	(72,565)	—	—	—	—
Net earnings	439,190	439,190	—	—	—	—	—
Balances, January 31, 2012	2,348,905	1,462,553	(85,130)	126,676	1,267	970,215	—
Exercise of stock options and vesting of RSUs	13,012	—	—	1,026	10	13,002	—
Tax effect of exercise of stock options and vesting of RSUs	11,730	—	—	—	—	11,730	—
Share-based compensation expense	27,224	—	—	—	—	27,224	—
Issuance of Common Stock under EPSRS Plan	3,150	—	—	45	—	3,150	—
Purchase and retirement of Common Stock	(54,107)	(48,775)	—	(813)	(8)	(5,324)	—
Cash dividends on Common Stock	(158,594)	(158,594)	—	—	—	—	—
Other comprehensive loss, net of tax	(8,745)	—	(8,745)	—	—	—	—
Net earnings	416,157	416,157	—	—	—	—	—
Non-controlling interests	12,586	—	—	—	—	—	12,586
Balances, January 31, 2013	2,611,318	1,671,341	(93,875)	126,934	1,269	1,019,997	12,586
Exercise of stock options and vesting of RSUs	27,895	—	—	1,378	14	27,881	—
Tax effect of exercise of stock options and vesting of RSUs	14,922	—	—	—	—	14,922	—
Share-based compensation expense	32,504	—	—	—	—	32,504	—
Cash dividends on Common Stock	(170,312)	(170,312)	—	—	—	—	—
Other comprehensive earnings, net of tax	35,327	—	35,327	—	—	—	—
Net earnings	181,369	181,369	—	—	—	—	—
Non-controlling interests	945	—	—	—	—	—	945
Balances, January 31, 2014	$ 2,733,968	$ 1,682,398	$ (58,548)	128,312	$ 1,283	$ 1,095,304	$ 13,531

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Years Ended January 31, 2014	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings	$ 181,369	$ 416,157	$ 439,190
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	180,629	163,649	145,934
Lease exit charge	—	—	30,884
Amortization of gain on sale-leasebacks	(9,453)	(10,812)	(10,976)
Excess tax benefits from share-based payment arrangements	(14,876)	(11,763)	(18,771)
Provision for inventories	31,667	32,228	30,665
Deferred income taxes	(27,855)	(19,282)	(50,768)
Provision for pension/postretirement benefits	48,980	46,008	33,457
Share-based compensation expense	32,188	26,938	30,447
Changes in assets and liabilities:			
Accounts receivable	(23,239)	(1,393)	5,495
Inventories	(168,273)	(233,700)	(459,416)
Prepaid expenses and other current assets	(14,654)	(22,121)	(5,893)
Other assets, net	(21,333)	(4,561)	(11,371)
Accounts payable and accrued liabilities	45,413	(13,680)	39,862
Income taxes payable	(70,143)	(16,559)	17,551
Merchandise and other customer credits	4,711	1,640	(2,988)
Other long-term liabilities	(20,479)	(24,459)	(2,696)
Net cash provided by operating activities	154,652	328,290	210,606
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of marketable securities and short-term investments	(23,460)	(15,226)	(40,912)
Proceeds from sales of marketable securities and short-term investments	—	19,289	96,051
Capital expenditures	(221,452)	(219,530)	(239,443)
Notes receivable funded	(3,050)	(8,015)	(56,605)
Proceeds from notes receivable	1,181	—	—
Payments to acquire intangible assets	—	(82,664)	—
Payment for acquisition	—	(25,000)	—
Other	—	—	(1,674)
Net cash used in investing activities	(246,781)	(331,146)	(242,583)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from credit facility borrowings, net	49,883	47,278	13,548
Proceeds from other credit facility borrowings	89,806	40,298	61,020
Repayment of other credit facility borrowings	(69,737)	(361)	(4,517)
Repayment of long-term debt	—	(60,000)	(58,915)
Proceeds from issuance of long-term debt	—	250,000	—
Payment for settlement of interest rate swaps	—	(29,335)	—
Net proceeds received from termination of interest rate swap	—	—	9,527
Repurchase of Common Stock	—	(54,107)	(174,118)
Proceeds from exercised stock options	27,895	13,012	65,566
Excess tax benefits from share-based payment arrangements	14,876	11,763	18,771
Cash dividends on Common Stock	(170,312)	(158,594)	(142,840)
Proceeds from non-controlling interest	—	12,750	—
Distribution to non-controlling interest	(666)	—	—
Financing fees	(7,171)	(1,258)	(1,859)
Net cash (used in) provided by financing activities	(65,426)	71,446	(213,817)
Effect of exchange rate changes on cash and cash equivalents	(1,505)	2,294	(1,843)
Net (decrease)/increase in cash and cash equivalents	(159,060)	70,884	(247,637)
Cash and cash equivalents at beginning of year	504,838	433,954	681,591
Cash and cash equivalents at end of year	$ 345,778	$ 504,838	$ 433,954

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A. NATURE OF BUSINESS

Tiffany & Co. is a holding company that operates through its subsidiary companies (the "Company"). The Company's principal subsidiary, Tiffany and Company ("Tiffany"), is a jeweler and specialty retailer whose principal merchandise offering is jewelry. The Company also sells timepieces, leather goods, sterling silverware, china, crystal, stationery, fragrances and accessories. Through Tiffany and other subsidiaries, the Company is engaged in product design, manufacturing and retailing activities.

The Company's reportable segments are as follows:

- Americas includes sales in Company-operated TIFFANY & CO. stores in the United States, Canada and Latin America, as well as sales of TIFFANY & CO. products in certain markets through business-to-business, Internet, catalog and wholesale operations;

- Asia-Pacific includes sales in Company-operated TIFFANY & CO. stores, as well as sales of TIFFANY & CO. products in certain markets through Internet and wholesale operations;

- Japan includes sales in Company-operated TIFFANY & CO. stores, as well as sales of TIFFANY & CO. products through business-to-business, Internet and wholesale operations;

- Europe includes sales in Company-operated TIFFANY & CO. stores, as well as sales of TIFFANY & CO. products in certain markets through Internet and wholesale operations; and

- Other consists of all non-reportable segments. Other includes the Emerging Markets region, which consists of retail sales in five TIFFANY & CO. stores in the United Arab Emirates ("U.A.E.") which were converted from independently-operated to Company-operated stores in July 2012, and wholesale sales of TIFFANY & CO. merchandise to independent distributors for resale in certain markets, primarily in the Middle East, and through January 2014 in Russia. In addition, Other includes wholesale sales of diamonds obtained through bulk purchases that were subsequently deemed not suitable for the Company's needs as well as earnings received from third-party licensing agreements.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiscal Year

The Company's fiscal year ends on January 31 of the following calendar year. All references to years relate to fiscal years rather than calendar years.

Basis of Reporting

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries in which a controlling interest is maintained. Controlling interest is determined by majority ownership interest and the absence of substantive third-party participating rights or, in the case of variable interest entities (VIEs), if the Company has the power to significantly direct the activities of a VIE, as well as the obligation to absorb significant losses of or the right to receive significant benefits from the VIE. Intercompany accounts, transactions and profits have been eliminated in consolidation. The equity method of accounting is used for investments in which the Company has significant influence, but not a controlling interest.

Use of Estimates

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America; these principles require management to make certain estimates and assumptions that affect amounts reported and disclosed in the consolidated financial statements and related notes to the consolidated financial statements. Actual results could differ from these estimates and the differences could be material. Periodically, the Company reviews all significant estimates and assumptions affecting the financial statements relative to current conditions and records the effect of any necessary adjustments.

Cash and Cash Equivalents

Cash and cash equivalents are stated at cost plus accrued interest, which approximates fair value. Cash equivalents include highly liquid investments with an original maturity of three months or less and consist of time deposits and/or money market fund investments with a number of U.S. and non-U.S. financial institutions with high credit ratings. The Company's policy restricts the amount invested with any one institution.

Short-term Investments

Short-term investments are classified as available-for-sale and are carried at fair value. At January 31, 2014, the Company's short-term available-for-sale investments consisted entirely of time deposits. At the time of purchase, management determines the appropriate classification of these investments and re-evaluates such designation as of each balance sheet date.

Receivables and Financing Arrangements

Receivables. The Company maintains an allowance for doubtful accounts for estimated losses associated with the accounts receivable recorded on the balance sheet. The allowance is determined based on a combination of factors including, but not limited to, the length of time that the receivables are past due, the Company's knowledge of the customer, economic and market conditions and historical write-off experiences.

For the receivables associated with Tiffany & Co. credit cards ("Credit Card Receivables"), the Company uses various indicators to determine whether to extend credit to customers and the amount of credit. Such indicators include reviewing prior experience with the customer, including sales and collection history, and using applicants' credit reports and scores provided by credit rating agencies. Credit Card Receivables require minimum balance payments. The Company classifies a Credit Card account as overdue if a minimum balance payment has not been received within the allotted timeframe (generally 30 days), after which internal collection efforts commence. For all Credit Card Receivables recorded on the balance sheet, once all internal collection efforts have been exhausted and management has reviewed the account, the account balance is written off and may be sent for external collection or legal action. At January 31, 2014 and 2013, the carrying amount of the Credit Card Receivables (recorded in accounts receivable, net) was $59,278,000 and $56,344,000, of which 97% and 98% were considered current, respectively. The allowance for doubtful accounts for estimated losses associated with the Credit Card Receivables (approximately $1,000,000 at January 31, 2014 and $1,500,000 at January 31, 2013) was determined based on the factors discussed above. Finance charges earned on Credit Card accounts are not significant.

Financing Arrangements. The Company may, from time to time, provide financing to diamond mining and exploration companies in order to obtain rights to purchase the mine's output (see "Note K - Commitments and Contingencies"). Management evaluates these and any other financing arrangements that may arise for potential impairment by reviewing the parties' financial statements and projections and business, operational and other economic factors on a periodic basis. At January 31, 2014 and 2013, the current portion of the carrying amount of financing arrangements including accrued interest was $14,208,000

and $12,979,000 and was recorded in prepaid expenses and other current assets. At January 31, 2014 and 2013, the non-current portion of the carrying amount of financing arrangements including accrued interest was $58,786,000 and $53,984,000 and was included in other assets, net. The Company recorded no material impairment charges on such loans as of January 31, 2014 and 2013.

Inventories

Inventories are valued at the lower of cost or market using the average cost method except for certain diamond and gemstone jewelry which uses the specific identification method.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Buildings	39 years
Machinery and Equipment	5-15 years
Office Equipment	3-8 years
Furniture and Fixtures	2-10 years

Leasehold improvements and building improvements are amortized over the shorter of their estimated useful lives (ranging from 8-10 years) or the related lease terms or building life, respectively. Maintenance and repair costs are charged to earnings while expenditures for major renewals and improvements are capitalized. Upon the disposition of property, plant and equipment, the accumulated depreciation is deducted from the original cost and any gain or loss is reflected in current earnings.

The Company capitalizes interest on borrowings during the active construction period of major capital projects. Capitalized interest is added to the cost of the underlying assets and is amortized over the useful lives of the assets. The Company's capitalized interest costs were not significant in 2013, 2012 or 2011.

Intangible Assets and Key Money

Intangible assets are recorded at cost and are amortized on a straight-line basis over their estimated useful lives which range from 14 to 20 years. Intangible assets are reviewed for impairment in accordance with the Company's policy for impairment of long-lived assets (see "Impairment of Long-Lived Assets" below).

Key money is the amount of funds paid to a landlord or tenant to acquire the rights of tenancy under a commercial property lease for a certain property. Key money represents the "right to lease" with an automatic right of renewal. This right can be subsequently sold by the Company or can be recovered should the landlord refuse to allow the automatic right of renewal to be exercised. Key money is amortized over the estimated useful life, 39 years.

The following table summarizes intangible assets and key money, included in other assets, net, as follows:

	January 31, 2014		January 31, 2013	
(in thousands)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Product rights	$ 59,409	$ (9,405)	$ 59,409	$ (6,388)
Key money deposits	39,588	(1,722)	39,632	(719)
Trademarks	2,452	(2,452)	3,452	(3,078)
	$ 101,449	$ (13,579)	$ 102,493	$ (10,185)

FORM 10-K

In December 2012, the Company made a $47,059,000 payment to Elsa Peretti to retain an exclusive license in all of the countries in which Peretti-designed jewelry and products are currently sold, to make, have made, advertise and sell these items, which are made in conformance to Ms. Peretti's proprietary designs and bear her trademarks. These product rights acquired are being amortized over 20 years.

Amortization of intangible assets and key money for the years ended January 31, 2014, 2013 and 2012 was $4,172,000, $1,685,000 and $1,263,000. Amortization expense is estimated to be approximately $4,200,000 in each of the next five years.

Goodwill

Goodwill represents the excess of cost over fair value of net assets acquired. Goodwill is evaluated for impairment annually in the fourth quarter or when events or changes in circumstances indicate that the value of goodwill may be impaired. A qualitative assessment is first performed for each reporting unit to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying value. If it is concluded that this is the case, a quantitative evaluation, based on discounted cash flows, is performed and requires management to estimate future cash flows, growth rates and economic and market conditions. If the quantitative evaluation indicates that goodwill is not recoverable, an impairment loss is calculated and recognized during that period. At January 31, 2014 and 2013, goodwill, included in other assets, net, consisted of the following by segment:

(in thousands)	Americas	Asia-Pacific	Japan	Europe	Other	Total
January 31, 2012	$ 12,422	$ 287	$ 1,132	$ 1,115	$ —	$ 14,956
Acquisition	—	—	—	—	24,493	24,493
Translation	(54)	(7)	(29)	(7)	412	315
January 31, 2013	12,368	280	1,103	1,108	24,905	39,764
Translation	(13)	(2)	(6)	(2)	(5)	(28)
January 31, 2014	$ 12,355	$ 278	$ 1,097	$ 1,106	$ 24,900	$ 39,736

In July 2012, the Company acquired the net assets associated with five existing independently-operated TIFFANY & CO. stores located in the U.A.E. for $25,000,000, of which $24,493,000 was allocated to goodwill. See "Note C - Acquisition" for further details.

Impairment of Long-Lived Assets

The Company reviews its long-lived assets (such as property, plant and equipment) other than goodwill for impairment when management determines that the carrying value of such assets may not be recoverable due to events or changes in circumstances. Recoverability of long-lived assets is evaluated by comparing the carrying value of the asset with the estimated future undiscounted cash flows. If the comparisons indicate that the asset is not recoverable, an impairment loss is calculated as the difference between the carrying value and the fair value of the asset and the loss is recognized during that period. The Company recorded no material impairment charges in 2013, 2012 or 2011.

Hedging Instruments

The Company uses derivative financial instruments to mitigate a portion of its foreign currency, precious metal price and interest rate exposures. Derivative instruments are recorded on the consolidated balance sheet at their fair values, as either assets or liabilities, with an offset to current or comprehensive earnings, depending on whether a derivative is designated as part of an effective hedge transaction and, if it is, the type of hedge transaction.

Marketable Securities

The Company's marketable securities, recorded within other assets, net, are classified as available-for-sale and are recorded at fair value with unrealized gains and losses reported as a separate component of stockholders' equity. Realized gains and losses are recorded in other income, net. The marketable securities are held for an indefinite period of time, but may be sold in the future as changes in market conditions or economic factors occur. The fair value of the marketable securities is determined based on prevailing market prices. The Company recorded $4,889,000 and $4,144,000 of gross unrealized gains and $804,000 and $1,293,000 of gross unrealized losses within accumulated other comprehensive loss as of January 31, 2014 and 2013.

The amount reclassified from other comprehensive earnings was determined on the basis of specific identification.

The Company's marketable securities primarily consist of investments in mutual funds. When evaluating the marketable securities for other-than-temporary impairment, the Company reviews factors such as the length of time and the extent to which fair value has been below cost basis, the financial condition of the issuer, and the Company's ability and intent to hold the investments for a period of time which may be sufficient for anticipated recovery in market value. Based on the Company's evaluations, it determined that any unrealized losses on its outstanding mutual funds were temporary in nature and, therefore, did not record any impairment charges as of January 31, 2014, 2013 or 2012.

Merchandise and Other Customer Credits

Merchandise and other customer credits represent outstanding credits issued to customers for returned merchandise. It also includes outstanding gift cards sold to customers. All such outstanding items may be tendered for future merchandise purchases. A merchandise credit liability is established when a merchandise credit is issued to a customer for a returned item and the original sale is reversed. A gift card liability is established when the gift card is sold. The liabilities are relieved and revenue is recognized when merchandise is purchased and delivered to the customer and the merchandise credit or gift card is used as a form of payment.

If merchandise credits or gift cards are not redeemed over an extended period of time (approximately three to five years), the value of the merchandise credits or gift cards is generally remitted to the applicable jurisdiction in accordance with unclaimed property laws.

Revenue Recognition

Sales are recognized at the "point of sale," which occurs when merchandise is taken in an "over-the-counter" transaction or upon receipt by a customer in a shipped transaction, such as through the Internet and catalog channels. Revenue associated with gift cards and merchandise credits is recognized upon redemption. Sales are reported net of returns, sales tax and other similar taxes. Shipping and handling fees billed to customers are included in net sales. The Company maintains a reserve for potential product returns and it records, as a reduction to sales and cost of sales, its provision for estimated product returns, which is determined based on historical experience.

Additionally, outside of the U.S., the Company operates certain TIFFANY & CO. stores within various department stores. Sales transacted at these store locations are recognized at the "point of sale." The Company and these department store operators have distinct responsibilities and risks in the operation of such TIFFANY & CO. stores. The Company (i) owns and manages the merchandise; (ii) establishes retail prices; (iii) has merchandising, marketing and display responsibilities; and (iv) in almost all locations provides retail staff and bears the risk of inventory loss. The department store operators (i) provide and maintain store facilities; (ii) in almost all locations assume retail credit and certain other risks; and (iii) act for the Company in the sale of merchandise. In return for their services and use of their facilities, the

department store operators retain a portion of net retail sales made in TIFFANY & CO. stores which is recorded as commission expense within selling, general and administrative expenses.

Cost of Sales

Cost of sales includes costs to internally manufacture merchandise (primarily metal, gemstones, labor and overhead), costs related to the purchase of merchandise from third-parties, inbound freight, purchasing and receiving, inspection, warehousing, internal transfers and other costs associated with distribution and merchandising. Cost of sales also includes royalty fees paid to outside designers and customer shipping and handling charges.

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

SG&A expenses include costs associated with the selling and marketing of products as well as administrative expenses. The types of expenses associated with these functions are store operating expenses (such as labor, rent and utilities), advertising and other corporate level administrative expenses.

Advertising, Marketing, Public and Media Relations Costs

Advertising, marketing, public and media relations costs include media, production, catalogs, Internet, marketing events, visual merchandising costs (in-store and window displays) and other related costs. In 2013, 2012 and 2011, these costs totaled $247,466,000, $242,524,000 and $234,050,000, representing 6.1%, 6.4% and 6.4% of worldwide net sales in each of those periods. Media and production costs for print and digital advertising are expensed as incurred, while catalog costs are expensed upon first distribution.

Pre-opening Costs

Costs associated with the opening of new retail stores are expensed in the period incurred.

Stock-Based Compensation

New, modified and unvested share-based payment transactions with employees, such as stock options and restricted stock, are measured at fair value and recognized as compensation expense over the requisite service period.

Merchandise Design Activities

Merchandise design activities consist of conceptual formulation and design of possible products and creation of pre-production prototypes and molds. Costs associated with these activities are expensed as incurred.

Foreign Currency

The functional currency of most of the Company's foreign subsidiaries and branches is 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 average exchange rates during the period. The resulting translation adjustments are recorded as a component of other comprehensive earnings within stockholders' equity. The Company also recognizes gains and losses associated with transactions that are denominated in foreign currencies. The Company recorded a net gain (loss) resulting from foreign currency transactions of $4,672,000, ($2,147,000) and ($54,000) in 2013, 2012 and 2011 within other income, net. Included within the amount for 2013 was a $7,489,000 transaction gain related to amounts associated with the award issued in the arbitration between the Swatch Group Ltd. and the Company.

Income Taxes

The Company accounts for income taxes under the asset and liability method in accordance with U.S. GAAP, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are recognized by applying statutory tax rates in effect in the years in which the differences between the financial reporting and tax filing bases of existing assets and liabilities are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company records net deferred tax assets to the extent management believes these assets will more likely than not be realized. In making such determination, the Company considers all available evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent financial operations. In the event management were to determine that the Company would be able to realize its deferred income tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the valuation allowance, which would reduce the provision for income taxes.

In evaluating the exposures associated with the Company's various tax filing positions, management records reserves using a more-likely-than-not recognition threshold for income tax positions taken or expected to be taken.

The Company, its U.S. subsidiaries and the foreign branches of its U.S. subsidiaries file a consolidated Federal income tax return.

Earnings Per Share

Basic earnings per share ("EPS") is computed as net earnings divided by the weighted-average number of common shares outstanding for the period. Diluted EPS includes the dilutive effect of the assumed exercise of stock options and unvested restricted stock units.

The following table summarizes the reconciliation of the numerators and denominators for the basic and diluted EPS computations:

	Years Ended January 31,		
(in thousands)	2014	2013	2012
Net earnings for basic and diluted EPS	$ 181,369	$ 416,157	$ 439,190
Weighted-average shares for basic EPS	127,835	126,737	127,397
Incremental shares based upon the assumed exercise of stock options and unvested restricted stock units	1,032	1,197	1,686
Weighted-average shares for diluted EPS	128,867	127,934	129,083

For the years ended January 31, 2014, 2013 and 2012, there were 422,000, 869,000 and 401,000 stock options and restricted stock units excluded from the computations of earnings per diluted share due to their antidilutive effect.

In July 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2013-11, "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists", which requires an unrecognized tax benefit to be presented in the financial statements as a reduction to a recorded deferred tax asset for a net operating loss ("NOL"), tax credit or similar carryforward. If no such carryforwards are recorded or intended to be used, the unrecognized tax benefit should be presented in the financial statements as a liability. The new guidance is effective for fiscal years beginning after December 15, 2013 and will not have a material effect on the Company's financial position or earnings.

C. ACQUISITION

In July 2012, the Company, through a venture with its former independent distributor, Damas Jewellery LLC ("Damas"), acquired the net assets associated with five existing independently-operated TIFFANY & CO. stores located in the U.A.E. for $25,000,000, of which $24,493,000 was allocated to goodwill and the remainder to other tangible assets and liabilities. All of the goodwill associated with the transaction would be deductible for tax purposes; however, the Company does not expect to receive a tax benefit as the U.A.E. does not impose a corporate income tax. The purchase resulted in the recognition of goodwill because the acquisition (i) enabled the Company to immediately integrate five existing TIFFANY & CO. stores into its worldwide store network and (ii) will enhance awareness of the Company's brand in the U.A.E.

In accordance with the agreement, the Company owns 49% of the common shares of the venture with Damas and will be entitled to 75% of the profits or losses of the venture. The Company is responsible for all merchandise assortment and pricing, advertising and promotional activities, staffing, store design and visual display and financial services. The Company has evaluated the variable interest entity consolidation requirements with respect to this transaction and has determined that the Company is the primary beneficiary as it has both the power to direct the activities that most significantly affect the venture's economic performance, as well as the obligation to absorb losses of and the right to receive benefits that are significant to the venture. Therefore, the results of the venture are consolidated within the financial results of the Company. Income or loss attributable to the non-controlling interests is presented within other income, net as the amount is not material. The results of the venture and the associated goodwill are included within the Other non-reportable segment.

D. SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid during the year for:

	Years Ended January 31,		
(in thousands)	2014	2013	2012
Interest, net of interest capitalization	$ 58,532	$ 49,785	$ 44,799
Income taxes	$ 160,736	$ 266,829	$ 250,620

Supplemental noncash investing and financing activities:

	Years Ended January 31,		
(in thousands)	2014	2013	2012
Issuance of Common Stock under the Employee Profit Sharing and Retirement Savings Plan	$ —	$ 3,150	$ 4,500

E. INVENTORIES

	January 31,	
(in thousands)	2014	2013
Finished goods	$ 1,333,926	$ 1,291,235
Raw materials	874,799	790,732
Work-in-process	117,855	152,367
Inventories, net	$ 2,326,580	$ 2,234,334

F. PROPERTY, PLANT AND EQUIPMENT

	January 31,	
(in thousands)	2014	2013
Land	$ 42,710	$ 42,707
Buildings	118,622	118,687
Leasehold and building improvements	990,488	914,737
Office equipment	517,622	460,968
Furniture and fixtures	246,751	224,750
Machinery and equipment	141,880	135,637
Construction-in-progress	40,569	24,509
	2,098,642	1,921,995
Accumulated depreciation and amortization	(1,243,547)	(1,103,157)
	$ 855,095	$ 818,838

The provision for depreciation and amortization for the years ended January 31, 2014, 2013 and 2012 was $171,452,000, $159,018,000 and $149,109,000.

G. ACCOUNTS PAYABLE AND ACCRUED LIABILTIES

(in thousands)	January 31, 2014		2013
Accounts payable - trade	$ 116,601		$ 122,101
Accrued compensation and commissions	86,549		58,030
Accrued sales, withholding and other taxes	23,935		22,278
Other	115,005		93,015
	$ 342,090		$ 295,424

H. DEBT

(in thousands)	January 31, 2014	2013
Short-term borrowings:		
Credit Facilities	$ 119,212	$ 78,028
Other credit facilities	133,153	116,006
	$ 252,365	$ 194,034
Long-term debt:		
Unsecured Senior Notes:		
2008 9.05% Series A, due December 2015 [a, b]	$ 103,804	$ 105,598
2009 10.00% Series A, due April 2018 [a]	50,000	50,000
2009 10.00% Series A, due February 2017 [a]	125,000	125,000
2009 10.00% Series B, due February 2019 [a]	125,000	125,000
2010 1.72% Notes, due September 2016 [a, c]	97,350	109,640
2012 4.40% Series B Notes, due July 2042 [d]	250,000	250,000
	$ 751,154	$ 765,238

[a] The agreements require lump sum repayments upon maturity.

[b] These Notes were issued, at par, $100,000,000. In 2009, the Company entered into an interest rate swap to effectively convert this fixed rate obligation to a floating rate obligation. The Company terminated the interest rate swap in 2011 and is amortizing the remaining gain on the swap until the debt maturity.

[c] These Notes were issued, at par, ¥10,000,000,000.

[d] The agreement requires repayments of $50,000,000 every five years beginning in 2022.

Credit Facilities

In December 2011, the Company entered into a three-year $200,000,000 and a five-year $200,000,000 multi-bank, multi-currency, committed unsecured revolving credit facility (the "Credit Facilities"). In July 2012, the commitments were each increased to $275,000,000, resulting in a total borrowing capacity of $550,000,000. The Credit Facilities are available for working capital and other corporate purposes. Under the Credit Facilities, borrowings may be made from 10 participating banks at interest rates based upon

either (i) local currency borrowing rates or (ii) the Federal Funds Rate plus 0.5%, whichever is higher, plus a margin based on the Company's leverage ratio. At January 31, 2014, there were $119,212,000 of borrowings outstanding, $3,952,000 letters of credit issued but not outstanding and $426,836,000 available for borrowing under the Credit Facilities. The weighted-average interest rate was 2.35% and 2.04% at January 31, 2014 and 2013. The three-year credit facility will expire in December 2014. The five-year credit facility will expire in December 2016.

Other Credit Facilities

Tiffany-Shanghai Credit Agreement. In July 2013, the Company's wholly-owned subsidiary, Tiffany & Co. (Shanghai) Commercial Company Limited ("Tiffany-Shanghai"), entered into a three-year multi-bank revolving credit agreement (the "Tiffany-Shanghai Credit Agreement"). The Tiffany-Shanghai Credit Agreement has an aggregate borrowing limit of RMB 930,000,000 ($153,457,000 at January 31, 2014). The Tiffany-Shanghai Credit Agreement is available for Tiffany-Shanghai's general working capital requirements, which included repayment of a portion of the indebtedness under Tiffany-Shanghai's existing bank loan facilities. The six lenders that are party to the Tiffany-Shanghai Credit Agreement will make loans, upon Tiffany-Shanghai's request, for periods of up to 12 months at the applicable interest rates as announced by the People's Bank of China. There was $57,753,000 outstanding and $95,704,000 available to be borrowed under the Tiffany-Shanghai Credit Agreement at January 31, 2014. The interest rate applicable to the outstanding borrowings at January 31, 2014 was 6.0%. The Tiffany-Shanghai Credit Agreement matures in July 2016. In connection with this agreement, the Company entered into a guaranty agreement by and between the Company and the facility agent under the Tiffany-Shanghai Credit Agreement (the "Guaranty").

Other. The Company has various other revolving credit facilities, primarily in Japan and China. At January 31, 2014, the facilities totaled $118,400,000, of which $75,400,000 was outstanding at a weighted-average interest rate of 2.96%. At January 31, 2013, the facilities totaled $123,885,000, of which $116,006,000 was outstanding at a weighted-average interest rate of 3.74%.

Debt Covenants

The Unsecured Senior Notes agreements require maintenance of specific financial covenants and ratios and limit certain changes to indebtedness and the general nature of the business, in addition to other requirements customary to such borrowings.

The Credit Facilities, the Tiffany-Shanghai Credit Agreement and the Guaranty include specific financial covenants and ratios and limit certain payments, investments and indebtedness, in addition to other requirements and limitations customary to such borrowings.

In January 2014, the Company entered into amendments to each of the Credit Facilities, each of the Unsecured Senior Notes agreements and the Guaranty which were required as a result of the issuance of the Arbitration Award (see "Note K - Commitments and Contingencies"). These amendments: (i) provided that only half of the Arbitration Award amount would be included in the ratio used to determine the interest rate for borrowings and for the facility fee, in each case under the Credit Facilities; (ii) extended the time in which a judgment or decree may be paid, stayed on appeal, discharged, bonded or dismissed before an event of default would arise; (iii) amended certain financial definitions to exclude the impact of the Arbitration Award from the calculation of certain financial covenants; and (iv) waived certain defaults and events of default that had arisen in connection with the issuance of the Arbitration Award.

At January 31, 2014, the Company was in compliance with all debt covenants. In the event of any default of payment or performance obligations extending beyond applicable cure periods under the provisions of any one of the Credit Facilities, Unsecured Senior Notes, the Tiffany-Shanghai Credit Agreement and other loan agreements, such agreements may be terminated or payment of the debt accelerated. Further, each

of the Credit Facilities, Unsecured Senior Notes, the Tiffany-Shanghai Credit Agreement and certain other loan agreements contain cross default provisions permitting the termination and accelerations of the loans, or acceleration of the notes, as the case may be, in the event that certain of the Company's other debt obligations are terminated or accelerated prior to the expressed maturity.

Long-Term Debt Maturities

Aggregate maturities of long-term debt as of January 31, 2014 are as follows:

Years Ending January 31,		Amount *(in thousands)*
2015	$	—
2016		103,804
2017		97,350
2018		125,000
2019		50,000
Thereafter		375,000
	$	751,154

Letters of Credit

The Company has available letters of credit and financial guarantees of $70,151,000 of which $26,534,000 was outstanding at January 31, 2014. Of those available letters of credit and financial guarantees, $54,970,000 expires within one year. These amounts do not include letters of credit issued under the Credit Facilities.

I. HEDGING INSTRUMENTS

Background Information

The Company uses derivative financial instruments, including interest rate swaps, forward contracts and put option contracts to mitigate a portion of its exposures to changes in interest rates, foreign currency and precious metal prices. Derivative instruments are recorded on the consolidated balance sheet at their fair values, as either assets or liabilities, with an offset to current or comprehensive earnings, depending on whether the derivative is designated as part of an effective hedge transaction and, if it is, the type of hedge transaction. If a derivative instrument meets certain hedge accounting criteria, it is designated as one of the following on the date it is entered into:

- Fair Value Hedge – A hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment. For fair value hedge transactions, both the effective and ineffective portions of the changes in the fair value of the derivative and changes in the fair value of the item being hedged are recorded in current earnings.

- Cash Flow Hedge – A hedge of the exposure to variability in the cash flows of a recognized asset, liability or a forecasted transaction. For cash flow hedge transactions, the effective portion of the changes in fair value of derivatives are reported as other comprehensive income ("OCI") and are recognized in current earnings in the period or periods during which the hedged transaction affects current earnings. Amounts excluded from the effectiveness calculation and any ineffective portions of the change in fair value of the derivative are recognized in current earnings.

The Company formally documents the nature of and relationships between the hedging instruments and hedged items for a derivative to qualify as a hedge at inception and throughout the hedged period. The Company also documents its risk management objectives, strategies for undertaking the various hedge transactions and method of assessing hedge effectiveness. Additionally, for hedges of forecasted transactions, the significant characteristics and expected terms of a forecasted transaction must be identified, and it must be probable that each forecasted transaction will occur. If it were deemed probable that the forecasted transaction would not occur, the gain or loss on the derivative financial instrument would be recognized in current earnings. Derivative financial instruments qualifying for hedge accounting must maintain a specified level of effectiveness between the hedge instrument and the item being hedged, both at inception and throughout the hedged period.

The Company does not use derivative financial instruments for trading or speculative purposes.

Types of Derivative Instruments

Interest Rate Swaps – In 2012, the Company entered into forward-starting interest rate swaps to hedge the impact of interest rate volatility on future interest payments associated with the anticipated incurrence of $250,000,000 of additional debt which was incurred in July 2012. The Company accounted for the forward-starting interest rate swaps as cash flow hedges. The Company settled the interest rate swaps in 2012 and paid $29,335,000.

Foreign Exchange Forward and Put Option Contracts – The Company uses foreign exchange forward contracts or put option contracts to offset the foreign currency exchange risks associated with foreign currency-denominated liabilities, intercompany transactions and forecasted purchases of merchandise between entities with differing functional currencies. For put option contracts, if the market exchange rate at the time of the put option contract's expiration is stronger than the contracted exchange rate, the Company allows the put option contract to expire, limiting its loss to the cost of the put option contract. The Company assesses hedge effectiveness based on the total changes in the foreign exchange forward and put option contracts' cash flows. These foreign exchange forward contracts and put option contracts are designated and accounted for as either cash flow hedges or economic hedges that are not designated as hedging instruments.

As of January 31, 2014, the notional amount of foreign exchange forward contracts accounted for as cash flow hedges was $162,625,000 and the notional amount of foreign exchange forward contracts accounted for as undesignated hedges was $58,392,000. The term of all outstanding foreign exchange forward and put option contracts as of January 31, 2014 ranged from less than one month to 12 months.

Precious Metal Forward Contracts – The Company periodically hedges a portion of its forecasted purchases of precious metals for use in its internal manufacturing operations through the use of forward contracts in order to minimize the effect of volatility in precious metal prices. The Company accounts for its precious metal forward contracts as cash flow hedges. The Company assesses hedge effectiveness based on the total changes in the precious metal forward contracts' cash flows. The maximum term over which the Company is hedging its exposure to the variability of future cash flows for all forecasted transactions is 12 months. As of January 31, 2014, there were precious metal derivative instruments outstanding for approximately 16,000 ounces of platinum and 513,000 ounces of silver.

Information on the location and amounts of derivative gains and losses in the consolidated financial statements is as follows:

	Years Ended January 31,			
	2014		2013	
(in thousands)	Pre-Tax Gain (Loss) Recognized in OCI (Effective Portion)	Pre-Tax Gain (Loss) Reclassified from Accumulated OCI into Earnings (Effective Portion)	Pre-Tax Gain (Loss) Recognized in OCI (Effective Portion)	Pre-Tax Loss Reclassified from Accumulated OCI into Earnings (Effective Portion)
Derivatives in Cash Flow Hedging Relationships:				
Foreign exchange forward contracts [a]	$ 16,184	$ 17,660	$ 24,750	$ (4,221)
Put option contracts [a]	1,241	2,201	966	(129)
Precious metal forward contracts [a]	(8,709)	(4,376)	(3,644)	(6,842)
Forward-starting interest rate swaps [b]	—	(1,535)	(26,511)	(928)
	$ 8,716	$ 13,950	$ (4,439)	$ (12,120)

[a] The gain or loss recognized in earnings is included within Cost of sales.
[b] The gain or loss recognized in earnings is included within Interest expense and financing costs.

The gains and losses on derivatives not designated as hedging instruments were not significant in the years ended January 31, 2014 and 2013. There was no material ineffectiveness related to the Company's hedging instruments for the periods ended January 31, 2014 and 2013. The Company expects approximately $11,700,000 of net pre-tax derivative gains included in accumulated other comprehensive income at January 31, 2014 will be reclassified into earnings within the next 12 months. This amount will vary due to fluctuations in foreign currency exchange rates and precious metal prices.

For information regarding the location and amount of the derivative instruments in the Consolidated Balance Sheet, see "Note J - Fair Value of Financial Instruments."

Concentration of Credit Risk

A number of major international financial institutions are counterparties to the Company's derivative financial instruments. The Company enters into derivative financial instrument agreements only with counterparties meeting certain credit standards (a credit rating of A/A2 or better at the time of the agreement) and limits the amount of agreements or contracts it enters into with any one party. The Company may be exposed to credit losses in the event of nonperformance by individual counterparties or the entire group of counterparties.

J. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal market for the asset or liability in an orderly transaction between market participants on the measurement date. U.S. GAAP establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. U.S. GAAP prescribes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities. Level 1 inputs are considered to carry the most weight within the fair value hierarchy due to the low levels of judgment required in determining fair values.

Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3 – Unobservable inputs reflecting the reporting entity's own assumptions. Level 3 inputs are considered to carry the least weight within the fair value hierarchy due to substantial levels of judgment required in determining fair values.

The Company uses the market approach to measure fair value for its marketable securities, time deposits and derivative instruments. The Company's interest rate swaps were primarily valued using the 3-month LIBOR rate. The Company's foreign exchange forward contracts, as well as its put option contracts, are primarily valued using the appropriate foreign exchange spot rates. The Company's precious metal forward contracts are primarily valued using the relevant precious metal spot rate. For further information on the Company's hedging instruments and program, see "Note I - Hedging Instruments."

Financial assets and liabilities carried at fair value at January 31, 2014 are classified in the table below in one of the three categories described above:

(in thousands)	Carrying Value	Estimated Fair Value			Total Fair Value
		Level 1	Level 2	Level 3	
Marketable securities [a]	$ 51,781	$ 51,781	$ —	$ —	$ 51,781
Time deposits [b]	21,257	21,257	—	—	21,257
Derivatives designated as hedging instruments:					
Precious metal forward contracts [c]	53	—	53	—	53
Foreign exchange forward contracts [c]	6,699	—	6,699	—	6,699
Total financial assets	$ 79,790	$ 73,038	$ 6,752	$ —	$ 79,790

(in thousands)	Carrying Value	Estimated Fair Value			Total Fair Value
		Level 1	Level 2	Level 3	
Derivatives designated as hedging instruments:					
Precious metal forward contracts [d]	$ 1,652	$ —	$ 1,652	$ —	$ 1,652
Foreign exchange forward contracts [d]	246	—	246	—	246
Total financial liabilities	$ 1,898	$ —	$ 1,898	$ —	$ 1,898

Financial assets and liabilities carried at fair value at January 31, 2013 are classified in the table below in one of the three categories described above:

(in thousands)	Carrying Value	Estimated Fair Value Level 1	Level 2	Level 3	Total Fair Value
Marketable securities [a]	$ 44,114	$ 44,114	$ —	$ —	$ 44,114
Time deposits [b]	1,363	1,363	—	—	1,363
Derivatives designated as hedging instruments:					
Precious metal forward contracts [c]	1,066	—	1,066	—	1,066
Put option contracts [c]	1,449	—	1,449	—	1,449
Foreign exchange forward contracts [c]	17,177	—	17,177	—	17,177
Total financial assets	$ 65,169	$ 45,477	$ 19,692	$ —	$ 65,169

(in thousands)	Carrying Value	Estimated Fair Value Level 1	Level 2	Level 3	Total Fair Value
Derivatives designated as hedging instruments:					
Precious metal forward contracts [d]	$ 704	$ —	$ 704	$ —	$ 704
Total financial liabilities	$ 704	$ —	$ 704	$ —	$ 704

[a] Included within Other assets, net.
[b] Included within Short-term investments.
[c] Included within Prepaid expenses and other current assets.
[d] Included within Accounts payable and accrued liabilities.

The fair value of derivatives not designated as hedging instruments was not significant in the years ended January 31, 2014 and 2013. The fair value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximates carrying value due to the short-term maturities of these assets and liabilities and would be measured using Level 1 inputs. The fair value of debt with variable interest rates approximates carrying value and is measured using Level 2 inputs. The fair value of debt with fixed interest rates was determined using the quoted market prices of debt instruments with similar terms and maturities, which are considered Level 2 inputs. The total carrying value of short-term borrowings and long-term debt was $1,003,519,000 and $959,272,000 and the corresponding fair value was approximately $1,100,000,000 at both January 31, 2014 and 2013.

K. COMMITMENTS AND CONTINGENCIES

Leases

The Company leases certain office, distribution, retail and manufacturing facilities, land and equipment. Retail store leases may require the payment of minimum rentals and contingent rent based on a percentage of sales exceeding a stipulated amount. The lease agreements, which expire at various dates through 2062, are subject, in many 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.

Rent-free periods and other incentives granted under certain leases and scheduled rent increases are charged to rent expense on a straight-line basis over the related terms of such leases. Lease expense includes predetermined rent escalations (including escalations based on the Consumer Price Index or

other indices) and is recorded on a straight-line basis over the term of the lease. Adjustments to indices are treated as contingent rent and recorded in the period that such adjustments are determined.

The Company entered into sale-leaseback arrangements for its Retail Service Center, a distribution and administrative office facility in New Jersey, in 2005 and for the TIFFANY & CO. stores in Tokyo's Ginza shopping district and on London's Old Bond Street in 2007. These sale-leaseback arrangements resulted in total deferred gains of $144,505,000 which are being amortized in SG&A expenses over periods that range from 15 to 20 years. As of January 31, 2014, $81,865,000 of these deferred gains remained to be amortized.

In April 2010, Tiffany committed to a plan to consolidate and relocate its New York headquarters staff to a single leased location in Manhattan. The move occurred in June 2011. Tiffany sublet most of those previously occupied properties through the end of their lease terms which run through 2015, but has recovered only a portion of its rent obligations due to market conditions. Tiffany recorded expenses of $42,719,000 during the year ended January 31, 2012 (primarily within SG&A expenses), of which $30,884,000 was related to the fair value of the remaining non-cancelable lease obligations reduced by the estimated sublease rental income. The remaining expense of $11,835,000 (primarily recorded in SG&A expenses) was due to the acceleration of the useful lives of certain property and equipment, incremental rent during the transition period and lease termination payments.

The following is a reconciliation of the accrued exit charges, recorded within other long-term liabilities, associated with the relocation:

(in thousands)		
January 31, 2012	$	23,980
Cash payments, net of estimated sublease income		(8,371)
Interest accretion		555
January 31, 2013		16,164
Cash payments, net of estimated sublease income		(6,072)
Interest accretion		373
January 31, 2014	$	10,465

Rent expense for the Company's operating leases consisted of the following:

	Years Ended January 31,		
(in thousands)	2014	2013	2012
Minimum rent for retail locations	$ 146,109	$ 127,267	$ 107,814
Contingent rent based on sales	36,289	31,918	36,357
Office, distribution and manufacturing facilities and equipment [a]	42,466	38,156	71,624
	$ 224,864	$ 197,341	$ 215,795

[a] Expense in the year ended January 31, 2012 includes the $30,884,000 exit expense noted above.

In addition, the Company operates certain TIFFANY & CO. stores within various department stores outside the U.S. and has agreements where the department store operators provide store facilities and other services. The Company pays the department store operators a percentage fee based on sales generated in these locations (recorded as commission expense within SG&A expenses) which totaled $117,079,000, $120,967,000 and $115,728,000 in 2013, 2012 and 2011, and which are not included in the table above.

Aggregate annual minimum rental payments under non-cancelable operating leases are as follows:

Years Ending January 31,		Annual Minimum Rental Payments *(in thousands)*
2015	$	215,345
2016		186,309
2017		156,880
2018		138,832
2019		115,922
Thereafter		593,784

Diamond Sourcing Activities

The Company has agreements with various diamond producers to purchase defined portions of their mines' output at prevailing fair market prices. Under those agreements, management anticipates that it will purchase approximately $200,000,000 of rough diamonds in 2014. Purchases beyond 2014 that are contingent upon mine production at then-prevailing fair market prices cannot be reasonably estimated. In addition, the Company will also purchase rough diamonds from other suppliers, although it has no contractual obligations to do so.

In consideration of these diamond supply agreements, the Company has provided financing to certain of these suppliers. In March 2011, Laurelton Diamonds, Inc. ("Laurelton"), a wholly-owned subsidiary of the Company, as lender, entered into a $50,000,000 amortizing term loan facility agreement (the "Loan") with Koidu Limited (previously Koidu Holdings S.A.) ("Koidu"), as borrower, and BSG Resources Limited, as a limited guarantor. Koidu operates a kimberlite diamond mine in Sierra Leone (the "Mine") from which Laurelton now acquires diamonds. Koidu is required under the terms of the Loan to apply the proceeds of the Loan to capital expenditures necessary to increase the output of the Mine, among other purposes. As of July 31, 2011, the Loan was fully funded. On March 29, 2013, the Company entered into an amendment relating to the Loan, deferring principal and interest payments due in 2013 to subsequent years (the "2013 Amendment") and, on March 31, 2014, the Company entered into a further amendment providing that the principal payments due in 2014 shall be paid on a monthly basis rather than on a semi-annual basis. The Loan, as amended, is required to be repaid in full by March 2017 through monthly payments from March through December 2014 and semi-annual payments beginning in March 2015. Interest accrues at a rate per annum that is the greater of (i) LIBOR plus 3.5% or (ii) 4%. Koidu is also required to pay an additional 2% per annum of interest on the principal payments deferred pursuant to the 2013 Amendment, until such amounts are paid. In consideration of the Loan, Laurelton entered into a supply agreement, pursuant to which Laurelton is required to purchase at fair market value diamonds recovered from the Mine that meet Laurelton's quality standards. The assets of Koidu, including all equipment and rights in respect of the Mine, are subject to the security interest of a lender that is not affiliated with the Company. The Loan is partially secured by diamonds that have been extracted from the Mine and that have not been sold to third parties. The Company has evaluated the variable interest entity consolidation requirements with respect to this transaction and has determined that it is not the primary beneficiary, as it does not have the power to direct any of the activities that most significantly impact Koidu's economic performance.

The Company also provided financing of $3,050,000, $8,015,000 and $6,605,000 during the years ended January 31, 2014, 2013 and 2012 to other diamond mining and exploration companies.

Contractual Cash Obligations and Contingent Funding Commitments

At January 31, 2014, the Company's contractual cash obligations and contingent funding commitments were for inventory purchases of $421,183,000 (which includes the $200,000,000 obligation discussed in Diamond Sourcing Activities above), as well as for other contractual obligations of $81,929,000 (primarily for fixed royalty commitments, construction-in-progress and packaging supplies).

Litigation

Arbitration Award. On December 21, 2013, an award was issued (the "Arbitration Award") in favor of The Swatch Group Ltd. ("Swatch") and its wholly-owned subsidiary Tiffany Watch Co. ("Watch Company"; Swatch and Watch Company, together, the "Swatch Parties") in an arbitration proceeding (the "Arbitration") between the Registrant and its wholly-owned subsidiaries, Tiffany and Company and Tiffany (NJ) Inc. (the Registrant and such subsidiaries, together, the "Tiffany Parties") and the Swatch Parties.

The Arbitration was initiated in June 2011 by the Swatch Parties, who sought damages for alleged breach of agreements entered into, by and among the Swatch Parties and the Tiffany Parties in December 2007 (the "Agreements"). The Agreements pertained to the development and commercialization of a watch business and, among other things, contained various licensing and governance provisions and approval requirements relating to business, marketing and branding plans and provisions allocating profits relating to sales of the watch business between the Swatch Parties and the Tiffany Parties.

In general terms, the Swatch Parties alleged that the Tiffany Parties breached the Agreements by obstructing and delaying development of Watch Company's business and otherwise failing to proceed in good faith. The Swatch Parties sought damages based on alternate theories ranging from CHF 73,000,000 (or approximately $81,000,000 at January 31, 2014) (based on its alleged wasted investment) to CHF 3,800,000,000 (or approximately $4,200,000,000 at January 31, 2014) (calculated based on alleged future lost profits of the Swatch Parties and their affiliates over the entire term of the Agreements).

The Registrant believes that the claims of the Swatch Parties are without merit. In the Arbitration, the Tiffany Parties defended against the Swatch Parties' claims vigorously, disputing both the merits of the claims and the calculation of the alleged damages. The Tiffany Parties also asserted counterclaims for damages attributable to breach by the Swatch Parties, stemming from the Swatch Parties' September 12, 2011 public issuance of a Notice of Termination purporting to terminate the Agreements due to alleged material breach by the Tiffany Parties, and for termination due to such breach. In general terms, the Tiffany Parties alleged that the Swatch Parties did not have grounds for termination, failed to meet the high standard for proving material breach set forth in the Agreements and failed to provide appropriate management, distribution, marketing and other resources for TIFFANY & CO. brand watches and to honor their contractual obligations to the Tiffany Parties regarding brand management. The Tiffany Parties' counterclaims sought damages based on alternate theories ranging from CHF 120,000,000 (or approximately $133,000,000 at January 31, 2014) (based on its wasted investment) to approximately CHF 540,000,000 (or approximately $598,000,000 at January 31, 2014) (calculated based on alleged future lost profits of the Tiffany Parties).

The Arbitration hearing was held in October 2012 before a three-member arbitral panel convened in the Netherlands pursuant to the Arbitration Rules of the Netherlands Arbitration Institute (the "Rules"), and the Arbitration record was completed in February 2013.

Under the terms of the Arbitration Award, and at the request of the Swatch Parties and the Tiffany Parties, the Agreements were deemed terminated as of March 1, 2013. Pursuant to the Arbitration Award, the Tiffany Parties were ordered to pay the Swatch Parties damages of CHF 402,737,000 (the "Arbitration Damages"), as well as interest from June 30, 2012 to the date of payment, two-thirds of the cost of the

Arbitration and two-thirds of the Swatch Parties' legal fees, expenses and costs. These amounts were paid in full in January 2014.

Additionally, in connection with the Arbitration Award, the Company amended the terms of certain credit facilities and Unsecured Senior Note agreements. See "Item 8. Financial Statements and Supplementary Data - Note H - Debt" for additional details of these amendments.

Prior to the ruling of the arbitral panel, no accrual was established in the Company's consolidated financial statements because management did not believe the likelihood of an award of damages to the Swatch Parties was probable. As a result of the ruling, in the fourth quarter of 2013, the Company recorded a charge of $480,211,000, which includes the damages, interest, and other costs associated with the ruling and which has been classified as Arbitration award expense in the consolidated statement of earnings.

On March 31, 2014, the Tiffany Parties took action in the courts of the Netherlands to annul the Arbitration Award. Generally, arbitration awards are final; however, Dutch law does provide for limited grounds on which arbitral awards may be set aside. The Tiffany Parties have petitioned to annul the Arbitration Award on these statutory grounds. These grounds include, for example, that the arbitral tribunal violated its mandate by changing the express terms of the Agreements.

Management expects that the annulment action will not be ultimately resolved for at least two years; however, if the Arbitration Award is finally annulled, management anticipates that the claims and counterclaims that formed the basis of the Arbitration, and potentially additional claims and counterclaims, will be litigated in court proceedings between and among the Swatch Parties and the Tiffany Parties. The identity and location of the courts that would hear such actions cannot be determined at this time.

In any such litigation, issues of liability and damages will be pled and determined without regard to the findings of the arbitral panel. As such, it is possible that the court could find that the Swatch Parties were in material breach of their obligations under the Agreements, that the Tiffany Parties were in material breach of their obligations under the Agreements or that neither the Swatch Parties nor the Tiffany Parties were in material breach. If the Swatch Parties’ claims of liability were accepted by the court, the damages award cannot be reasonably estimated at this time, but could exceed the Arbitration Damages and could have a material adverse effect on the Registrant’s consolidated financial statements or liquidity.

Management has not established any accrual in the Company's consolidated financial statements for the year ended January 31, 2014 related to the annulment process or any potential subsequent litigation because it does not believe that an annulment of the Arbitration Award and the subsequent award of damages exceeding the Arbitration Damages is probable.

Royalties payable to the Tiffany Parties by Watch Company under the Agreements were not significant in any year and watches manufactured by Watch Company and sold in TIFFANY & CO. stores constituted 1% of worldwide net sales in 2013, 2012 and 2011.

The Company is proceeding with plans to design, produce, market and distribute TIFFANY & CO. brand watches through a Swiss subsidiary. The effective development and growth of this watch business will require additional resources and will involve risks and uncertainties.

Other Matters. The Company is from time to time involved in routine litigation incidental to the conduct of its business, including proceedings to protect its trademark rights, litigation with parties claiming infringement of patents and other intellectual property rights by the Company, litigation instituted by persons alleged to have been injured upon premises under the Company's control and litigation with present and former employees and customers. Although litigation with present and former employees is

routine and incidental to the conduct of the Company'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. However, the Company believes that litigation currently pending to which it is a party or to which its properties are subject will be resolved without any material adverse effect on the Company's financial position, earnings or cash flows.

Other

In the first quarter of 2013, the Company implemented specific cost-reduction initiatives and recorded $9,379,000 of expense within SG&A expenses. These cost-reduction initiatives included severance related to staffing reductions (all of which was paid by the end of the third quarter of 2013) and subleasing of certain office space for which only a portion of the Company's future rent obligations will be recovered.

FORM 10-K

L. RELATED PARTIES

The Company's Chairman of the Board and Chief Executive Officer is a member of the Board of Directors of The Bank of New York Mellon, which serves as the Company's lead bank for its Credit Facilities, provides other general banking services and serves as the trustee and an investment manager for the Company's pension plan. Fees paid to the bank for services rendered and interest on debt amounted to $1,569,000, $1,658,000 and $1,526,000 in 2013, 2012 and 2011.

M. STOCKHOLDERS' EQUITY

Accumulated Other Comprehensive Loss

	January 31,	
(in thousands)	2014	2013
Accumulated other comprehensive earnings (loss), net of tax:		
Foreign currency translation adjustments	$ 16,846	$ 44,064
Unrealized gain on marketable securities	2,677	1,849
Deferred hedging loss	(6,607)	(3,207)
Net unrealized loss on benefit plans	(71,464)	(136,581)
	$ (58,548)	$ (93,875)

FORM 10-K

Additions to and reclassifications out of accumulated other comprehensive earnings are as follows:

	Years Ended January 31,		
(in thousands)	2014	2013	2012
Foreign currency translation adjustments	$ (31,742)	$ (11,567)	$ 9,997
Income tax benefit (expense)	4,524	6,422	(2,203)
Foreign currency adjustments, net of tax	(27,218)	(5,145)	7,794
Unrealized gain (loss) on marketable securities	1,234	2,640	(73)
Reclassification for loss included in net earnings [a]	—	6	54
Income tax (expense) benefit	(406)	(927)	7
Unrealized gain (loss) on marketable securities, net of tax	828	1,719	(12)
Unrealized gain (loss) on hedging instruments	8,716	(4,439)	(17,951)
Reclassification adjustment for (gain) loss included in net earnings [b]	(13,950)	12,168	5,901
Income tax benefit (expense)	1,834	(2,207)	4,513
Unrealized (loss) gain on hedging instruments, net of tax	(3,400)	5,522	(7,537)
Net actuarial gain (loss)	86,310	(34,520)	(125,814)
Amortization of net loss included in net earnings [c]	19,217	15,993	7,042
Amortization of prior service cost included in net earnings [c]	313	356	406
Income tax (expense) benefit	(40,723)	7,330	45,556
Net unrealized gain (loss) on benefit plans, net of tax	65,117	(10,841)	(72,810)
Total other comprehensive earnings (loss), net of tax	$ 35,327	$ (8,745)	$ (72,565)

[a] These losses are reclassified into Other income, net.

[b] These (gains) losses are reclassified into Interest expense and financing costs and Cost of sales (see "Note I - Hedging Instruments" for additional details).

[c] These accumulated other comprehensive income components are included in the computation of net periodic pension costs (see "Note O - Employee Benefit Plans" for additional details).

Stock Repurchase Program

In January 2011, the Company's Board of Directors approved a stock repurchase program ("2011 Program") and terminated a previously existing program. The 2011 Program authorized the Company to repurchase up to $400,000,000 of its Common Stock through open market or private transactions. The timing of repurchases and the actual number of shares to be repurchased depended on a variety of discretionary factors such as stock price, cash-flow forecasts and other market conditions. The Company suspended share repurchases during the second quarter of 2012. In January 2013, the Board of Directors extended the expiration date of the 2011 Program to January 31, 2014. The 2011 Program expired on January 31, 2014.

The Company's share repurchase activity was as follows:

	Years Ended January 31,		
(in thousands, except per share amounts)	2014	2013	2012
Cost of repurchases	$ —	$ 54,107	$ 174,118
Shares repurchased and retired	—	813	2,629
Average cost per share	$ —	$ 66.54	$ 66.23

In March 2014 the Company's Board of Directors approved a new stock repurchase program (the "2014 Program") which authorizes the Company to repurchase up to $300,000,000 of its Common Stock through open market transactions. Purchases are discretionary and will be made from time to time based on market conditions and the Company's liquidity needs. The program will expire on March 31, 2017.

Cash Dividends

The Company's Board of Directors declared quarterly dividends which, on an annual basis, totaled $1.34, $1.25 and $1.12 per share of Common Stock in 2013, 2012 and 2011.

On February 20, 2014, the Company's Board of Directors declared a quarterly dividend of $0.34 per share of Common Stock. This dividend will be paid on April 10, 2014 to stockholders of record on March 20, 2014.

N. STOCK COMPENSATION PLANS

The Company has two stock compensation plans under which awards may be made: the Employee Incentive Plan and the Directors Option Plan, both of which were approved by the stockholders. No award may be made under the Employee Incentive Plan after April 30, 2015 or under the Directors Option Plan after May 15, 2018.

Under the Employee Incentive Plan, the maximum number of common shares authorized for issuance was 13,500,000, as amended (subject to adjustment). Awards may be made to employees of the Company or its related companies in the form of stock options, stock appreciation rights, shares of stock (or rights to receive shares of stock) and cash. Awards of shares (or rights to receive shares) reduce the above authorized amount by 1.58 shares for every share delivered pursuant to such an award. Awards made in the form of non-qualified stock options, tax-qualified incentive stock options or stock appreciation rights have a maximum term of 10 years from the grant date and may not be granted for an exercise price below fair market value.

The Company has granted time-vesting restricted stock units ("RSUs"), performance-based restricted stock units ("PSUs") and stock options under the Employee Incentive Plan. Stock options vest primarily in increments of 25% per year over four years. RSUs and PSUs issued to the executive officers vest at the end of a three-year period. RSUs issued to other management employees vest primarily in increments of 25% per year over a four-year period. Vesting of all PSUs is contingent on the Company's performance against pre-set objectives established by the Compensation Committee of the Company's Board of Directors. The PSUs and RSUs require no payment from the employee. PSU and RSU payouts will be in shares of Company stock at vesting. Compensation expense is recognized using the fair market value at the date of grant and recorded ratably over the vesting period. However, PSU compensation expense may be adjusted over the vesting period based on interim estimates of performance against the pre-set objectives. Award holders are not entitled to receive dividends on unvested stock options, PSUs or RSUs.

Under the Directors Option Plan, the maximum number of shares of Common Stock authorized for issuance was 1,000,000 (subject to adjustment); awards may be made to non-employee directors of the Company in the form of stock options or shares of stock but may not exceed 25,000 (subject to adjustment) shares per non-employee director in any fiscal year. Awards of shares (or rights to receive shares) reduce the above authorized amount by 1.58 shares for every share delivered pursuant to such an award. Awards made in the form of stock options may have a maximum term of 10 years from the grant date and may not be granted for an exercise price below fair market value unless the director has agreed to forego all or a portion of his or her annual cash retainer or other fees for service as a director in exchange for below-market exercise price options. Director options vest immediately. Director RSUs vest over a one-year period.

The Company uses newly-issued shares to satisfy stock option exercises and the vesting of PSUs and RSUs.

The fair value of each option award is estimated on the grant date using a Black-Scholes option valuation model and compensation expense is recognized ratably over the vesting period. The valuation model uses the assumptions noted in the following table. Expected volatilities are based on historical volatility of the Company's stock. The Company uses historical data to estimate the expected term of the option that represents the period of time that options granted are expected to be outstanding. The risk-free interest rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the grant date.

	Years Ended January 31,		
	2014	2013	2012
Dividend yield	1.2%	1.6%	1.4%
Expected volatility	39.6%	42.2%	40.0%
Risk-free interest rate	1.4%	1.0%	1.5%
Expected term in years	5	6	6

A summary of the option activity for the Company's stock option plans is presented below:

	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term in Years	Aggregate Intrinsic Value *(in thousands)*
Outstanding at January 31, 2013	2,972,289	$ 45.68	6.17	$ 60,402
Granted	323,211	86.98		
Exercised	(939,894)	34.91		
Forfeited/canceled	(33,461)	57.04		
Outstanding at January 31, 2014	2,322,145	$ 55.63	6.62	$ 65,033
Exercisable at January 31, 2014	1,490,688	$ 46.55	5.39	$ 54,304

The weighted-average grant-date fair value of options granted for the years ended January 31, 2014, 2013 and 2012 was $29.11, $21.78 and $22.46. The total intrinsic value (market value on date of exercise less grant price) of options exercised during the years ended January 31, 2014, 2013 and 2012 was $39,542,000, $14,359,000 and $65,268,000.

A summary of the activity for the Company's RSUs is presented below:

	Number of Shares	Weighted-Average Grant-Date Fair Value
Non-vested at January 31, 2013	867,454	$ 53.05
Granted	323,783	68.66
Vested	(367,296)	45.02
Forfeited	(81,639)	57.93
Non-vested at January 31, 2014	742,302	$ 63.33

A summary of the activity for the Company's PSUs is presented below:

	Number of Shares	Weighted-Average Grant-Date Fair Value
Non-vested at January 31, 2013	988,818	$ 53.14
Granted	182,200	83.73
Vested	(148,960)	41.38
Forfeited/canceled	(143,020)	44.46
Non-vested at January 31, 2014	879,038	$ 63.27

The weighted-average grant-date fair value of RSUs granted for the years ended January 31, 2013 and 2012 was $66.18 and $57.89. The weighted-average grant-date fair value of PSUs granted for the years ended January 31, 2013 and 2012 was $59.85 and $57.34.

As of January 31, 2014, there was $70,164,000 of total unrecognized compensation expense related to non-vested share-based compensation arrangements granted under the Employee Incentive Plan and Directors Option Plan. The expense is expected to be recognized over a weighted-average period of 2.7 years. The total fair value of RSUs vested during the years ended January 31, 2014, 2013 and 2012 was $26,497,000, $21,752,000 and $21,333,000. The total fair value of PSUs vested during the years ended January 31, 2014, 2013 and 2012 was $10,192,000, $20,340,000 and $193,000.

Total compensation cost for stock-based compensation awards recognized in income and the related income tax benefit was $32,188,000 and $11,434,000 for the year ended January 31, 2014, $26,938,000 and $9,541,000 for the year ended January 31, 2013 and $30,447,000 and $11,073,000 for the year ended January 31, 2012. Total stock-based compensation cost capitalized in inventory was not significant.

O. EMPLOYEE BENEFIT PLANS

Pensions and Other Postretirement Benefits

The Company maintains the following pension plans: a noncontributory defined benefit pension plan qualified in accordance with the Internal Revenue Service Code ("Qualified Plan") covering substantially all U.S. employees hired before January 1, 2006, a non-qualified unfunded retirement income plan ("Excess Plan") covering certain employees affected by Internal Revenue Service Code compensation limits, a non-qualified unfunded Supplemental Retirement Income Plan ("SRIP") covering executive officers of the Company and a noncontributory defined benefit pension plan ("Japan Plan") covering substantially all employees of Tiffany and Company Japan Inc.

Qualified Plan benefits are based on (i) average compensation in the highest paid five years of the last 10 years of employment ("average final compensation") and (ii) the number of years of service. Participants with at least 10 years of service who retire after attaining age 55 may receive reduced retirement benefits. The Company funds the Qualified Plan's trust in accordance with regulatory limits to provide for current service and for the unfunded benefit obligation over a reasonable period and for current service benefit accruals. The Company made a $30,000,000 cash contribution to the Qualified Plan in 2013 and plans to contribute approximately $30,000,000 in 2014. However, this expectation is subject to change based on asset performance being significantly different than the assumed long-term rate of return on pension assets.

The Qualified Plan excludes all employees hired on or after January 1, 2006. Instead, employees hired on or after January 1, 2006 will be eligible to receive a defined contribution retirement benefit under the Employee Profit Sharing and Retirement Savings ("EPSRS") Plan (see "Employee Profit Sharing and Retirement Savings Plan" below). Employees hired before January 1, 2006 will continue to be eligible for and accrue benefits under the Qualified Plan.

The Excess Plan uses the same retirement benefit formula set forth in the Qualified Plan, but includes earnings that are excluded under the Qualified Plan due to Internal Revenue Service Code qualified pension plan limitations. Benefits payable under the Qualified Plan offset benefits payable under the Excess Plan. Employees vested under the Qualified Plan are vested under the Excess Plan; however, benefits under the Excess Plan are subject to forfeiture if employment is terminated for cause and, for those who leave the Company prior to age 65, if they fail to execute and adhere to noncompetition and confidentiality covenants. The Excess Plan allows participants with at least 10 years of service who retire after attaining age 55 to receive reduced retirement benefits.

The SRIP supplements the Qualified Plan, Excess Plan and Social Security by providing additional payments upon a participant's retirement. SRIP benefits are determined by a percentage of average final compensation; this percentage increases as specified service plateaus are achieved. Benefits payable under the Qualified Plan, Excess Plan and Social Security offset benefits payable under the SRIP. Under the SRIP, benefits vest when a participant both (i) attains age 55 while employed by the Company and (ii) has provided at least 10 years of service. Early vesting can occur on a change in control. In January 2009, the SRIP was amended to limit the circumstances in which early vesting can occur due to a change in control. Benefits under the SRIP are forfeited if benefits under the Excess Plan are forfeited.

Japan Plan benefits are based on monthly compensation and the number of years of service. Benefits are payable in a lump sum upon retirement, termination, resignation or death if the participant has completed at least three years of service.

The Company accounts for pension expense using the projected unit credit actuarial method for financial reporting purposes. The actuarial present value of the benefit obligation is calculated based on the expected date of separation or retirement of the Company's eligible employees.

The Company provides certain health-care and life insurance benefits ("Other Postretirement Benefits") for retired employees and accrues the cost of providing these benefits throughout the employees' active service period until they attain full eligibility for those benefits. Substantially all of the Company's U.S. full-time employees, hired on or before March 31, 2012, may become eligible for these benefits if they reach normal or early retirement age while working for the Company. The cost of providing postretirement health-care benefits is shared by the retiree and the Company, with retiree contributions evaluated annually and adjusted in order to maintain the Company/retiree cost-sharing target ratio. The life insurance benefits are noncontributory. The Company's employee and retiree health-care benefits are administered by an insurance company, and premiums on life insurance are based on prior years' claims experience.

Obligations and Funded Status

The following tables provide a reconciliation of benefit obligations, plan assets and funded status of the plans as of the measurement date:

	January 31,			
	Pension Benefits		Other Postretirement Benefits	
(in thousands)	2014	2013	2014	2013
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 631,538	$ 548,641	$ 65,723	$ 61,835
Service cost	19,127	18,058	2,791	2,382
Interest cost	27,005	26,796	2,762	2,839
Participants' contributions	—	—	1,638	1,632
MMA retiree drug subsidy	—	—	97	131
Actuarial (gain) loss	(40,130)	59,910	(15,131)	442
Benefits paid	(19,794)	(18,770)	(3,157)	(3,538)
Translation	(1,876)	(3,097)	—	—
Benefit obligation at end of year	615,870	631,538	54,723	65,723
Change in plan assets:				
Fair value of plan assets at beginning of year	331,181	266,734	—	—
Actual return on plan assets	53,276	46,174	—	—
Employer contribution	32,767	37,043	1,422	1,775
Participants' contributions	—	—	1,638	1,632
MMA retiree drug subsidy	—	—	97	131
Benefits paid	(19,794)	(18,770)	(3,157)	(3,538)
Fair value of plan assets at end of year	397,430	331,181	—	—
Funded status at end of year	$ (218,440)	$ (300,357)	$ (54,723)	$ (65,723)

The following tables provide additional information regarding the Company's pension plans' projected benefit obligations and assets (included in pension benefits in the table above) and accumulated benefit obligation:

	January 31, 2014			
(in thousands)	Qualified	Excess/SRIP	Japan	Total
Projected benefit obligation	$ 501,178	$ 99,380	$ 15,312	$ 615,870
Fair value of plan assets	397,430	—	—	397,430
Funded status	$ (103,748)	$ (99,380)	$ (15,312)	$ (218,440)
Accumulated benefit obligation	$ 450,255	$ 70,847	$ 12,814	$ 533,916

FORM 10-K

	January 31, 2013			
(in thousands)	Qualified	Excess/SRIP	Japan	Total
Projected benefit obligation	$ 509,538	$ 105,503	$ 16,497	$ 631,538
Fair value of plan assets	331,181	—	—	331,181
Funded status	$ (178,357)	$ (105,503)	$ (16,497)	$ (300,357)
Accumulated benefit obligation	$ 457,363	$ 70,573	$ 13,820	$ 541,756

At January 31, 2014, the Company had a current liability of $5,051,000 and a non-current liability of $268,112,000 for pension and other postretirement benefits. At January 31, 2013, the Company had a current liability of $4,834,000 and a non-current liability of $361,246,000 for pension and other postretirement benefits.

Amounts recognized in accumulated other comprehensive loss consist of:

	January 31,			
	Pension Benefits		Other Postretirement Benefits	
(in thousands)	2014	2013	2014	2013
Net actuarial loss (gain)	$ 124,542	$ 214,725	$ (2,477)	$ 12,867
Prior service cost (credit)	661	1,633	(4,398)	(5,057)
Total before tax	$ 125,203	$ 216,358	$ (6,875)	$ 7,810

The estimated pre-tax amount that will be amortized from accumulated other comprehensive loss into net periodic benefit cost within the next 12 months is as follows:

(in thousands)	Pension Benefits	Other Postretirement Benefits
Net actuarial loss	$ 13,607	$ 30
Prior service cost (credit)	240	(673)
	$ 13,847	$ (643)

FORM 10-K

Components of Net Periodic Benefit Cost and
Other Amounts Recognized in Other Comprehensive Earnings

	Years Ended January 31,					
	Pension Benefits			Other Postretirement Benefits		
(in thousands)	2014	2013	2012	2014	2013	2012
Service cost	$ 19,127	$ 18,058	$ 14,105	$ 2,791	$ 2,382	$ 2,198
Interest cost	27,005	26,796	25,321	2,762	2,839	3,101
Expected return on plan assets	(22,240)	(20,416)	(18,716)	—	—	—
Amortization of prior service cost	972	1,015	1,065	(659)	(659)	(659)
Amortization of net loss	19,010	15,964	7,026	212	29	16
Net periodic benefit cost	43,874	41,417	28,801	5,106	4,591	4,656
Net actuarial (gain) loss	(71,179)	34,080	116,703	(15,131)	440	9,111
Recognized actuarial loss	(19,005)	(15,964)	(7,026)	(212)	(29)	(16)
Recognized prior service (cost) credit	(972)	(1,015)	(1,065)	659	659	659
Total recognized in other comprehensive earnings	(91,156)	17,101	108,612	(14,684)	1,070	9,754
Total recognized in net periodic benefit cost and other comprehensive earnings	$ (47,282)	$ 58,518	$137,413	$ (9,578)	$ 5,661	$ 14,410

Assumptions

Weighted-average assumptions used to determine benefit obligations:

	January 31,	
	2014	2013
Discount rate:		
Qualified Plan	4.75%	4.50%
Excess Plan/SRIP	5.00%	4.50%
Japan Plan	1.25%	1.25%
Other Postretirement Benefits	5.00%	4.50%
Rate of increase in compensation:		
Qualified Plan	2.75%	2.75%
Excess Plan	4.25%	4.25%
SRIP	7.25%	7.25%
Japan Plan	1.00%	1.00%

Weighted-average assumptions used to determine net periodic benefit cost:

	Years Ended January 31,		
	2014	2013	2012
Discount rate:			
Qualified Plan	4.50%	5.00%	6.00%
Excess Plan/SRIP	4.50%	5.00%	6.00%
Japan Plan	1.25%	1.50%	1.75%
Other Postretirement Benefits	4.50%	5.25%	6.25%
Expected return on plan assets	7.50%	7.50%	7.50%
Rate of increase in compensation:			
Qualified Plan	2.75%	2.75%	3.50%
Excess Plan	4.25%	4.25%	5.00%
SRIP	7.25%	7.25%	8.00%
Japan Plan	1.00%	1.00%	1.25%

The expected long-term rate of return on Qualified Plan assets is selected by taking into account the average rate of return expected on the funds invested or to be invested to provide for benefits included in the projected benefit obligation. More specifically, consideration is given to the expected rates of return (including reinvestment asset return rates) based upon the plan's current asset mix, investment strategy and the historical performance of plan assets.

For postretirement benefit measurement purposes, 7.00% (for pre-age 65 retirees) and 6.25% (for post-age 65 retirees) annual rates of increase in the per capita cost of covered health care were assumed for 2014. The rates were assumed to decrease gradually to 4.75% by 2020 and remain at that level thereafter.

Assumed health-care cost trend rates affect amounts reported for the Company's postretirement health-care benefits plan. A one-percentage-point change in the assumed health-care cost trend rate would not have a significant effect on the Company's accumulated postretirement benefit obligation or the aggregate service and interest cost components of the 2013 postretirement expense.

Plan Assets

The Company's investment objectives, related to the Qualified Plan's assets, are the preservation of principal and the achievement of a reasonable rate of return over time. The Qualified Plan's assets are allocated based on an expectation that equity securities will outperform debt securities over the long term. The Company's target asset allocations are as follows: 60% - 70% in equity securities; 20% - 30% in fixed income securities; and 5% - 15% in other securities. The Company attempts to mitigate investment risk by rebalancing asset allocation periodically.

The fair value of the Qualified Plan's assets at January 31, 2014 and 2013 by asset category is as follows:

(in thousands)	Fair Value at January 31, 2014	Fair Value Measurements Using Inputs Considered as*		
		Level 1	Level 2	Level 3
Equity securities:				
Common/collective trusts [a]	$ 293,484	$ —	$ 293,484	$ —
Fixed income securities:				
Government bonds	28,773	24,428	4,345	—
Corporate bonds	28,318	—	28,318	—
Mortgage obligations	32,457	—	32,457	—
Other types of investments:				
Limited partnerships	14,398	—	—	14,398
	$ 397,430	$ 24,428	$ 358,604	$ 14,398

(in thousands)	Fair Value at January 31, 2013	Fair Value Measurements Using Inputs Considered as*		
		Level 1	Level 2	Level 3
Equity securities:				
Common/collective trusts [a]	$ 231,544	$ —	$ 231,544	$ —
Fixed income securities:				
Government bonds	30,320	25,374	4,946	—
Corporate bonds	24,429	—	24,429	—
Mortgage obligations	30,233	—	30,233	—
Other types of investments:				
Limited partnerships	14,655	—	—	14,655
	$ 331,181	$ 25,374	$ 291,152	$ 14,655

* See Note J - Fair Value of Financial Instruments for a description of the levels of inputs.

[a] Common/collective trusts include investments in U.S. and international large, middle and small capitalization equities.

The changes in fair value of the Qualified Plan's Level 3 assets is as follows:

(in thousands)	Limited partnerships
January 31, 2012	$ 11,564
Unrealized gain, net	1,795
Realized loss, net	(1,270)
Purchases	3,793
Settlements	(1,227)
January 31, 2013	14,655
Unrealized loss, net	(313)
Realized gain, net	1,643
Purchases	1,856
Settlements	(3,443)
January 31, 2014	$ 14,398

FORM 10-K

Valuation Techniques

Investments in common/collective trusts are stated at estimated fair value which represents the net asset value of shares held by the Qualified Plan as reported by the investment advisor. Investments in limited partnerships are valued at estimated fair value based on financial information received from the investment advisor and/or general partner. The net asset value is based on the value of the underlying assets owned by the fund, minus its liabilities and then divided by the number of shares outstanding.

Securities traded on the national securities exchange (certain government bonds) are valued at the last reported sales price or closing price on the last business day of the fiscal year. Investments traded in the over-the-counter market and listed securities for which no sales were reported (certain government bonds, corporate bonds and mortgage obligations) are valued at the last reported bid price.

Benefit Payments

The Company expects the following future benefit payments to be paid:

Years Ending January 31,	Pension Benefits *(in thousands)*	Other Postretirement Benefits *(in thousands)*
2015	$ 20,468	$ 1,966
2016	20,223	1,934
2017	21,280	1,883
2018	23,342	1,888
2019	24,357	1,895
2020-2024	147,421	10,477

Employee Profit Sharing and Retirement Savings ("EPSRS") Plan

The Company maintains an EPSRS Plan that covers substantially all U.S.-based employees. Under the profit-sharing feature of the EPSRS Plan, the Company makes contributions, in the form of newly-issued Company Common Stock, to the employees' accounts based on the achievement of certain targeted earnings objectives established by, or as otherwise determined by, the Company's Board of Directors. The Company recorded expense of $3,925,000 in 2013, recorded no expense in 2012 and recorded expense

of $3,150,000 in 2011. Under the retirement savings feature of the EPSRS Plan, employees who meet certain eligibility requirements may participate by contributing up to 50% of their annual compensation beginning in 2012, not to exceed Internal Revenue Service limits, and the Company may provide up to a 50% matching cash contribution up to 6% of each participant's total compensation. The Company recorded expense of $7,088,000, $7,278,000 and $6,968,000 in 2013, 2012 and 2011. Contributions to both features of the EPSRS Plan are made in the following year.

Under the profit-sharing feature of the EPSRS Plan, the Company's stock contribution is required to be maintained in such stock until the employee has two or more years of service, at which time the employee may diversify his or her Company stock account into other investment options provided under the plan. Under the retirement savings portion of the EPSRS Plan, the employees have the ability to elect to invest their contribution and the matching contribution in Company stock. At January 31, 2014, investments in Company stock represented 26% of total EPSRS Plan assets.

The EPSRS Plan provides a defined contribution retirement benefit ("DCRB") to eligible employees hired on or after January 1, 2006. Under the DCRB, the Company makes contributions each year to each employee's account at a rate based upon age and years of service. These contributions are deposited into individual accounts in each employee's name to be invested in a manner similar to the retirement savings portion of the EPSRS Plan. The Company recorded expense of $3,640,000, $3,387,000 and $2,926,000 in 2013, 2012 and 2011.

Deferred Compensation Plan

The Company has a non-qualified deferred compensation plan for directors, executives and certain management employees, whereby eligible participants may defer a portion of their compensation for payment at specified future dates, upon retirement, death or termination of employment. The deferred compensation is adjusted to reflect performance, whether positive or negative, of selected investment options chosen by each participant during the deferral period. The amounts accrued under the plans were $27,828,000 and $24,463,000 at January 31, 2014 and 2013, and are reflected in other long-term liabilities. The Company does not promise or guarantee any rate of return on amounts deferred.

P. INCOME TAXES

Earnings from operations before income taxes consisted of the following:

	Years Ended January 31,		
(in thousands)	2014	2013	2012
United States	$ 65,164	$ 510,853	$ 448,780
Foreign	189,702	132,723	216,171
	$ 254,866	$ 643,576	$ 664,951

The settlement of the Arbitration Award, as discussed in "Note K - Commitments and Contingencies", resulted in a significant change in the composition of geographical earnings from operations for the year ended January 31, 2014. This change resulted in a lower effective tax rate for the year ended January 31, 2014 because of lower tax rates on foreign earnings.

Components of the provision for income taxes were as follows:

	Years Ended January 31,		
(in thousands)	2014	2013	2012
Current:			
Federal	$ 39,028	$ 167,462	$ 181,935
State	9,897	28,461	35,109
Foreign	52,427	50,778	59,485
	101,352	246,701	276,529
Deferred:			
Federal	(28,640)	378	(49,746)
State	(2,265)	223	(447)
Foreign	3,050	(19,883)	(575)
	(27,855)	(19,282)	(50,768)
	$ 73,497	$ 227,419	$ 225,761

Reconciliations of the provision for income taxes at the statutory Federal income tax rate to the Company's effective income tax rate were as follows:

	Years Ended January 31,		
	2014	2013	2012
Statutory Federal income tax rate	35.0%	35.0%	35.0%
State income taxes, net of Federal benefit	2.0	3.0	3.3
Foreign losses with no tax benefit	1.3	0.5	0.2
Undistributed foreign earnings	(7.8)	(3.4)	(4.0)
Net change in uncertain tax positions	0.5	0.9	0.3
Domestic manufacturing deduction	(2.5)	(1.4)	(1.6)
Other	0.3	0.7	0.8
	28.8%	35.3%	34.0%

The Company has the intent to indefinitely reinvest any undistributed earnings of primarily all foreign subsidiaries. As of January 31, 2014 and 2013, the Company has not provided deferred taxes on approximately $542,000,000 and $474,000,000 of undistributed earnings. Generally, such amounts become subject to U.S. taxation upon the remittance of dividends and under certain other circumstances. U.S. Federal income taxes of approximately $98,000,000 and $87,000,000 would be incurred if these earnings were distributed.

Deferred tax assets (liabilities) consisted of the following:

	January 31,	
(in thousands)	2014	2013
Deferred tax assets:		
Pension/postretirement benefits	$ 106,585	$ 131,974
Accrued expenses	38,141	28,637
Share-based compensation	22,719	25,252
Depreciation	52,530	49,159
Amortization	11,305	11,711
Foreign and state net operating losses	27,806	27,976
Sale-leaseback	47,900	57,955
Inventory	66,227	59,071
Financial hedging instruments	14,141	13,824
Unearned income	11,407	11,022
Other	37,052	31,308
	435,813	447,889
Valuation allowance	(17,693)	(14,181)
	418,120	433,708
Deferred tax liabilities:		
Foreign tax credit	(40,246)	(47,913)
Net deferred tax asset	$ 377,874	$ 385,795

The Company has recorded a valuation allowance against certain deferred tax assets related to state and foreign net operating loss carryforwards where management has determined it is more likely than not that deferred tax assets will not be realized in the future. The overall valuation allowance relates to tax loss carryforwards and temporary differences for which no benefit is expected to be realized. Tax loss carryforwards of approximately $7,000,000 and $108,000,000 exist in certain state and foreign jurisdictions. Whereas some of these tax loss carryforwards do not have an expiration date, others expire at various times from 2014 through 2034.

The following table reconciles the unrecognized tax benefits:

	January 31,		
(in thousands)	2014	2013	2012
Unrecognized tax benefits at beginning of year	$ 28,217	$ 25,509	$ 32,273
Gross increases – tax positions in prior period	345	4,426	1,365
Gross decreases – tax positions in prior period	(391)	(1,713)	(6,480)
Gross increases – tax positions in current period	115	156	312
Settlements	(284)	—	(1,760)
Lapse of statute of limitations	(376)	(161)	(201)
Unrecognized tax benefits at end of year	$ 27,626	$ 28,217	$ 25,509

Included in the balance of unrecognized tax benefits at January 31, 2014, 2013 and 2012 are $18,748,000, $17,564,000 and $12,998,000 of tax benefits that, if recognized, would affect the effective income tax rate.

The Company recognizes interest expense and penalties related to unrecognized tax benefits within the provision for income taxes. During the years ended January 31, 2014, 2013 and 2012, the Company recognized approximately $1,874,000, $650,000 and $3,924,000 of expense associated with interest and penalties. Accrued interest and penalties are included within accounts payable and accrued liabilities and other long-term liabilities, and were $9,752,000 and $7,878,000 at January 31, 2014 and 2013.

The Company is subject to taxation in the U.S. and various state and foreign jurisdictions. As a matter of course, various taxing authorities regularly audit the Company. The Company's tax filings are currently being examined by a number of tax authorities in various jurisdictions. Ongoing audits where subsidiaries have a material presence include New York City (tax years 2009–2010), as well as an audit that is being conducted by the Internal Revenue Service (tax years 2006–2009). Tax years from 2006–present are open to examination in U.S. Federal and various state, local and foreign jurisdictions. The Company believes that its tax positions comply with applicable tax laws and that it has adequately provided for these matters. However, the audits may result in proposed assessments where the ultimate resolution may result in the Company owing additional taxes. Management anticipates that it is reasonably possible that the total gross amount of unrecognized tax benefits will decrease by approximately $20,000,000 in the next 12 months, a portion of which may affect the effective tax rate; however, management does not currently anticipate a significant effect on net earnings. Future developments may result in a change in this assessment.

Q. SEGMENT INFORMATION

The Company's products are primarily sold in TIFFANY & CO. retail locations around the world. Net sales by geographic area are presented by attributing revenues from external customers on the basis of the country in which the merchandise is sold.

In deciding how to allocate resources and assess performance, the Company's Chief Operating Decision Maker regularly evaluates the performance of its reportable segments on the basis of net sales and earnings from operations, after the elimination of inter-segment sales and transfers. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies.

Certain information relating to the Company's segments is set forth below:

	Years Ended January 31,		
(in thousands)	2014	2013	2012
Net sales:			
Americas	$ 1,926,864	$ 1,839,969	$ 1,805,783
Asia-Pacific	944,676	810,420	748,214
Japan	578,571	639,185	616,505
Europe	469,784	432,167	421,141
Total reportable segments	3,919,895	3,721,741	3,591,643
Other	111,235	72,508	51,294
	$ 4,031,130	$ 3,794,249	$ 3,642,937
Earnings (losses) from operations*:			
Americas	$ 374,342	$ 345,917	$ 387,951
Asia-Pacific	244,142	188,510	205,711
Japan	215,582	204,510	184,767
Europe	101,153	90,955	105,728
Total reportable segments	935,219	829,892	884,157
Other	(649)	(6,254)	(5,247)
	$ 934,570	$ 823,638	$ 878,910

* Represents earnings (losses) from operations before (i) unallocated corporate expenses, (ii) interest expense, financing costs, and other income, net and (iii) other operating expenses.

The Company's Chief Operating Decision Maker does not evaluate the performance of the Company's assets on a segment basis for internal management reporting and, therefore, such information is not presented.

The following table sets forth a reconciliation of the segments' earnings from operations to the Company's consolidated earnings from operations before income taxes:

	Years Ended January 31,		
(in thousands)	2014	2013	2012
Earnings from operations for segments	$ 934,570	$ 823,638	$ 878,910
Unallocated corporate expenses	(140,651)	(126,421)	(127,765)
Interest expense, financing costs and other income, net	(49,463)	(53,641)	(43,475)
Other operating expense	(489,590)	—	(42,719)
Earnings from operations before income taxes	$ 254,866	$ 643,576	$ 664,951

Unallocated corporate expenses includes certain costs related to administrative support functions which the Company does not allocate to its segments. Such unallocated costs include those for centralized information technology, finance, legal and human resources departments.

Other operating expense in the year ended January 31, 2014 was related to specific cost-reduction initiatives and the Arbitration Award. Other operating expense in the year ended January 31, 2012 was related to Tiffany's relocation of its New York headquarters staff to a single location. See "Note K - Commitments and Contingencies."

Sales to unaffiliated customers and long-lived assets by geographic areas were as follows:

	Years Ended January 31,		
(in thousands)	2014	2013	2012
Net sales:			
United States	$ 1,770,731	$ 1,696,502	$ 1,687,478
Japan	578,571	639,185	616,505
Other countries	1,681,828	1,458,562	1,338,954
	$ 4,031,130	$ 3,794,249	$ 3,642,937
Long-lived assets:			
United States	$ 632,907	$ 630,805	$ 597,124
Japan	21,571	28,971	32,030
Other countries	241,951	200,480	171,014
	$ 896,429	$ 860,256	$ 800,168

Classes of Similar Products

	Years Ended January 31,		
(in thousands)	2014	2013	2012
Net sales:			
Statement, fine & solitaire jewelry	$ 930,433	$ 753,721	$ 709,706
Engagement jewelry & wedding bands	1,182,205	1,142,609	1,105,152
Fashion jewelry	1,604,231	1,567,266	1,500,796
All other	314,261	330,653	327,283
	$ 4,031,130	$ 3,794,249	$ 3,642,937

The previously disclosed designer jewelry category, of items bearing the name of and attributed to one of the Company's "named" designers: Elsa Peretti, Paloma Picasso and Frank Gehry, has been reclassified into the three remaining categories to conform with management's current internal analysis of product sales.

R. QUARTERLY FINANCIAL DATA (UNAUDITED)

	2013 Quarters Ended			
(in thousands, except per share amounts)	April 30 [a]	July 31	October 31	January 31 [b]
Net sales	$ 895,484	$ 925,884	$ 911,478	$ 1,298,284
Gross profit	503,224	532,129	519,481	785,609
Earnings (loss) from operations	141,158	176,886	153,618	(167,333)
Net earnings (loss)	83,577	106,781	94,610	(103,599)
Net earnings (loss) per share:				
Basic	$ 0.66	$ 0.84	$ 0.74	$ (0.81)
Diluted	$ 0.65	$ 0.83	$ 0.73	$ (0.81)

[a] On a pre-tax basis, includes charges of $9,379,000 for the quarter ended April 30, which reduced net earnings per diluted share by $0.05, associated with severance related to staffing reductions and subleasing of certain office space for which only a portion of the Company's future rent obligations will be recovered (see "Note K - Commitments and Contingencies").

[b] On a pre-tax basis, includes charges of $480,211,000 for the quarter ended January 31, related to the adverse arbitration ruling between The Swatch Group Ltd. and the Company (see "Note K - Commitments and Contingencies") and pre-tax income of $7,489,000 associated with foreign currency transaction gains on this expense. This reduced net earnings per diluted share by $2.27 when using weighted-average diluted shares of 129,283,000, which includes 1,091,000 of incremental shares based upon the assumed exercise of stock options and unvested restricted stock units.

	2012 Quarters Ended			
(in thousands, except per share amounts)	April 30	July 31	October 31	January 31
Net sales	$ 819,170	$ 886,569	$ 852,741	$ 1,235,769
Gross profit	469,018	499,162	464,289	730,815
Earnings from operations	134,985	154,580	117,295	290,357
Net earnings	81,534	91,801	63,179	179,643
Net earnings per share:				
Basic	$ 0.64	$ 0.72	$ 0.50	$ 1.42
Diluted	$ 0.64	$ 0.72	$ 0.49	$ 1.40

Basic and diluted earnings per share are computed independently for each quarter presented. Accordingly, the sum of the quarterly earnings per share may not agree with the calculated full year earnings per share.

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 their evaluation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934), the Registrant's chief executive officer and chief financial officer concluded that, as of the end of the period covered by this report, the Registrant's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Registrant in the reports that it files or submits under the Securities Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our chief executive officer and chief financial officer, to allow timely decisions regarding required disclosure.

In the ordinary course of business, the Registrant reviews its system of internal control over financial reporting and makes changes to its systems and processes to improve controls and increase efficiency, while ensuring that the Registrant maintains an effective internal control environment. Changes may include such activities as implementing new, more efficient systems and automating manual processes.

The Registrant's chief executive officer and chief financial officer have determined that there have been no changes in the Registrant's internal control over financial reporting during the most recently completed fiscal quarter covered by this report identified in connection with the evaluation described above that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

The Registrant's management, including its chief executive officer and chief financial officer, necessarily applied their judgment in assessing the costs and benefits of such controls and procedures. By their nature, such controls and procedures cannot provide absolute certainty, but can provide reasonable assurance regarding management's control objectives. Our chief executive officer and our chief financial officer have concluded that the Registrant's disclosure controls and procedures are (i) designed to provide such reasonable assurance and (ii) are effective at that reasonable assurance level.

Report of Management

Management's Responsibility for Financial Information. The Company's consolidated financial statements were prepared by management, who are responsible for their integrity and objectivity. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and, as such, include amounts based on management's best estimates and judgments.

Management is further responsible for maintaining a system of internal accounting control designed to provide reasonable assurance that the Company's assets are adequately safeguarded, and that the accounting records reflect transactions executed in accordance with management's authorization. The system of internal control is continually reviewed and is augmented by written policies and procedures, the careful selection and training of qualified personnel and a program of internal audit.

The consolidated financial statements have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm. Their report is shown on page K-45. The Audit Committee of the Board of Directors, which is composed solely of independent directors, meets regularly with financial management and the independent registered public accounting firm to discuss specific accounting, financial reporting and internal control matters. Both the independent registered public accounting firm and the internal auditors have full and free access to the Audit Committee. Each year the Audit Committee selects the firm that is to perform audit services for the Company.

Management's Report on Internal Control over Financial Reporting. Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a - 15(f). Management conducted an evaluation of the effectiveness of 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* issued in 1992. Based on this evaluation, management concluded that internal control over financial reporting was effective as of January 31, 2014 based on criteria in *Internal Control - Integrated Framework* issued by the COSO. The effectiveness of the Company's internal control over financial reporting as of January 31, 2014 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is shown on page K-45.

/s/ Michael J. Kowalski
Chairman of the Board and Chief Executive Officer

/s/ James N. Fernandez
Executive Vice President, Chief Operating Officer and Chief Financial Officer

Item 9B. Other Information

NONE

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Incorporated by reference from the sections titled "Ownership by Directors, Director Nominees and Executive Officers," "Compliance of Directors, Executive Officers and Greater-Than-Ten-Percent Stockholders with Section 16(a) Beneficial Ownership Reporting Requirements" and "DISCUSSION OF PROPOSALS PRESENTED BY THE BOARD. Item 1. Election of Directors" in Registrant's Proxy Statement dated April 10, 2014.

CODE OF ETHICS AND OTHER CORPORATE GOVERNANCE DISCLOSURES

Registrant has adopted a Code of Business and Ethical Conduct for its Directors, Chief Executive Officer, Chief Financial Officer and all other officers of the Registrant. A copy of this Code is posted on the corporate governance section of the Registrant's website, http://investor.tiffany.com/governance.cfm; go to "Code of Conduct." The Registrant will also provide a copy of the Code of Business and Ethical Conduct to stockholders upon request.

See Registrant's Proxy Statement dated April 10, 2014, for information within the section titled "Business Conduct Policy and Code of Ethics."

Item 11. Executive Compensation.

Incorporated by reference from the section titled "COMPENSATION OF THE CEO AND OTHER EXECUTIVE OFFICERS" in Registrant's Proxy Statement dated April 10, 2014.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Incorporated by reference from the section titled "OWNERSHIP OF THE COMPANY" in Registrant's Proxy Statement dated April 10, 2014.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

See Executive Officers of the Registrant and Board of Directors information incorporated by reference from the sections titled "Independent Directors Constitute a Majority of the Board," "TRANSACTIONS WITH RELATED PERSONS" and "EXECUTIVE OFFICERS OF THE COMPANY" in Registrant's Proxy Statement dated April 10, 2014.

Item 14. Principal Accounting Fees and Services.

Incorporated by reference from the section titled "Fees and Services of PricewaterhouseCoopers LLP" in Registrant's Proxy Statement dated April 10, 2014.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) List of Documents Filed As Part of This Report:

1. Financial Statements

Report of Independent Registered Public Accounting Firm.

Consolidated Balance Sheets as of January 31, 2014 and 2013.

Consolidated Statements of Earnings for the years ended January 31, 2014, 2013 and 2012.

Consolidated Statements of Comprehensive Earnings for the years ended January 31, 2014, 2013 and 2012.

Consolidated Statements of Stockholders' Equity for the years ended January 31, 2014, 2013 and 2012.

Consolidated Statements of Cash Flows for the years ended January 31, 2014, 2013 and 2012.

Notes to Consolidated Financial Statements.

2. Financial Statement Schedules

The following financial statement schedule should be read in conjunction with the Consolidated Financial Statements:

Schedule II - Valuation and Qualifying Accounts and Reserves.

All other schedules have been omitted since they are not applicable, not required, or because the information required is included in the consolidated financial statements and notes thereto.

3. Exhibits

The information called for by this item is incorporated herein by reference to the Exhibit Index in this report.

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.

Date: April 1, 2014

TIFFANY & CO.

(Registrant)

By: /s/ Michael J. Kowalski

Michael J. Kowalski

Chairman of the Board and

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 and on the date indicated.

By: /s/ Michael J. Kowalski
Michael J. Kowalski
Chairman of the Board and
Chief Executive Officer
(Principal Executive Officer) (Director)

By: /s/ James N. Fernandez
James N. Fernandez
Executive Vice President,
Chief Operating Officer
and Chief Financial Officer
(Principal Financial Officer)

By: /s/ Frederic Cumenal
Frederic Cumenal
President
(Director)

By: /s/ John S. Barresi
John S. Barresi
Vice President, Controller
(Principal Accounting Officer)

By: /s/ Rose Marie Bravo
Rose Marie Bravo
Director

By: /s/ Gary E. Costley
Gary E. Costley
Director

By: /s/ Lawrence K. Fish
Lawrence K. Fish
Director

By: /s/ Abby F. Kohnstamm
Abby F. Kohnstamm
Director

By: /s/ Charles K. Marquis
Charles K. Marquis
Director

By: /s/ Peter W. May
Peter W. May
Director

By: /s/ William A. Shutzer
William A. Shutzer
Director

By: /s/ Robert S. Singer
Robert S. Singer
Director

April 1, 2014

EXHIBIT INDEX

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

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of Registrant. Incorporated by reference from Exhibit 3.1 to Registrant's Report on Form 8-K dated May 16, 1996, as amended by the Certificate of Amendment of Certificate of Incorporation dated May 20, 1999. Incorporated by reference from Exhibit 3.1 filed with Registrant's Report on Form 10-Q for the Fiscal Quarter ended July 31, 1999.
3.1a	Amendment to Certificate of Incorporation of Registrant dated May 18, 2000. Incorporated by reference from Exhibit 3.1b to Registrant's Annual Report on Form 10-K for the Fiscal Year ended January 31, 2001.
3.2	Restated By-laws of Registrant, as last amended March 20, 2014. Incorporated by reference from Exhibit 3.2 to Registrant's Report on Form 8-K dated March 21, 2014.
4a	Upon the request of the Securities and Exchange Commission, Registrant will furnish a copy of all instruments defining the rights of holders of long-term debt of Registrant.
10.1	Amended and Restated Agreement, dated as of December 27, 2012, by and between Tiffany and Company and Elsa Peretti. Incorporated by reference from Exhibit 10.123 filed with Registrant's Report on Form 8-K dated January 2, 2013.
10.2	Agreement and Memorandum of Agreement made the 1st day of February 2009 by and between Tiffany & Co. Japan Inc. and Mitsukoshi Ltd. of Japan. Incorporated by reference from Exhibit 10.128 filed with Registrant's Report on Form 8-K dated February 18, 2009.
10.3	Ground Lease between Tiffany and Company and River Park Business Center, Inc., dated November 29, 2000. Incorporated by reference from Exhibit 10.145 filed with Registrant's Annual Report on Form 10-K for the Fiscal Year ended January 31, 2005.
10.3a	First Addendum to the Ground Lease between Tiffany and Company and River Park Business Center, Inc., dated November 29, 2000. Incorporated by reference from Exhibit 10.145a filed with Registrant's Annual Report on Form 10-K for the Fiscal Year ended January 31, 2005.
10.4	Three Year Credit Agreement dated as of December 21, 2011 by and among Registrant, Tiffany and Company, Tiffany & Co. International, Tiffany & Co. Japan Inc. and each other Subsidiary of Registrant that is a Borrower and is a signatory thereto and The Bank of New York Mellon, as Administrative Agent, and various lenders party thereto. Incorporated by reference from Exhibit 10.146 filed with Registrant's Report on Form 8-K dated December 23, 2011.

Exhibit No.	Description
10.4a	Commitment Increase Supplement, dated as of July 26, 2012, to the Three Year Credit Agreement (see Exhibit 10.4 above) by and among Registrant, Tiffany and Company, Tiffany & Co. International, Tiffany & Co. Japan Inc., the other Borrowers party thereto, the Lenders party thereto and The Bank of New York Mellon, as Administrative Agent. Incorporated by reference from Exhibit 10.146a filed with Registrant's Report on Form 8-K dated July 27, 2012.
10.4b	Amendment No. 1 dated as of October 17, 2012, to the Three Year Credit Agreement (see Exhibit 10.4 above) by and among Registrant, Tiffany and Company, Tiffany & Co. International, Tiffany & Co. Japan Inc., the other Borrowers party thereto, the Lenders party thereto and The Bank of New York Mellon, as Administrative Agent. Incorporated by reference from Exhibit 10.4b filed with Registrant's Report on Form 10-K dated March 28, 2013.
10.4c	Amendment No. 2 dated as of January 8, 2014, to the Three Year Credit Agreement (see Exhibit 10.4 above) by and among Registrant, Tiffany and Company, Tiffany & Co. International, Tiffany & Co. Japan Inc., the other Borrowers party thereto, the Lenders party thereto, and The Bank of New York Mellon, as Administrative Agent. Incorporated by reference from Exhibit 10.4c filed with Registrant's Report on Form 8-K dated January 13, 2014.
10.4d	Amendment No. 3 dated as of January 14, 2014, to the Three Year Credit Agreement (see Exhibit 10.4 above) by and among Registrant, Tiffany and Company, Tiffany & Co. International, Tiffany & Co. Japan Inc., the other Borrowers party thereto, the Lenders party thereto, and The Bank of New York Mellon, as Administrative Agent. Incorporated by reference from Exhibit 10.4d filed with Registrant's Report on Form 8-K dated January 17, 2014.
10.5	Guaranty Agreement dated as of December 21, 2011, with respect to the Three-Year Credit Agreement (see Exhibit 10.4 above) by and among Registrant, Tiffany and Company, Tiffany & Co. International and Tiffany & Co. Japan Inc. and The Bank of New York Mellon, as Administrative Agent. Incorporated by reference from Exhibit 10.147 filed with Registrant's Report on Form 8-K dated December 23, 2011.
10.6	Lease Agreement made as of September 28, 2005 between CLF Sylvan Way LLC and Tiffany and Company, and form of Registrant's guaranty of such lease. Incorporated by reference from Exhibit 10.149 filed with Registrant's Report on Form 8-K dated September 23, 2005.
10.7	Amended and Restated Note Purchase and Private Shelf Agreement dated as of July 25, 2012 by and among Registrant and various institutional note purchasers with respect to Registrant's $100 million principal amount of 9.05% Series A Senior Notes due December 23, 2015, $150 million principal amount of 4.40% Series B-P Senior Notes due July 25, 2042 and private shelf facility. Incorporated by reference from Exhibit 10.155 filed with Registrant's Report on Form 8-K dated July 27, 2012.
10.7a	Amendment dated as of January 14, 2014 to the Amended and Restated Note Purchase and Private Shelf Agreement (see Exhibit 10.7 above) by and among Registrant, and various institutional note purchasers. Incorporated by reference from Exhibit 10.157 filed with Registrant's Report on Form 8-K dated January 17, 2014.

Exhibit No.	Description
10.8	Amended and Restated Guaranty Agreement dated as of July 25, 2012 with respect to the Amended and Restated Note Purchase and Private Shelf Agreement (see Exhibit 10.7 above) by Tiffany and Company, Tiffany & Co. International and Tiffany & Co. Japan Inc. in favor of each of the note purchasers. Incorporated by reference from Exhibit 10.156 filed with Registrant's Report on Form 8-K dated July 27, 2012.
10.9	Form of Note Purchase Agreement dated as of February 12, 2009 by and between Registrant and certain subsidiaries of Berkshire Hathaway Inc. with respect to Registrant's $125 million principal amount 10% Series A-2009 Senior Notes due February 13, 2017 and $125 million principal amount 10% Series B-2009 Senior Notes due February 13, 2019. Incorporated by reference from Exhibit 10.157 filed with Registrant's Report on Form 8-K dated February 13, 2009.
10.9a	Amendment dated as of January 14, 2014 to the Note Purchase Agreement, dated as of February 12, 2009 (see Exhibit 10.9 above), by and among Registrant and certain subsidiaries of Berkshire Hathaway Inc. Incorporated by reference from Exhibit 10.159 filed with Registrant's Report on Form 8-K dated January 17, 2014.
10.10	Guaranty Agreement dated February 12, 2009 with respect to the Note Purchase Agreement (see Exhibit 10.9 above) by Tiffany and Company, Tiffany & Co. International and Tiffany & Co. Japan Inc. in favor of each of the note purchasers. Incorporated by reference from Exhibit 10.158 filed with Registrant's Report on Form 8-K dated February 13, 2009.
10.11	Amended and Restated Note Purchase and Private Shelf Agreement dated as of July 25, 2012 by and among Registrant and various institutional note purchasers with respect to Registrant's $50 million principal amount of 10.0% Series A Senior Notes due April 9, 2018, $100 million principal amount of 4.40% Series B-M Senior Notes due July 25, 2042 and up to $50 million private shelf facility. Incorporated by reference from Exhibit 10.159 filed with Registrant's Report on Form 8-K dated July 27, 2012.
10.11a	Amendment dated as of January 14, 2014 to the Amended and Restated Note Purchase and Private Shelf Agreement, dated as of July 25, 2012 (see Exhibit 10.11 above), by and among Registrant and various institutional note purchasers. Incorporated by reference from Exhibit 10.161 filed with Registrant's Report on Form 8-K dated January 17, 2014.
10.12	Amended and Restated Guaranty Agreement dated as of July 25, 2012 with respect to the Amended and Restated Note Purchase and Private Shelf Agreement (see Exhibit 10.11 above) by Tiffany and Company, Tiffany & Co. International and Tiffany & Co. Japan Inc. in favor of each of the note purchasers. Incorporated by reference from Exhibit 10.160 filed with Registrant's Report on Form 8-K dated July 27, 2012.
10.13	Form of Note Purchase Agreement dated as of September 1, 2010 by and between Registrant and various institutional note purchasers with respect to Registrant's yen 10,000,000,000 principal amount 1.72% Senior Notes due September 1, 2016. Incorporated by reference from Exhibit 10.161 filed with Registrant's Report on Form 10-Q for the Fiscal Quarter ended July 31, 2010.

Exhibit No.	Description
10.13a	Amendment dated as of January 14, 2014 with respect to the Note Purchase Agreement, dated as of September 1, 2010 (see Exhibit 10.13 above), by and among Registrant, and various institutional note purchasers. Incorporated by reference from Exhibit 10.163 filed with Registrant's Report on Form 8-K dated January 17, 2014.
10.14	Guaranty Agreement dated September 1, 2010 with respect to the Note Purchase Agreement (see Exhibit 10.13 above) by Tiffany and Company, Tiffany & Co. International and Tiffany & Co. Japan Inc. Incorporated by reference from Exhibit 10.162 filed with Registrant's Report on Form 10-Q for the Fiscal Quarter ended July 31, 2010.
10.15	Amortising term loan facility agreement dated March 30, 2011 between and among Koidu Holdings S.A. (as Borrower), BSG Resources Limited (as Guarantor) and Laurelton Diamonds, Inc. (as Original Lender). Incorporated by reference from Exhibit 10.163 filed with Registrant's Report on Form 8-K dated March 30, 2011.
10.15a	Amendment Agreement dated as of May 10, 2011 with respect to the Amortising Term Loan Facility Agreement (see Exhibit 10.15 above) between and among Koidu Holdings S.A. (as Borrower), BSG Resources Limited (as Guarantor) and Laurelton Diamonds, Inc. (as Original Lender). Incorporated by reference from Exhibit 10.15a filed with Registrant's Report on Form 10-K dated March 28, 2013.
10.15b	Second Amendment Agreement dated as of February 12, 2013 with respect to the Amortising Term Loan Facility Agreement (see Exhibit 10.15 above) between and among Koidu Limited (as Borrower), BSG Resources Limited (as Guarantor) and Laurelton Diamonds, Inc. (as Original Lender). Incorporated by reference from Exhibit 10.15b filed with Registrant's Report on Form 10-K dated March 28, 2013.
10.15c	Third Amendment Agreement dated as of March 29, 2013 with respect to the Amortising Term Loan Facility Agreement (see Exhibit 10.15 above) between and among Koidu Limited (as Borrower), BSG Resources Limited (as Guarantor) and Laurelton Diamonds, Inc. (as Original Lender). Incorporated by reference from Exhibit 10.15c filed with Registrant's Report on Form 8-K dated April 2, 2013.
10.15d	Fourth Amendment Agreement dated as of March 31, 2014 with respect to the Amortising Term Loan Facility Agreement (see Exhibit 10.15 above) between and among Koidu Limited (as Borrower), BSG Resources Limited (as Guarantor) and Laurelton Diamonds, Inc. (as Original Lender). Incorporated by reference from Exhibit 10.15d filed with Registrant's Report on Form 8-K dated March 31, 2014.
10.16	Five Year Credit Agreement dated as of December 21, 2011 by and among Registrant, Tiffany and Company, Tiffany & Co. International, Tiffany & Co. Japan Inc. and each other Subsidiary of Registrant that is a Borrower and is a signatory thereto and The Bank of New York Mellon, as Administrative Agent, and various lenders party thereto. Incorporated by reference from Exhibit 10.164 filed with Registrant's Report on Form 8-K dated December 23, 2011.
10.16a	Commitment Increase Supplement, dated as of July 26, 2012, to the Five Year Credit Agreement (see Exhibit 10.16 above) by and among Registrant, Tiffany and Company, Tiffany & Co. International, Tiffany & Co. Japan Inc., the other Borrowers party thereto, the Lenders party thereto and The Bank of New York Mellon, as Administrative Agent. Incorporated by reference from Exhibit 10.164a filed with Registrant's Report on Form 8-K dated July 27, 2012.

Exhibit No.	Description
10.16b	Amendment No. 1 dated as of October 17, 2012, to the Five Year Credit Agreement (see Exhibit 10.16 above) by and among Registrant, Tiffany and Company, Tiffany & Co. International, Tiffany & Co. Japan Inc., the other Borrowers party thereto, the Lenders party thereto and The Bank of New York Mellon, as Administrative Agent. Incorporated by reference from Exhibit 10.16b filed with Registrant's Report on Form 10-K dated March 28, 2013.
10.16c	Amendment No. 2 dated as of January 8, 2014, to the Five Year Credit Agreement (see Exhibit 10.16 above), by and among Registrant, Tiffany and Company, Tiffany & Co. International, Tiffany & Co. Japan Inc., the other Borrowers party thereto, the Lenders party thereto, and The Bank of New York Mellon, as Administrative Agent. Incorporated by reference from Exhibit 10.16c filed with Registrant's Report on Form 8-K dated January 13, 2014.
10.16d	Amendment No. 3 dated as of January 14, 2014 to the Five Year Credit Agreement (see Exhibit 10.16 above), by and among Registrant, Tiffany and Company, Tiffany & Co. International, Tiffany & Co. Japan Inc., the other Borrowers party thereto, the Lenders party thereto, and The Bank of New York Mellon, as Administrative Agent. Incorporated by reference from Exhibit 10.16d filed with Registrant's Report on Form 8-K dated January 17, 2014.
10.17	Guaranty Agreement dated as of December 21, 2011, with respect to the Five Year Credit Agreement (see Exhibit 10.16 above) by and among Registrant, Tiffany and Company, Tiffany & Co. International and Tiffany & Co. Japan Inc. and The Bank of New York Mellon, as Administrative Agent. Incorporated by reference from Exhibit 10.165 filed with Registrant's Report on Form 8-K dated December 23, 2011.
10.34	Credit Agreement dated as of July 19, 2013 by and among Tiffany & Co. (Shanghai) Commercial Company Limited, Bank of America, N.A., Shanghai Branch and Mizuho Corporate Bank (China), Ltd. as Jointed Coordinators, Mandated Lead Arrangers and Bookrunners, Mizuho Corporate Bank (China), Ltd. as Facility Agent and certain other banks and financial institutions party thereto as original lenders. Incorporated by reference from Exhibit 10.34 filed with Registrant's Report on Form 8-K dated July 24, 2013.
10.35	Guaranty Agreement dated as of July 19, 2013, with respect to the Credit Agreement (see Exhibit 10.34 above) by and between Registrant and Mizuho Corporate Bank (China), Ltd. as Facility Agent. Incorporated by reference from Exhibit 10.35 filed with Registrant's Report on Form 8-K dated July 24, 2013.
10.35a	First Amendment dated as of January 27, 2014, to the Guaranty Agreement (see Exhibit 10.35 above), by and between Registrant and Mizuho Corporate Bank (China), LTD., as Facility Agent. Incorporated by reference from Exhibit 10.36 filed with Registrant's Report on Form 8-K dated February 4, 2014.
14.1	Code of Business and Ethical Conduct and Business Conduct Policy. Incorporated by reference from Exhibit 14.1 filed with Registrant's Report on Form 10-K dated March 28, 2013.
21.1	Subsidiaries of Registrant.

Exhibit No.	Description
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial information from Tiffany & Co.'s Annual Report on Form 10-K for the fiscal year ended January 31, 2014, filed with the SEC, formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Earnings; (iii) the Consolidated Statements of Comprehensive Earnings; (iv) the Consolidated Statements of Stockholders' Equity; (v) the Consolidated Statements of Cash Flows; (vi) the Notes to the Consolidated Financial Statements; and (vii) Schedule II - Valuation and Qualifying Accounts and Reserves.

Executive Compensation Plans and Arrangements

Exhibit No.	Description
10.18	Form of Indemnity Agreement, approved by the Board of Directors on March 11, 2005 for use with all directors and executive officers (Corrected Version). Incorporated by reference from Exhibit 10.49a filed with Registrant's Report on Form 8-K dated May 23, 2005.
10.19	Tiffany and Company Amended and Restated Executive Deferral Plan originally made effective October 1, 1989, as amended and restated effective September 4, 2012. Incorporated by reference from Exhibit 10.19 filed with Registrant's Report on Form 10-K dated March 28, 2013.
10.20	Registrant's Amended and Restated Retirement Plan for Non-Employee Directors originally made effective January 1, 1989, as amended through January 21, 1999. Incorporated by reference from Exhibit 10.108 filed with Registrant's Annual Report on Form 10-K for the Fiscal Year ended January 31, 1999.
10.21	Summary of informal incentive cash bonus plan for managerial employees. Incorporated by reference from Exhibit 10.109 filed with Registrant's Report on Form 8-K dated March 16, 2005.

Exhibit No.	Description
10.22	1994 Tiffany and Company Supplemental Retirement Income Plan, Amended and Restated as of January 31, 2009. Incorporated by reference from Exhibit 10.114 filed with Registrant's Report on Form 8-K dated February 2, 2009.
10.23	Form of 2009 Retention Agreement between and among Registrant and Tiffany and Company and those executive officers indicated within the form and Appendices I and II to such Agreement. Incorporated by reference from Exhibit 10.127c filed with Registrant's Report on Form 8-K dated February 2, 2009.
10.24	Summary of Executive Long Term Disability Plan available to executive officers. Incorporated by reference from Exhibit 10.24 filed with Registrant's Report on Form 10-K dated March 28, 2013.
10.24a	Group Long Term Disability Insurance Policy issued by First Unum Life Insurance, Policy No. 533717 001. Incorporated by reference from Exhibit 10.24a filed with Registrant's Report on Form 10-K dated March 28, 2013.
10.24b	Individual Disability Insurance Policy issued by Provident Life and Casualty Insurance Company. Incorporated by reference from Exhibit 10.24b filed with Registrant's Report on Form 10-K dated March 28, 2013.
10.24c	Individual Disability Insurance Policy issued by Lloyd's of London. Incorporated by reference from Exhibit 10.24c filed with Registrant's Report on Form 10-K dated March 28, 2013.
10.25	Summary of arrangements for the payment of premiums on life insurance policies owned by executive officers. Incorporated by reference from Exhibit 10.137 filed with Registrant's Report on Form 8-K dated February 2, 2009.
10.26	2004 Tiffany and Company Un-funded Retirement Income Plan to Recognize Compensation in Excess of Internal Revenue Code Limits, Amended and Restated as of October 31, 2011. Incorporated by reference from Exhibit 10.138 filed with Registrant's Report on Form 8-K dated January 27, 2012.
10.27	Registrant's Amended and Restated 1998 Employee Incentive Plan effective May 19, 2005. Incorporated by reference from Exhibit 4.3 with Registrant's Report on Form 8-K dated May 23, 2005.
10.28	Registrant's 2005 Employee Incentive Plan as adopted May 19, 2005. Incorporated by reference from Exhibit 10.145 with Registrant's Report on Form 8-K dated May 23, 2005.
10.28a	Registrant's 2005 Employee Incentive Plan Amended and Adopted as of May 18, 2006. Incorporated by reference from Exhibit 10.151a filed with Registrant's Report on Form 8-K dated March 26, 2007.
10.28b	Registrant's 2005 Employee Incentive Plan Amended and Adopted as of May 21, 2009. Incorporated by reference from Exhibit 10.28b filed with Registrant's Report on Form 10-K dated March 28, 2013.

Exhibit No.	Description
10.28d	Terms of 2010 Performance-Based Restricted Stock Unit Grants to Executive Officers under Registrant's 2005 Employee Incentive Plan as adopted on January 20, 2010 for use with grants made that same date and on January 20, 2011, amended and restated effective December 29, 2011. Incorporated by reference from Exhibit 10.140c filed with Registrant's Report on Form 8-K dated January 27, 2012.
10.28e	Form of Non-Competition and Confidentiality Covenants for use in connection with Performance-Based Restricted Stock Unit Grants to Registrant's Executive Officers and Time-Vested Restricted Unit Awards made to other officers of Registrant's affiliated companies pursuant to the Registrant's 2005 Employee Incentive Plan and pursuant to the Tiffany and Company Un-funded Retirement Income Plan to Recognize Compensation in Excess of Internal Revenue Code Limits. Incorporated by reference from Exhibit 10.140a filed with Registrant's Report on Form 8-K dated May 23, 2005.
10.28f	Form of Notice of Grant as referenced in and attached to the Terms of 2010 Performance-Based Restricted Stock Unit grants to Executive Officers under Registrant's 2005 Employee Incentive Plan as adopted on January 20, 2010 (see Exhibit 10.28d above) and completed on March 17, 2010 for use with the grants made on January 20, 2010. Incorporated by reference from Exhibit 10.140d filed with Registrant's Report on Form 8-K dated March 25, 2010.
10.28g	Terms of Stock Option Award (Standard Non-Qualified Option) under Registrant's 2005 Employee Incentive Plan as revised March 7, 2005. Incorporated by reference from Exhibit 10.143 filed with Registrant's Report on Form 8-K dated March 16, 2005.
10.28h	Terms of Stock Option Award (Standard Non-Qualified Option) under Registrant's 2005 Employee Incentive Plan as revised May 19, 2005. Incorporated by reference from Exhibit 10.143a filed with Registrant's Report on Form 8-K dated May 23, 2005.
10.28i	Terms of Stock Option Award (Transferable Non-Qualified Option) under Registrant's 2005 Employee Incentive Plan as revised March 7, 2005 (form used for Executive Officers). Incorporated by reference from Exhibit 10.144 filed with Registrant's Report on Form 8-K dated March 16, 2005.
10.28j	Terms of Stock Option Award (Transferable Non-Qualified Option) under Registrant's 2005 Employee Incentive Plan as revised May 19, 2005 (form used for Executive Officers). Incorporated by reference from Exhibit 10.144a filed with Registrant's Report on Form 8-K dated May 23, 2005.
10.28k	Stock Option Award (Transferable Non-Qualified Option) under Registrant's 2005 Employee Incentive Plan as revised January 14, 2009 (form used for grants made to Executive Officers subsequent to that date). Incorporated by reference from Exhibit 10.144b filed with Registrant's Report on Form 8-K dated February 2, 2009.
10.28l	Terms of Time-Vested Restricted Stock Unit Grants under Registrant's 2005 Employee Incentive Plan as revised January 14, 2009 (form used for grants made to employees other than Executive Officers subsequent to that date). Incorporated by reference from Exhibit 10.150a filed with Registrant's Report on Form 8-K dated February 2, 2009.

Exhibit No.	Description
10.28m	Terms of Time-Vested Restricted Stock Unit Grants to certain Executive Officers under Registrant's 2005 Employee Incentive Plan. Incorporated by reference from Exhibit 10.161 filed with Registrant's Report on Form 8-K dated March 21, 2011.
10.28n	Terms of Stock Option Award (Transferable Non-Qualified Option) under Registrant's 2005 Employee Incentive Plan, Incorporated by reference from Exhibit 10.28n filed with Registrant's Report on Form 8-K dated September 24, 2013.
10.28o	Terms of Restricted Stock Grant (Non-Transferable) under Registrant's 2005 Employee Incentive Plan. Incorporated by reference from Exhibit 10.28o filed with Registrant's Report on Form 8-K dated September 24, 2013.
10.28p	Terms of Time-Vesting Restricted Stock Unit Grant to Executive Officers as adopted on November 20, 2013 under Registrant's 2005 Employee Incentive Plan. Incorporated by reference from Exhibit 10.28p filed with Registrant's Report on Form 8-K dated March 21, 2014.
10.28q	Terms of 2014 Performance-Based Restricted Stock Unit Grants to Executive Officers as adopted on January 16, 2014 for use with grants made that same date under Registrant's 2005 Employee Incentive Plan. Incorporated by reference from Exhibit 10.28.q filed with Registrant's Report on Form 8-K dated March 21, 2014.
10.28r	Form of Non-Competition and Confidentiality Covenants for use in connection with Performance-Based Restricted Stock Unit Grants to Registrant's Executive Officers, and Time-Vesting Restricted Unit Awards and Certain Non-Qualified Retirement Contributions made to other officers of Registrant's affiliated companies pursuant to Registrant's 2005 Employee Incentive Plan and Pursuant to the Tiffany and Company Deferral Plan. Incorporated by reference from Exhibit 10.28r filed with Registrant's Report on Form 8-K dated March 21, 2014.
10.29	Registrant's 1998 Directors Option Plan. Incorporated by reference from Exhibit 4.3 to Registrant's Registration Statement on Form S-8, file number 333-67725, filed November 23, 1998.
10.29a	Terms of Stock Option Award (Transferable Non-Qualified Option) under Registrant's 1998 Directors Option Plan as revised March 7, 2005. Incorporated by reference from Exhibit 10.142 filed with Registrant's Report on Form 8-K dated March 16, 2005.
10.30	Registrant's 2008 Directors Equity Compensation Plan. Incorporated by reference from Exhibit 4.3a filed with Registrant's Report on Form 8-K dated March 23, 2009.
10.30a	Terms of Stock Option Award (Transferable Non-Qualified Option) under Registrant's 2008 Directors Equity Compensation Plan. Incorporated by reference from Exhibit 10.30a filed with Registrant's Report on Form 10-K dated March 28, 2013.
10.30b	Terms of Time-Vested Restricted Stock Unit Grants under Registrant's 2008 Directors Equity Compensation Plan. Incorporated by reference from Exhibit 10.30b filed with Registrant's Report on Form 10-K dated March 28, 2013.

Exhibit No.	Description
10.32	Senior Executive Employment Agreement between Frederic Cumenal and Tiffany and Company, effective as of March 10, 2011. Incorporated by reference from Exhibit 10.154 filed with Registrant's Report on Form 8-K dated March 21, 2011.
10.36	Resignation and Release Agreement entered into as of November 15, 2013 by and among Patrick F. McGuiness, Tiffany and Company and Registrant. Incorporated by reference from Exhibit 10.34 filed with Registrant's Report on Form 8-K dated November 15, 2013.
10.139d	Form of Fiscal 2014 Cash Incentive Award Agreement for certain executive officers as adopted on March 19, 2014 under Registrant's 2005 Employee Incentive Plan. Incorporated by reference from Exhibit 10.139d filed with Registrant's Report on Form 8-K dated March 21, 2014.
10.152	Share Ownership Policy for Executive Officers and Directors, Amended and Restated as of September 18, 2013. Incorporated by reference from Exhibit 10.152 filed with Registrant's Report on Form 8-K dated March 21, 2014.
10.153	Corporate Governance Principles, amended and restated as of March 20, 2014. Incorporated by reference from Exhibit 10.153 filed with Registrant's Report on Form 8-K dated March 21, 2014.

Tiffany & Co. and Subsidiaries
Schedule II - Valuation and Qualifying Accounts and Reserves
(in thousands)

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at beginning of period	Charged to costs and expenses	Charged to other accounts	Deductions	Balance at end of period
Year Ended January 31, 2014:					
Reserves deducted from assets:					
Accounts receivable allowances:					
Doubtful accounts	$ 2,080	$ 2,256	$ —	$ 2,476 [a]	$ 1,860
Sales returns	7,630	2,477	—	1,630 [b]	8,477
Allowance for inventory liquidation and obsolescence	54,175	31,667	—	21,729 [c]	64,113
Allowance for inventory shrinkage	1,232	3,062	—	2,836 [d]	1,458
Deferred tax valuation allowance	14,181	5,630	—	2,118 [e]	17,693

a) Uncollectible accounts written off.

b) Adjustment related to sales returns previously provided for.

c) Liquidation of inventory previously written down to market.

d) Physical inventory losses.

e) Reversal of deferred tax valuation allowance and utilization of deferred tax loss carryforward.

Tiffany & Co. and Subsidiaries
Schedule II - Valuation and Qualifying Accounts and Reserves
(in thousands)

Column A	Column B	Column C		Column D		Column E
		Additions				
Description	Balance at beginning of period	Charged to costs and expenses	Charged to other accounts	Deductions		Balance at end of period
Year Ended January 31, 2013:						
Reserves deducted from assets:						
Accounts receivable allowances:						
Doubtful accounts	$ 2,466	$ 1,346	$ —	$ 1,732	a	$ 2,080
Sales returns	9,306	3,367	—	5,043	b	7,630
Allowance for inventory liquidation and obsolescence	53,938	32,228	—	31,991	c	54,175
Allowance for inventory shrinkage	1,495	2,600	—	2,863	d	1,232
Deferred tax valuation allowance	13,570	6,786	—	6,175	e	14,181

a) Uncollectible accounts written off.

b) Adjustment related to sales returns previously provided for.

c) Liquidation of inventory previously written down to market.

d) Physical inventory losses.

e) Reversal of deferred tax valuation allowance and utilization of deferred tax loss carryforward.

Tiffany & Co. and Subsidiaries
Schedule II - Valuation and Qualifying Accounts and Reserves
(in thousands)

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at beginning of period	Charged to costs and expenses	Charged to other accounts	Deductions	Balance at end of period
Year Ended January 31, 2012:					
Reserves deducted from assets:					
Accounts receivable allowances:					
Doubtful accounts	$ 4,705	$ 1,057	$ —	$ 3,296 [a]	$ 2,466
Sales returns	7,078	6,465	—	4,237 [b]	9,306
Allowance for inventory liquidation and obsolescence	48,428	30,665	—	25,155 [c]	53,938
Allowance for inventory shrinkage	1,074	2,502	—	2,081 [d]	1,495
Deferred tax valuation allowance	22,579	1,590	—	10,599 [e]	13,570

a) Uncollectible accounts written off.

b) Adjustment related to sales returns previously provided for.

c) Liquidation of inventory previously written down to market.

d) Physical inventory losses.

e) Reversal of deferred tax valuation allowance and utilization of deferred tax loss carryforward.

2014 Annual Meeting of Shareholders

PROXY STATEMENT

TIFFANY & CO.

ATTENDANCE AND VOTING MATTERS

INTRODUCTION

The Annual Meeting of the shareholders of Tiffany & Co. (the "Company") will be held on Thursday, May 22, 2014, at 9:30 a.m. at the W New York – Union Square hotel, 201 Park Avenue South (at 17th Street) New York, New York.

This Proxy Statement and accompanying material, including the form of proxy, was first sent to the Company's shareholders on or about April 10, 2014. It was sent to you on behalf of the Company by order of the Company's Board of Directors (the "Board").

You are entitled to vote at our 2014 Annual Meeting because you were a shareholder, or held Company stock through a broker, bank or other nominee, at the close of business on March 24, 2014, the record date for this year's Annual Meeting. That is why you were sent this Proxy Statement and accompanying material.

This Proxy Statement has been bound with our Annual Report on Form 10-K, which contains financial and other information about our business during Fiscal 2013 (February 1, 2013 to January 31, 2014). As is the practice of many other companies, the Company is now providing proxy materials by a "notice and access" process through the Internet. As a shareholder, you will receive a written notice of proxy with instructions on how to access the proxy materials. This enables the Company to reduce the cost of paper, printing and postage and to substantially reduce paper use in order to benefit our environment. Those shareholders who wish to receive a paper report may request one. In some instances, shareholders will receive a proxy card and paper report automatically.

How to Request and Receive a PAPER or E-MAIL Copy of the Proxy Materials

Please visit or contact:

1) By Internet:	**www.proxyvote.com**
2) By Telephone:	**1-800-579-1639**
3) By E-Mail*:	**sendmaterial@proxyvote.com**

* **If requesting materials by e-mail, please send a blank e-mail with the 12-Digit Control Number (located on the Notice of Proxy) in the subject line. Requests, instructions and other inquiries sent to this e-mail address will NOT be forwarded to your investment advisor.**

Please make the requests as instructed above on or before May 8, 2014 to facilitate timely delivery.

You may also find important information about the Company, with its principal executive offices at 727 Fifth Avenue, New York, New York 10022, on our website at www.tiffany.com. By clicking "Investors" at the bottom of the page, you will find additional information concerning some of the subjects addressed in this document.

Important Notice Regarding Internet Availability of Proxy Materials for the Shareholder Meeting to be Held on May 22, 2014.

The Proxy Statement and Annual Report on Form 10-K are available to shareholders at www.proxyvote.com

MATTERS TO BE VOTED ON AT 2014 ANNUAL MEETING

There are four matters scheduled to be voted on at this year's Annual Meeting:

Item No. 1: Election of the Board;
Item No. 2: Ratification of the selection of the independent registered public accounting firm to audit our Fiscal 2014 financial statements;
Item No. 3: Approval, on an advisory basis, of the compensation of the Company's named executive officers as disclosed in this proxy statement ("Say on Pay"); and
Item No. 4: Approval of the adoption of the 2014 Tiffany & Co. Employee Incentive Plan as a successor to Company's 2005 Employee Incentive Plan.

In addition, such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof may be voted on.

HOW TO VOTE YOUR SHARES

You can vote your shares at the Annual Meeting either by submitting your vote or instruction prior to the meeting, or by attending the meeting and voting in person.

Voting instructions, whether voting is in person or by proxy, vary depending on whether you are a shareholder of record (also known as a "registered shareholder") or a beneficial owner of shares held in street name:

> *Shareholder of Record:* If your shares are registered directly in your name with the Company's transfer agent, Computershare, you are considered the shareholder of record with respect to those shares. Instructions for how to vote your shares are set forth below.
>
> *Beneficial Owner of Shares Held in Street Name*: If your shares are held in an account at a brokerage firm, bank, broker-dealer, or other similar organization, then you are the "beneficial owner" of shares held in "street name". The organization holding your account is considered the shareholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to instruct that organization on how to vote the shares held in your account. Those instructions are contained in the "voting instruction form" sent to you.

How to Vote Before the Annual Meeting

If you are a shareholder of record:

You can vote by proxy by having one or more individuals who will be at the Annual Meeting vote your shares for you. These individuals are called "proxies," and using them to cast your ballot at the Annual Meeting is called voting "by proxy."

Proxies will extend to, and be voted at, any adjournment or postponement of the Annual Meeting.

If you vote by proxy, you will have designated three officers of the Company to act as your proxies at the Annual Meeting. One of them will then vote your shares at the Annual Meeting in accordance with the instructions you have given them on the proxy card or by telephone or the Internet with respect to each of the proposals presented in this Proxy Statement.

While we know of no other matters to be acted upon at this year's Annual Meeting, it is possible that other matters may be presented at the meeting. If that happens and you have signed and not revoked a proxy, your proxy will vote on such other matters in accordance with his best judgment.

A shareholder of record may vote by proxy any of the following ways:

- *Via the Internet.* You may vote by proxy via the Internet by following the instructions provided in the notice or proxy card; have your notice or proxy card in hand as you will be prompted to enter your control number.
- *Via Telephone.* You may vote by proxy via telephone by following the instructions provided in the proxy card; have your notice or proxy card in hand as you will be prompted to enter your control number.
- *By Mail.* You may vote by proxy by filling out the proxy card and returning it in the envelope provided.

HOW TO REVOKE YOUR PROXY

If you decide to vote by proxy (whether by proxy card, telephone or Internet), you can revoke – that is, change or cancel – your vote at any time before your proxy casts his vote at the Annual Meeting. Revoking your vote by proxy may be accomplished in one of three ways:

- You can send an executed, later-dated proxy card to the Secretary of the Company, call in different instructions, or provide different instructions through the Internet voting site; or
- You can notify the Secretary of the Company in writing that you wish to revoke your proxy; or
- You can attend the Annual Meeting and vote in person.

If you are a beneficial owner of shares held in street name:

You may instruct your broker how to vote on your behalf in any of the following ways:

- *Via the Internet.* You may instruct your broker as to your vote via the Internet by visiting www.proxyvote.com and entering the control number found in the notice or voting instruction form sent to you.
- *Via Telephone.* You may instruct your broker as to your vote by calling the toll free number found in your voting instruction form and entering the control number found in the notice or voting instruction form sent to you.
- *By Mail.* You may instruct your broker as to your vote by mail by filling out the voting instruction form provided to you and returning it in the envelope provided.

You may change your instruction to your broker by submitting a subsequent instruction through one of the above means, or you may vote in person at the Annual Meeting.

Shares held in a broker's name may be voted by the broker, but only in accordance with the rules of the New York Stock Exchange. For more details, see WHAT A BROKER NON-VOTE IS at PS-4.

How to Attend the Annual Meeting and How to Vote in Person at the Annual Meeting

To attend the Annual Meeting, you will need to pre-register as instructed on your notice or proxy card and print out the registration confirmation. You will be required to show the registration confirmation as well as photo identification to enter the Annual Meeting.

To vote in person at the Annual Meeting:

- *For shareholders of record,* you will have the opportunity to vote by ballot at the meeting.
- *For beneficial owners of shares held in street name,* contact your broker before the Annual Meeting to obtain a legal proxy, and bring the legal proxy with you to the meeting. To submit a vote by ballot at the meeting, you will be required to show the legal proxy as well as photo identification.

THE NUMBER OF VOTES THAT YOU HAVE

Each share of the Company's common stock has one vote. The number of shares, or votes, that you have at this year's Annual Meeting is indicated on the enclosed proxy card or notice.

WHAT A QUORUM IS

A "quorum" is the minimum number of shares that must be present at an Annual Meeting for a valid vote. For our shareholder meetings, a majority of shares outstanding on the record date and entitled to vote at the Annual Meeting must be present.

The number of shares outstanding at the close of business on March 24, 2014, the record date, was 128,845,017. Therefore, 64,422,510 shares must be present at our 2014 Annual Meeting for a quorum to be established.

To determine if there is a quorum, we consider a share "present" if:

- The shareholder who owns the share is present at the Annual Meeting, whether or not he or she chooses to cast a ballot on any proposal; or
- The shareholder is represented by proxy at the Annual Meeting.

If a shareholder is represented by proxy at the Annual Meeting, his or her shares are deemed present for purposes of a quorum, even if:

- The shareholder withholds his or her vote or marks "abstain" for one or more proposals; or
- There is a "broker non-vote" on one or more proposals.

WHAT A "BROKER NON-VOTE" IS

Shares held in a broker's name may be voted by the broker, but only in accordance with the rules of the New York Stock Exchange. Under those rules, your broker must follow your instructions. If you do not provide instructions to your broker, your broker may vote your shares based on its own judgment or it may withhold a vote. Whether your broker is permitted to vote or withhold its vote is determined by the New York Stock Exchange rules and depends on the proposal being voted upon. With respect to voting on the election of the Board, Say on Pay and the 2014 Tiffany & Co. Employee Incentive Plan, your broker will be required to withhold its vote unless you provide instructions on those proposals.

If your broker withholds its vote, that is called a "broker non-vote." As stated above, broker non-votes are counted as present for a quorum.

WHAT VOTE IS REQUIRED TO APPROVE EACH PROPOSAL

Each nominee for director shall be elected by a majority of the votes cast "for" or "against" the nominee at the Annual Meeting. That means that the number of shares voted "for" a nominee must exceed the number of shares voted "against" that nominee. To vote "for" or "against" any of the nominees named in this Proxy Statement, you can so mark your proxy card or ballot or, if you vote via telephone or Internet, so indicate by telephone or electronically.

You may abstain on the vote for any nominee but your abstention will not have any effect on the outcome of the election of directors. A broker non-vote has the same effect as an abstention: neither will have any effect on the outcome of the election of directors. To abstain on the vote on any or all of the nominees named in this Proxy Statement, you can so mark your proxy card or ballot or, if you vote via telephone or Internet, so indicate by telephone or electronically.

The proposal to ratify the selection of PricewaterhouseCoopers LLP as the independent registered public accounting firm for Fiscal 2014 will be decided by the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the matter. That means that the proposal will pass if more than half of those shares present in person or represented by proxy at the meeting and entitled to vote on the matter vote "for" the proposal. Therefore, if you "abstain" from voting – in other words, you indicate "abstain" on the proxy card, by telephone or by Internet – it will have the same effect as an "against" vote. Broker non-votes on this proposal will have no effect.

The advisory proposal to approve the compensation of our named executive officers will be decided by the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the matter. That means that the compensation will be approved if more than half of those shares present in person or represented by proxy at the meeting and entitled to vote on the matter vote "for" the proposal. Therefore, if you "abstain" from voting – in other words, you indicate "abstain" on the proxy card, by telephone or by Internet – it will have the same effect as an "against" vote. Broker non-votes on this proposal will have no effect.

The proposal to approve the 2014 Tiffany & Co. Employee Incentive Plan will be decided by the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the matter. That means that the proposal will pass if more than half of those shares present in person or represented by proxy at the meeting and entitled to vote on the matter vote "for" the proposal. Such a vote would also satisfy the requirement under the New York Stock Exchange ("NYSE") rules, which requires the affirmative vote of a majority of votes cast. If you "abstain" from voting – in other words, you indicate "abstain" on the proxy card, by telephone or by Internet – it will have the same effect as an "against" vote. Broker non-votes on this proposal will have no effect.

PROXY VOTING ON PROPOSALS IN THE ABSENCE OF INSTRUCTIONS

If you do not give any specific instructions as to how your shares are to be voted when you sign a proxy card or vote by telephone or by Internet, your proxies will vote your shares in accordance with the following recommendations of the Board:

- **FOR** the election of all ten nominees for director named in this Proxy Statement;
- **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm to audit our Fiscal 2014 financial statements;
- **FOR** approval of the compensation paid to the Company's named executive officers; and
- **FOR** approval of the 2014 Tiffany & Co. Employee Incentive Plan.

Shares held in the Company's Employee Profit Sharing and Retirement Savings Plan will not be voted by the Plan's trustee unless specific instructions for voting are given by plan participants to whose accounts such shares have been allocated.

HOW PROXIES ARE SOLICITED

We have hired the firm of Georgeson Inc. to assist in the solicitation of proxies on behalf of the Board. Georgeson Inc. has agreed to perform this service for a fee of not more than $8,000, plus out-of-pocket expenses.

Employees of Tiffany and Company, a subsidiary of the Company, may also solicit proxies on behalf of the Board. These employees will not receive any additional compensation for their work soliciting proxies and any costs incurred by them in doing so will be paid for by Tiffany and Company.

Proxies may be solicited by mail, in person, by facsimile, by telephone or by electronic mail (e-mail). In addition, we will pay for any costs incurred by brokerage houses and others for forwarding proxy materials to beneficial owners.

OWNERSHIP OF THE COMPANY

STOCKHOLDERS WHO OWN AT LEAST FIVE PERCENT OF THE COMPANY

The following table shows all persons who were known to us to be “beneficial owners” of at least five percent of Company stock as of March 24, 2014. Footnote a) below provides a brief explanation of what is meant by the term “beneficial ownership.” This table is based upon reports filed with the Securities and Exchange Commission, commonly referred to as the SEC. Copies of these reports are publicly available from the SEC. All of the reports included a certification to the effect that the shares were acquired in the ordinary course of business and were not acquired and were not being held for the purpose of or with the effect of changing or influencing the control of the Company and were not acquired and were not being held in connection with or as a participant in any transaction having that purpose or effect.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (a)		Percent of Class
Qatar Investment Authority Q-Tel Tower, 8th Floor Diplomatic Area Street, West Bay P.O. Box 23224, Doha, State of Qatar	16,222,436	(b)	12.59%
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, PA 19355	8,234,911	(c)	6.39%
Capital World Investors 333 South Hope Street Los Angeles, CA 90071	7,728,000	(d)	6.00%

a) “Beneficial ownership” is a term broadly defined by the SEC and includes more than the typical form of stock ownership, that is, stock held in the person’s name. The term also includes where a person has the right to acquire stock within 60 days or has or shares the power to vote the stock or to sell it. Accordingly, some of the shares reported as beneficially owned in this table may actually be held by other persons or organizations. Those other persons and organizations are described in the reports filed with the SEC.

b) Qatar Investment Authority, a citizen of Qatar, reported such beneficial ownership to the SEC on its Schedule 13G/A as of February 12, 2014 and stated that it had sole voting and disposition power with respect to all such shares.

c) The Vanguard Group, Inc. reported such beneficial ownership to the SEC on its Schedule 13G/A as of February 12, 2014 and stated that, as an investment advisor, it beneficially owned the number of shares referred to above. This Schedule stated that it had sole power to vote 186,338 shares of the Company's common stock, sole power to dispose or direct the disposition of 8,063,773 shares, and shared power to dispose or direct the disposition of 171,138 shares, for an aggregate amount of 8,234,911 shares beneficially owned.

d) Capital World Investors reported such beneficial ownership to the SEC on its Schedule 13G/A as of February 13, 2014 and stated that, as investment advisor to various investment companies registered under Section 8 of the Investment Company Act of 1940, it had sole voting and disposition power with respect to all such shares.

OWNERSHIP BY DIRECTORS, DIRECTOR NOMINEES AND EXECUTIVE OFFICERS

The following table shows the number of shares of the Company's common stock beneficially owned as of March 24, 2014 by those persons who are director nominees or who were, as of the end of Fiscal 2013, directors, the principal executive officer (the "CEO"), the principal financial officer (the "CFO") and the three next most highly compensated executive officers of the Company. In notes (b) through (k) below, "Vested Stock Options" refer to stock options that are exercisable as of March 24, 2014 or will become exercisable within 60 days of that date.

Name	Amount and Nature of Beneficial Ownership		Percent of Class[a]
Directors			
Rose Marie Bravo	31,797	b	*
Gary E. Costley	14,080	c	*
Frederic Cumenal	69,639	d	*
Lawrence K. Fish	47,950	e	*
Abby F. Kohnstamm	72,450	f	*
Michael J. Kowalski (CEO)	525,117	g	*
Charles K. Marquis	180,000	h	*
Peter W. May	50,429	i	*
Robert S. Singer	14,745	j	*
William A. Shutzer	337,837	k	*
Executive Officers			
James N. Fernandez (CFO)	89,478	l	*
Jon M. King	69,259	m	*
Pamela H. Cloud	94,041	n	
All executive officers and directors as a group (19 persons):	2,010,785	o	1.6%

a) An asterisk (*) is used to indicate less than 1% of the class outstanding.

b) Includes 26,818 shares issuable upon the exercise of Vested Stock Options. Includes 979 shares issuable upon the maturity of restricted stock grants made to directors on May 16, 2013.

c) Includes 12,101 shares issuable upon the exercise of Vested Stock Options. Includes 979 shares issuable upon the maturity of restricted stock grants made to directors on May 16, 2013.

d) Includes 57,626 shares issuable upon the exercise of Vested Stock Options.

e) Includes 18,241 shares issuable upon the exercise of Vested Stock Options. Includes 979 shares issuable upon the maturity of restricted stock grants made to directors on May 16, 2013.

f) Includes 56,818 shares issuable upon the exercise of Vested Stock Options. Includes 979 shares issuable upon the maturity of restricted stock grants made to directors on May 16, 2013.

g) Includes 294,000 shares issuable upon the exercise of Vested Stock Options and 3,029 shares held by the Kowalski Family Foundation.

h) Includes 46,818 shares issuable upon the exercise of Vested Stock Options, 28,203 shares held in the Charles and Cynthia Marquis Joint Revocable Trust dated December 8, 2003 and 56,000 shares held in the Marquis 2012 Children's Trust, as Trustee. Mr. Marquis disclaims beneficial ownership of Company stock held by the Marquis 2012 Children's Trust. Includes 979 shares issuable upon the maturity of restricted stock grants made to directors on May 16, 2013.

i) Includes 11,653 shares Mr. May may be deemed to indirectly beneficially own. Includes 36,818 shares issuable upon the exercise of Vested Stock Options. Includes 979 shares issuable upon the maturity of restricted stock grants made to directors on May 16, 2013.

j) Includes 5,764 shares issuable upon the exercise of Vested Stock Options. Includes 979 shares issuable upon the maturity of restricted stock grants made to directors on May 16, 2013.

k) Includes 56,818 shares issuable upon the exercise of Vested Stock Options; 107,500 shares held by KJC Ltd. of which Mr. Shutzer is the sole general partner and of which three of his adult children are limited partners; 32,210 shares held in trust for one adult child of which trust Mr. Shutzer's wife is sole trustee; and 979 shares issuable upon the maturity of restricted stock grants made to directors on May 16, 2013. Mr. Shutzer disclaims beneficial ownership of Company stock held by KJC Ltd. and shares held in the aforementioned trust.

l) Includes 33,500 shares issuable upon the exercise of Vested Stock Options and 153 shares held in Mr. Fernandez's account under the Company's Employee Profit Sharing and Retirement Savings Plan.

m) Includes 30,750 shares issuable upon the exercise of Vested Stock Options and 485 shares held in Mr. King's account under the Company's Employee Profit Sharing and Retirement Savings Plan.

n) Includes 76,250 shares issuable upon the exercise of Vested Stock Options and 482 shares held in Ms. Cloud's account under the Company's Employee Profit Sharing and Retirement Savings Plan.

o) Includes 1,005,654 shares issuable upon the exercise of Vested Stock Options and restricted stock grants that will mature on May 16, 2014; 2,448 shares held in accounts under the Company's Employee Profit Sharing and Retirement Savings Plan; and 3 shares held in the Company's Employee Stock Purchase Plan.

See "COMPENSATION OF THE CEO AND OTHER EXECUTIVE OFFICERS, Compensation Discussion and Analysis, *Equity Ownership by Executive Officers and Non-Executive Directors*" beginning at PS-43 below for a discussion of the Company's share ownership policy.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors, executive officers and greater-than-ten-percent stockholders to file reports of ownership and changes in ownership with the SEC and the New York Stock Exchange. These persons are also required to provide us with copies of those reports.

Based on our review of those reports and of certain other documents we have received, we believe that, during and with respect to Fiscal 2013, all filing requirements under Section 16(a) applicable to our directors, executive officers and greater-than-ten-percent stockholders were satisfied in a timely manner.

RELATIONSHIP WITH INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PricewaterhouseCoopers LLP ("PwC") serves as the Company's independent registered public accounting firm and, through its predecessor firms, has served in that capacity since 1984.

The Audit Committee has selected PwC as the independent registered public accounting firm to audit the Company's financial statements and effectiveness of internal controls for the fiscal year ending January 31, 2015. The Audit Committee is directly responsible for appointing the independent auditors. In making this selection, the Audit Committee considered the independence of PwC, and whether the audit and non-audit services PwC provides to the Company are compatible with maintaining that independence.

The Audit Committee has adopted a policy requiring advance approval of PwC's fees and services by the Audit Committee; this policy also prohibits PwC from performing certain non-audit services for the Company including: (i) bookkeeping, (ii) systems design and implementation, (iii) appraisal or valuation, (iv) actuarial, (v) internal audit, (vi) management or human resources, (vii) investment advice or investment banking, (viii) legal services, and (ix) expert services unrelated to the audit. All fees paid to PwC by the Company as shown in the table that follows were approved by the Audit Committee pursuant to this policy.

FEES AND SERVICES OF PRICEWATERHOUSECOOPERS LLP

The following table presents fees for professional audit services rendered by PwC for the audit of the Company's consolidated financial statements and the effectiveness of internal controls over financial reporting for the years ended January 31, 2014 and 2013, and for its reviews of the Company's unaudited condensed consolidated interim financial statements. This table also reflects fees billed for other services rendered by PwC.

	January 31, 2014	January 31, 2013
Audit Fees	$2,747,000	$2,837,200
Audit-related Fees	34,000	29,000
Audit and Audit-related Fees	2,781,000	2,866,200
Tax Fees[a]	2,202,200	1,636,500
All Other Fees[b]	228,200	234,500
Total Fees	$5,211,400	$4,737,200

a) Tax fees consist of fees for tax compliance and tax consulting services. These fees included tax filing and compliance fees of $1,795,000 for the year ended January 31, 2014 and $1,549,900 for the year ended January 31, 2013.

b) All other fees consist of Sustainability Assurance procedures, Kimberly Process Agreed Upon Procedures and costs for research software for the years ended January 31, 2014 and January 31, 2013.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

THE BOARD, IN GENERAL

The Company is a Delaware corporation. Our principal subsidiary is Tiffany and Company, a New York corporation. In this Proxy Statement, Tiffany and Company will be referred to as simply "Tiffany."

The Board is currently comprised of ten members. The Board can also fill vacancies and newly created directorships, as well as amend the By-laws to provide for a greater or lesser number of directors.

Directors are required by our By-laws to be less than age 74 when elected or appointed unless the Board waives that provision with respect to an individual director whose continued service is deemed uniquely important to the Company. Under the Company's Corporate Governance Principles, directors may not serve on a total of more than six public company boards. Service on the Board is included in that total.

THE ROLE OF THE BOARD IN CORPORATE GOVERNANCE

The Board plays several important roles in the governance of the Company, as set out in the Company's Corporate Governance Principles. The Corporate Governance Principles may be viewed on the Company's website www.tiffany.com, by clicking on "Investors" at the bottom of the page and then selecting "Corporate Governance" from the left-hand column. The Corporate Governance Principles can also be found as Appendix I to this Proxy Statement. The responsibilities of the Board include:

- Management succession;
- Review and approval of the annual operating plan prepared by management;
- Monitoring of performance in comparison to the operating plan;
- Review and approval of the Company's strategic plan prepared by management;
- Consideration of topics of relevance to the Company's ability to carry out its strategic plan;
- Review and approval of a delegation of authority by which management carries out the day-to-day operations of the Company and its subsidiaries;
- Review of the Company's investor relations program;
- Review of the Company's schedule of insurance coverage; and
- Review and approval of significant actions by the Company.

POLITICAL SPENDING

At its November 2011 meeting, the Board adopted the Tiffany & Co. Principles Governing Corporate Political Spending. These principles are intended to ensure oversight, transparency and effective decision-making with respect to the Company's political spending, and to protect employees' autonomy with respect to personal political spending. The principles may be viewed on the Company's website, www.tiffany.com, by clicking "Investors" at the bottom of the page, and then selecting "Corporate Governance" from the left-hand column.

In accordance with the Principles Governing Corporate Political Spending, the Company reported the following expenses for Fiscal 2013. The Company paid $314,100 to Cassidy & Associates, a government relations firm based in Washington D.C. that engaged, on behalf of the Company, in lobbying efforts focused on public policy concerning various mining law and sustainability issues and also addressed certain trade and industry matters for the Company. Cassidy & Associates did not use any funds from the Company to assist candidates for office or to influence the outcome of ballot initiatives. Additionally, funds in an amount less than $310, which reflect a portion of the membership dues the Company or its affiliates paid to major trade associations (defined to include those trade associations to which the

Company and its affiliates pay at least $25,000 in annual dues), were used by such trade associations for political expenditures.

EXECUTIVE SESSIONS OF NON-MANAGEMENT DIRECTORS/PRESIDING NON-MANAGEMENT DIRECTOR

Non-management directors meet regularly in executive session without management participation. This encourages open discussion. At those meetings, Charles K. Marquis, Chairman of the Nominating/ Corporate Governance Committee, presides. In addition, at least once per year the independent directors meet separately in executive session.

COMMUNICATION WITH NON-MANAGEMENT DIRECTORS

Stockholders may send written communications to the entire Board or to any of the non-management directors by addressing their concerns to Mr. Marquis, Chairman of the Nominating/Corporate Governance Committee (presiding director), at the following address: Corporate Secretary (Legal Department), Tiffany & Co., 727 Fifth Avenue, New York, New York 10022. All communications will be compiled by the Corporate Secretary and submitted to the Board or an individual director, as appropriate, on a periodic basis.

DIRECTOR ATTENDANCE AT ANNUAL MEETING

The Board schedules a regular meeting on the date of the Annual Meeting of Shareholders to facilitate attendance at the Annual Meeting by the directors. All of the ten current directors attended the Annual Meeting held in May 2013, although Frederic Cumenal, who was appointed to the Board on September 19, 2013, attended in his capacity as an executive officer of the Company.

INDEPENDENT DIRECTORS CONSTITUTE A MAJORITY OF THE BOARD

The Board has affirmatively determined that each of the following directors and director-nominees is "independent" under the listing standards of the New York Stock Exchange in that none of them has a material relationship with the Company (directly or as a partner, shareholder or officer of any organization that has a relationship with the Company): Rose Marie Bravo, Gary E. Costley, Lawrence K. Fish, Abby F. Kohnstamm, Charles K. Marquis, Peter W. May and Robert S. Singer.

All of the members of the Audit, Nominating/Corporate Governance and Compensation Committees are independent as indicated in the prior paragraph.

The Board also considered the other tests of independence set forth in the New York Stock Exchange Corporate Governance Rules and has determined that each of the above directors and nominees is independent as defined in such Rules.

In addition, the Board has affirmatively determined that Robert S. Singer, Gary E. Costley, Lawrence K. Fish, Abby F. Kohnstamm and Charles K. Marquis meet the additional, heightened independence criteria applicable to audit committee members under New York Stock Exchange rules.

In determining that Mr. Fish is independent, the Board considered banking relationships that exist between ABN/AMRO and the Company. Both ABN/AMRO and Citizens Financial Group are subsidiaries of the Royal Bank of Scotland Group. Mr. Fish was, on first election in 2008, an employee of Citizens Financial Group and a director of Royal Bank of Scotland Group. A portion of the operations of ABN/ AMRO was acquired by Royal Bank of Scotland Group. The Company does banking business with ABN/ AMRO. Mr. Fish is no longer associated with any of those entities.

In determining that Ms. Bravo is independent, the Board considered the employment relationship between Ms. Bravo's adult stepdaughter and Tiffany. This stepdaughter is not an officer of the Company or Tiffany

and does not reside in Ms. Bravo's household and, for purposes of the New York Stock Exchange categorical independence test, she is not deemed an immediate family member nor is her compensation as a Tiffany employee required to be considered under such test. She was hired in June 2009 after Tiffany acquired a product design group from a disbanding company; subsequent to this acquisition, she was recruited to this design group because she had previously worked for the group. She is not at a significantly high enough job level within Tiffany so that the Compensation Committee is involved in determining the elements or level of her compensation except as equity compensation is determined for the group of employees that work at her job level.

To our knowledge, none of the other independent directors or director-nominees has any direct or indirect relationship with the Company, other than as a director.

BOARD AND COMMITTEE MEETINGS AND ATTENDANCE DURING FISCAL 2013

All current and incumbent directors attended at least 91% of the aggregate number of meetings of the Board and those committees (including the Audit Committee, Compensation Committee, Stock Option Subcommittee, Nominating/Corporate Governance Committee, the Finance Committee and the Corporate Social Responsibility Committee) on which they served during Fiscal 2013.

- The full Board held six meetings. All members attended all meetings.
- The Audit Committee held eight meetings. Attendance averaged 91% amongst all members.
- The Compensation Committee and its Stock Option Subcommittee held six meetings. All members attended all meetings.
- The Nominating/Corporate Governance Committee held six meetings. All members attended all meetings.
- The Finance Committee held five meetings. All members attended all meetings.
- The Corporate Social Responsibility Committee held three meetings. All members attended all meetings.

COMMITTEES OF THE BOARD

Board Committee Membership

Director	Audit*	Compensation & Stock Option Sub-committee*	Corporate Social Responsibility	Dividend	Finance	Nominating/ Corporate Governance*
Rose Marie Bravo		x				x
Gary E. Costley**		Chair	x			x
Lawrence K. Fish	x		Chair		x	
Abby F. Kohnstamm	x	x	x			x
Charles K. Marquis	x	x				Chair
Peter W. May		x			x	
William A. Shutzer					Chair	
Robert S. Singer	Chair	x			x	
Michael J. Kowalski			x	x		
Frederic Cumenal ***						

* *Comprised solely of independent directors.*

** *Dr. Costley was a member of the Audit Committee until May 16, 2013.*

*** *Mr. Cumenal joined the Board in September 2013.*

Nominating/Corporate Governance Committee

The primary function of the Nominating/Corporate Governance Committee is to assist the Board in matters of corporate governance. The Nominating/Corporate Governance Committee operates under the charter adopted by the Board. The charter may be viewed on the Company's website, www.tiffany.com, by clicking "Investors" at the bottom of the page, and then selecting "Corporate Governance" from the left-hand column. Under its charter, the role of the Nominating/Corporate Governance Committee includes recommending to the Board:

- Policies on the composition of the Board;
- Criteria for the selection of nominees for election to the Board;
- Nominees to fill vacancies on the Board;
- Nominees for election to the Board;
- Director compensation; and
- Management succession.

Submitting Candidate Names

If you would like to submit the name of a candidate for the Nominating/Corporate Governance Committee to consider as a nominee of the Board for director, you may send your submission at any time to the Nominating/Corporate Governance Committee, c/o Corporate Secretary (Legal Department), Tiffany & Co., 727 Fifth Avenue, New York, New York 10022.

Process for Identifying and Evaluating Nominees for Director

The Nominating/Corporate Governance Committee evaluates candidates recommended by shareholders in the same manner as it evaluates director candidates suggested by others, including those recommended by director search firms.

See our Corporate Governance Principles which are available on our website www.tiffany.com (click "Investors" at the bottom of the page, then select "Corporate Governance" from the left-hand column) and as Appendix I to this Proxy Statement. In accordance with these principles, candidates for director shall be selected on the basis of their business experience and expertise, with a view to supplementing the business experience and expertise of management and adding further substance and insight into board discussions and oversight of management.

The policy is implemented through discussions at meetings of the Nominating/Corporate Governance Committee and through specifications provided to director search firms when such firms are retained. The Nominating/Corporate Governance Committee has no procedure or means of assessing the effectiveness of this policy other than the process described under "Self-Evaluation" below.

The Nominating/Corporate Governance Committee has no other policy with regard to the consideration of diversity in identifying director nominees.

Dividend Committee

The Dividend Committee declares regular quarterly dividends in accordance with the dividend policy established by the Board. The Dividend Committee acts by unanimous written consent. Mr. Kowalski is the sole member of the Dividend Committee.

Compensation Committee

The primary function of the Compensation Committee is to assist the Board in compensation matters. The Compensation Committee operates under its charter which may be viewed on the Company's website, www.tiffany.com, by clicking "Investors" at the bottom of the page, and then selecting "Corporate Governance" from the left-hand column. In Fiscal 2013, the Compensation Committee charter was revised to require the consideration of independence factors in selecting an advisor.

Under its charter, the Compensation Committee's responsibilities include:

- Approval of remuneration arrangements for executive officers; and
- Approval of compensation plans in which officers and employees of Tiffany are eligible to participate.

Compensation for the non-management members of the Board is set by the Board with advice from the Nominating/Corporate Governance Committee.

Role of Compensation Consultants

The Compensation Committee retains an independent advisor to provide advice with respect to the amount and form of executive compensation. In June 2013, the Committee retained Frederic W. Cook & Co., Inc. ("Cook & Co."), which replaced its prior advisor, Pay Governance LLC. In Fiscal 2013, Pay Governance provided advice to the Nominating/Corporate Governance Committee with respect to director compensation.

Cook & Co. assists the Compensation Committee's development and evaluation of executive compensation policies and practices and the Compensation Committee's determinations of executive compensation awards by:

- attending Compensation Committee meetings;
- meeting with the Compensation Committee without management present;
- providing third-party data, advice and expertise on proposed executive compensation awards and plan designs (see Competitive Compensation Analysis at PS-32);
- reviewing materials prepared by management and advising the Compensation Committee on the matters included in these materials, including the consistency of proposals with the Compensation Committee's compensation philosophy and comparisons to programs at other companies; and
- preparing its own analysis of compensation matters, including positioning of programs in the competitive market and the design of plans consistent with the Compensation Committee's compensation philosophy.

Independence factors as reflected in the Compensation Committee charter were considered in selecting Cook & Co., and Cook & Co. was found to be independent. The Compensation Committee has instructed Cook & Co. to act independently of management and only at the direction of the Committee, and has advised Cook & Co. that its ongoing engagement will be determined solely by the Compensation Committee. Cook & Co. does not consult with management on compensation to be paid to non-executive employees, nor does it have any potential or actual conflicts with the Company. Management has assisted in arranging meetings between Cook & Co. and the Committee and in facilitating Cook & Co.'s review of Committee materials.

For additional information regarding the operation of the Compensation Committee, including the role of consultants and management in the process of determining the amount and form of executive compensation, see "Compensation Evaluation Process" beginning at PS-31 of the "Compensation Discussion and Analysis" below. The Compensation Committee's report appears at PS-49.

Stock Option Subcommittee

The Stock Option Subcommittee determines the grant of options, restricted stock units, cash incentive awards and other matters under our 2005 Employee Incentive Plan. All members of the Compensation Committee are members of this subcommittee.

Compensation Committee Interlocks and Insider Participation

During 2013, the members of the Compensation Committee and its Stock Option Subcommittee were Rose Marie Bravo, Gary E. Costley, Abby F. Kohnstamm, Charles K. Marquis, Peter W. May and Robert S. Singer. No director serving on the Compensation Committee or its Stock Option Subcommittee during any part of Fiscal 2013 was, at any time either during or before such fiscal year, an officer or employee of Tiffany & Co. or any of its subsidiaries. Suzanne Jackey, an adult stepdaughter of Rose Marie Bravo, was a "related person" in 2013 because she is a salaried employee of Tiffany whose annual base salary and target bonus totaled approximately $236,000 for fiscal year 2013. Ms. Jackey was hired as Tiffany's Director of Product Development and Merchandising – Leather Accessories because she had previously worked for the product development group hired to develop a new product line. None of the Company's executive officers serves, or in the past fiscal year served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of the Board or the Compensation Committee and its Stock Option Subcommittee.

Audit Committee

The Company's Audit Committee is an "audit committee" established in accordance with Section 3(a)-(58)(A) of the Securities Exchange Act of 1934. The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the Company's financial matters. The Audit Committee operates under a charter adopted by the Board; that charter may be viewed on the Company's website, www.tiffany.com, by clicking "Investors" at the bottom of the page and then selecting "Corporate Governance" from the left-hand column. Under its charter, the Audit Committee's responsibilities include:

- Retaining and terminating the Company's independent registered public accounting firm, reviewing the quality-control procedures and independence of such firm and evaluating their proposed audit scope, performance and fee arrangements;
- Approving in advance all audit and non-audit services to be rendered by the independent registered public accounting firm;
- Reviewing the adequacy of our system of internal accounting and financial controls;
- Establishing procedures for complaints regarding accounting, internal accounting controls or auditing matters; and
- Conducting a review of our financial statements and audit findings in advance of filing, and reviewing in advance significant proposed changes in our accounting principles.

The Board has determined that all members of the Audit Committee are financially literate, that at least one member of the Audit Committee meets the New York Stock Exchange standard of having accounting or related financial management expertise, and that Mr. Singer meets the SEC criteria of an "audit committee financial expert." The Board considered Mr. Singer's past experience as Chief Financial Officer of Gucci Group NV, Partner at Coopers & Lybrand, and Chairman of the audit committee for Fairmont Hotels & Resorts, Inc. The report of the Audit Committee is at PS-21.

Finance Committee

The Board formed the Finance Committee to assist the Board with its oversight of the Company's capital structure, dividend policy, repurchase of the Company's common stock, debt and equity financings, and the retention of investment bankers and other financial advisors to the Board, and guarantee of currency, interest rate or commodity hedging transactions entered into by the Company's subsidiaries. The Finance Committee operates under the charter adopted by the Board. The charter may be viewed on the Company's website, www.tiffany.com, by clicking "Investors" at the bottom of the page, and then selecting "Corporate Governance" from the left-hand column.

Corporate Social Responsibility Committee

The Board formed the Corporate Social Responsibility Committee to assist the Board with its oversight of the Company's policies and practices involving the environment, vendor workplace conditions and employment practices, community affairs, sustainable product sourcing, corporate charitable giving, governmental relations, political activities and diversity in employment. The Corporate Social Responsibility Committee operates under the charter adopted by the Board. The charter may be viewed on the Company's website, www.tiffany.com, by clicking "Investors" at the bottom of the page, and then selecting "Corporate Governance" from the left-hand column.

SELF-EVALUATION

The independent directors who serve on the Board conduct an annual evaluation of the workings and efficiency of the Board and of each of the Board committees on which they serve and make recommendations for change, if required.

RESIGNATION ON JOB CHANGE OR NEW DIRECTORSHIP

Under the Company's Corporate Governance Principles, a director must submit a letter of resignation to the Nominating/Corporate Governance Committee on a change in employment or significant change in job responsibilities and upon accepting or resolving to accept a directorship with another public company (or any other organization that would require a significant time commitment). The Committee shall meet to consider, in light of the circumstances, the continued appropriateness of the continued service of the director and may then accept or reject such resignation. The letter of resignation will be of no force and effect if not accepted by the Committee within ten days of receipt.

BOARD LEADERSHIP STRUCTURE

The offices of Chairman of the Board and Chief Executive Officer are held by the same person, Michael J. Kowalski. The Company has a lead independent director (also referred to as "presiding independent director"). Charles K. Marquis occupies such position by virtue of his chairmanship of the Nominating/Corporate Governance Committee.

Mr. Kowalski sets a preliminary agenda for each board meeting and submits it for the approval of the lead independent director.

The lead independent director chairs meetings of the independent and non-management directors (including meetings of the Nominating/Corporate Governance Committee) and during those meetings solicits the comments and suggestions of the independent directors and other non-management directors with respect to the agenda for Board meetings, the information to be provided by management and the quality of the discussions and decision-making process.

The Nominating/Corporate Governance Committee deems the existing structure appropriate in the context of the existing board size, the tenure of the directors with the Company, the overall experience of the directors and the experience that the directors have had with Mr. Kowalski and the executive management group.

Mr. Kowalski has served as Chairman of the Board since the start of Fiscal 2003, and the directors have had the opportunity during that time to assess his skills at moderating discussions during meetings, his responsiveness to the Board's suggestions for the agenda and the information provided by management to the directors. The Board believes there is value in having the Chief Executive Officer serve as Chairman of the Board for a number of reasons. The Chief Executive Officer's active involvement in the operations of the Company improves his ability to set the agenda for each board meeting. Further, his dual role ensures the strategic planning process and Company operations remain closely linked to each other.

The Nominating/Corporate Governance Committee may reassess the appropriateness of the existing leadership structure at any time, including following changes in management, in board composition or in the scope or complexity of the Company's operations.

BOARD ROLE IN RISK OVERSIGHT

The Board believes (i) that management is responsible to manage the various risks that may arise in the Company's operations and (ii) that the Board has a role in overseeing management in the risk management function.

Management's approach to risk management includes systems of authorities and approval levels; internal control checks and balances; analytical methods for making and evaluating decisions; planning for annual business growth and profitability; strategic planning; and nurturing a corporate culture that rewards integrity and supports the TIFFANY & CO. brand image. This approach to risk management includes these goals: that every risk should, when possible and practicable, be identified, quantified as to monetary impact, assigned a probability factor, and properly delegated to management for a response. Operational risks so categorized are used to inform and shape the internal audit plan and are communicated to the Company's independent registered public accounting firm so that they can be referenced and used, if deemed appropriate, to inform and shape the external audit plan. Strategic risks are identified and are addressed in the strategic planning process.

Each year management is charged with the preparation of detailed business plans for the coming one-year (the annual plan) and three-year period (the strategic plan) and required to review these plans, as they are developed and refined, with the Board. Among other items, such plans include budgets for capital expenditures, inventory purchases, cash flow and liquidity, hiring, borrowing and dividends. The Board requires management to plan on the basis of realistic assumptions concerning sales and cost increases. In this process, the Board endeavors to assess whether management has made an appropriate analysis of the operational and brand risks inherent in the plans.

Each year the Board reviews and approves the annual business plan and the strategic plan. The Board also reviews specific risk areas on a regular basis. These are insured risks, management authority, investor relations, litigation risks, foreign currency risks, diamond supply risk and inventory risk.

The Audit Committee is required to discuss policies with respect to risk assessment and risk management and regularly does so. The Audit Committee concerns itself most specifically with the integrity of the financial reporting process, but also with personnel, asset and information security risk.

The Finance Committee concerns itself principally with liquidity risk.

The Company has not designated an overall risk management officer and has no formal policy for coordination of risk management oversight amongst the two board committees involved. The committee structure was not organized specifically for the purpose of risk management oversight.

The Board coordinates the risk management oversight function in the following manner. Both the Finance Committee and the Audit Committee share the minutes of their meetings with the Board and report regularly to the Board. All committee meetings are open to the other directors and many regularly attend because the committee meetings are regularly scheduled on the day of, or the day preceding, Board meetings.

BUSINESS CONDUCT POLICY AND CODE OF ETHICS

The Company has a long-standing policy governing business conduct for all Company employees worldwide. The policy requires compliance with law and avoidance of conflicts of interest and sets standards for various activities to avoid the potential for abuse or the occasion for illegal or unethical activities. This policy covers, among other activities, the acceptance of gifts from those seeking to do business with the Company, the giving of gifts or other items of value to third parties, processing one's own transactions, political contributions and reporting dishonest activity. Each year, all employees are required to review the policy, report any violations or conflicts of interest and affirm their obligation to report future violations to management.

The Company has a toll-free "hotline" to receive complaints from employees, vendors, shareholders and other interested parties concerning violations of the Company's policies or questionable accounting, internal controls or auditing matters. The toll-free phone number is 877-806-7464. The hotline is operated by a third-party service provider to assure the confidentiality and completeness of all information received. Users of this service may elect to remain anonymous.

We also have a Code of Business and Ethical Conduct for the directors, the chief executive officer, the chief financial officer and all other officers of the Company. The Code advocates and requires those persons to adhere to principles and responsibilities governing professional and ethical conduct. This Code supplements our business conduct policy. Waivers may only be made by the Board. A summary of our business conduct policy and a copy of the Code of Business and Ethical Conduct are posted on our website, www.tiffany.com, by clicking "Investors" at the bottom of the page, and then selecting "Corporate Governance" from the left-hand column. The Board has not adopted a policy by which it will disclose amendments to, or waivers from, the Company's Code of Business and Ethical Conduct on our website. Accordingly, we will file a report on Form 8-K if that Code is amended or if the Board has granted a waiver from such Code, including an implicit waiver. We will file such a report only if the waiver applies to the Company's principal executive officer, principal financial officer, principal accounting officer or controller, and if such waiver relates to: honest and ethical conduct; full, fair, accurate, timely and understandable disclosure; compliance with applicable governmental laws, rules and regulations; the prompt internal reporting of violations of the Code; or accountability for adherence to the Code.

The Nominating/Corporate Governance Committee, Audit Committee and Compensation Committee charters as well as the Code of Business and Ethical Conduct and the Corporate Governance Principles are available in print to any shareholder who requests them, by contacting the Corporate Secretary (Legal Department) at Tiffany & Co., 727 Fifth Avenue, New York, New York 10022.

LIMITATION ON ADOPTION OF POISON PILL PLANS

On January 19, 2006, the Board terminated the Company's shareholder rights plan (typically referred to as a "poison pill") and adopted the following policy:

"This Board shall submit the adoption or extension of any poison pill to a stockholder vote before it acts to adopt such poison pill; provided, however, that this Board may act on its own to adopt a poison pill without first submitting such matter to a stockholder vote if, under the circumstance then existing, this Board in the exercise of its fiduciary responsibilities deems it to be in the best interests of the Company and its stockholders to adopt a poison pill without the delay in adoption that is attendant upon the time reasonably anticipated to seek a stockholder vote. If a poison pill is adopted without first submitting such matter to a stockholder vote, the poison pill must be submitted to a stockholder vote within one year after the effective date of the poison pill. Absent such submission to a stockholder vote, and favorable action thereupon, the poison pill will expire on the first anniversary of its effective date."

TRANSACTIONS WITH RELATED PERSONS

The Board has adopted policies and procedures for the review, approval or ratification of transactions with the Company (or any subsidiary) in which any director or executive officer, any nominee for election as a director, any immediate family member of such an officer, director or nominee or any five-percent holder of the Company's securities has a direct or indirect material interest. Such transactions are referred to the Nominating/Corporate Governance Committee for review. In determining whether to approve or ratify any transaction, the Committee applies the following standard after considering the facts and circumstances of the transaction: whether, in the business judgment of the Committee members, the interests of the Company appear likely to be served by such approval or ratification.

The Board has ratified the hiring in Fiscal 2009 by Tiffany management of the following related person: Suzanne Jackey, an adult stepdaughter of Rose Marie Bravo, a director and a nominee for director. Ms. Jackey was hired as Tiffany's Director of Product Development and Merchandising – Leather Accessories because she had previously worked for the product development group hired to develop a new product line. Ms. Jackey is a salaried employee of Tiffany whose annual base salary and target bonus totaled approximately $236,000 for Fiscal 2013.

CONTRIBUTIONS TO DIRECTOR-AFFILIATED CHARITIES

The contributions listed below were made during the last fiscal year to charitable organizations with which directors or director nominees are affiliated through membership on the governing board of such charitable organizations. None of the independent directors serve as an executive officer of these charities:

- 92nd Street Y: merchandise grants totaling $1,395 (Mr. May is an honorary member of the Board of Directors).
- Carnegie Hall: a combination of table and advertisement for the opening night gala of $36,450 (Mr. May is a Trustee).
- Partnership for New York City: $15,000 annual dues contributions (Mr. May and Tiffany are each partners).
- Mt. Sinai Medical Center: $10,000 table purchase for Dubin Breast Cancer Center luncheon (Mr. May is Chairman of the Board of Trustees).
- Paul Taylor Dance Company: merchandise grants of $1,050 (Mr. Shutzer is a Trustee).
- Prep for Prep: merchandise grants totaling $2,370 (Mr. Shutzer is a Trustee).
- Phoenix House: combination of ticket subscription and merchandise grants totaling $95,080 (Ms. Bravo is a member of the Board of Directors).
- Roundabout Theatre Company: $20,000 table purchase for spring gala (Ms. Kohnstamm is a member of the Board of Directors).

REPORT OF THE AUDIT COMMITTEE

Included in the Company's Annual Report to Stockholders are the consolidated balance sheets of the Company and its subsidiaries as of January 31, 2014 and 2013, and the related consolidated statements of earnings, comprehensive earnings, stockholders' equity, and cash flows for each of the three years in the period ended January 31, 2014. These statements (the "Audited Financial Statements") are the subject of a report by the Company's independent registered public accounting firm, PricewaterhouseCoopers LLP ("PwC"). The Audited Financial Statements are also included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

The Audit Committee reviewed and discussed the Audited Financial Statements with the Company's management and otherwise fulfilled the responsibilities set forth in its charter. The Audit Committee has also discussed with the Company's management and independent registered public accounting firm their evaluations of the effectiveness of the Company's internal controls over financial reporting.

The Audit Committee has discussed with PwC the matters required to be discussed by PCAOB Auditing Standard No. 16, "Communications with Audit Committees". The Audit Committee received from PwC the written disclosure and letter required by PCAOB Rule 3526 "Communication with Audit Committees Concerning Independence," and has discussed with them their independence. The Audit Committee has considered whether the provision by PwC of the tax consultation, tax compliance and other non-audit-related services disclosed above under "RELATIONSHIP WITH INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM - Fees and Services of PricewaterhouseCoopers LLP" is compatible with maintaining PwC's independence and has concluded that providing such services is compatible with PwC's independence from the Company and its management.

Based upon the review and discussions referred to above, the Audit Committee recommended to the Company's Board that the Audited Financial Statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2014.

Signed:

Robert S. Singer, Chair

Lawrence K. Fish

Abby F. Kohnstamm

Charles K. Marquis

Members of the Audit Committee

EXECUTIVE OFFICERS OF THE COMPANY

The executive officers of the Company are:

Name	Age	Position	Year Joined Tiffany
Michael J. Kowalski	62	Chairman of the Board and Chief Executive Officer	1983
Frederic Cumenal	54	President	2011
Beth O. Canavan	59	Executive Vice President	1987
James N. Fernandez	58	Executive Vice President – Chief Operating Officer	1983
Jon M. King	57	Executive Vice President	1990
Ralph Nicoletti	56	Executive Vice President – Chief Financial Officer	2014
Victoria Berger-Gross	58	Senior Vice President – Global Human Resources	2001
Pamela H. Cloud	44	Senior Vice President – Merchandising	1994
Patrick B. Dorsey	63	Senior Vice President – General Counsel and Secretary	1985
Andrew W. Hart	46	Senior Vice President – Manufacturing, Diamonds and Gemstones	1999
Caroline D. Naggiar	56	Senior Vice President – Chief Marketing Officer	1997
John S. Petterson	55	Senior Vice President – Global Operations and Customer Services	1988

Michael J. Kowalski. Mr. Kowalski assumed the role of Chairman of the Board in 2003, following the retirement of William R. Chaney. He has served as the Registrant's Chief Executive Officer since 1999 and on the Registrant's Board of Directors since 1995. After joining Tiffany in 1983 as Director of Financial Planning, Mr. Kowalski held a variety of merchandising management positions and served as Executive Vice President from 1992 to 1996 with overall responsibility in the areas of merchandising, marketing, advertising, public relations and product design. He was elected President in 1997. Mr. Kowalski is a member of the Board of Directors of the Bank of New York Mellon and a member of its Audit Committee and Compensation Committee. The Bank of New York Mellon is Tiffany's principal banking relationship, serving as Administrative Agent and a lender under Tiffany's revolving credit facility and as the trustee and investment manager for Tiffany's Employee Pension Plan; and BNY Mellon Shareowner Services, an affiliate of Bank of New York Mellon, served as the Company's transfer agent and registrar until such affiliate was sold to Computershare in December 2011.

Frederic Cumenal. Mr. Cumenal joined Tiffany in March 2011 as Executive Vice President, with responsibility for the Asia-Pacific, Japan, Europe and Emerging Markets Regions. In 2012, Mr. Cumenal's responsibilities were expanded to include all regions. In 2013, Mr. Cumenal was promoted to President and appointed to the Registrant's Board of Directors. In his new role as President, Mr. Cumenal continues to have responsibility for sales and distribution of TIFFANY & CO. products globally, with additional responsibility for the Product and Store Design, Merchandising and Marketing functions. For 15 years prior to joining Tiffany, Mr. Cumenal held senior leadership positions in LVMH Group's wine and spirits businesses, most recently as President and Chief Executive Officer of Moët & Chandon, S.A. Previously, Mr. Cumenal served as Chief Executive Officer of Domaine Chandon, and was Managing Director of Moët Hennessy Europe.

Beth O. Canavan. Mrs. Canavan joined Tiffany in 1987 as Director of New Store Development. She later held the positions of Vice President, Retail Sales Development, Vice President and General Manager of the New York flagship store and Eastern Regional Vice President. In 1997, she assumed the position of Senior Vice President for U.S. Retail. In 2000, she was promoted to Executive Vice President responsible for retail sales activities in the U.S. and Canada and retail store expansion. In 2001, Mrs. Canavan assumed additional responsibility for direct sales and business-to-business sales activities in the Americas and in 2010 also assumed responsibility for sales in Latin America. In 2013, Mrs. Canavan transitioned from her responsibilities to establish and lead a specialized selling organization focused on growth of high end statement jewelry sales.

James N. Fernandez. Mr. Fernandez joined Tiffany in 1983 and held various positions in financial planning and management prior to his appointment as Senior Vice President–Chief Financial Officer in 1989. In 1998, he was promoted to Executive Vice President–Chief Financial Officer. In June 2011, he was promoted to Executive Vice President and Chief Operating Officer. From November 27, 2013 through April 2, 2014, Mr. Fernandez served as acting Chief Financial Officer. Mr. Fernandez serves on the Board of Directors of The Dun & Bradstreet Corporation and is the Chairman of its Audit Committee and a member of its Board Affairs Committee. Mr. Fernandez has announced plans to retire from Tiffany effective July 31, 2014.

Jon M. King. Mr. King joined Tiffany in 1990 as a jewelry buyer and held various positions in the Merchandising Division, assuming responsibility for product development in 2002 as Group Vice President. In 2003, he was promoted to Senior Vice President–Merchandising. In 2006, he was promoted to Executive Vice President. From that time through 2012, Mr. King had responsibility for Merchandising, Marketing and Public Relations. Currently, Mr. King leads the Company's product design and store design activities.

Ralph Nicoletti. Mr. Nicoletti joined Tiffany on April 2, 2014 as Executive Vice President and Chief Financial Officer. Prior to joining Tiffany, Mr. Nicoletti, 56, held the role of executive vice president and chief financial officer for Cigna Corporation, the global health services and insurance company from 2011 to 2013, and for Alberto Culver, Inc., a manufacturer and distributor of beauty products, from 2007 to 2011. Previously, Mr. Nicoletti held a number of financial management positions at Kraft Foods, Inc. during his tenure there from 1979 to 2007.

Victoria Berger-Gross. Dr. Berger-Gross joined Tiffany in 2001 as Senior Vice President–Human Resources. Her current title is Senior Vice President–Global Human Resources.

Pamela H. Cloud. Ms. Cloud joined Tiffany in 1994 as an assistant buyer and has since advanced through positions of increasing management responsibility within the Merchandising Division. In 2007, she was promoted to Senior Vice President–Merchandising, responsible for all aspects of product planning and inventory management.

Patrick B. Dorsey. Mr. Dorsey joined Tiffany in 1985 as General Counsel and Secretary.

Andrew W. Hart. Mr. Hart joined Tiffany in 1999 as Director–Materials Management and advanced through positions of increasing management responsibility. He was promoted to Vice President–Diamonds and Gemstones in 2002. In 2012, he was promoted to Senior Vice President–Diamonds and Gemstones. He is responsible for the Company's global diamond and gemstone supply chain, and in 2013, assumed responsibility for jewelry manufacturing as well with the title of Senior Vice President–Manufacturing, Diamonds and Gemstones.

Caroline D. Naggiar. Ms. Naggiar joined Tiffany in 1997 as Vice President–Marketing Communications. She assumed her current role and responsibilities as head of advertising and marketing in 1998 and, in 2007 she was assigned additional responsibility for the Public Relations department and named Chief Marketing Officer.

John S. Petterson. Mr. Petterson joined Tiffany in 1988 as a management associate and advanced through positions of increasing management responsibility. He was promoted to Senior Vice President–Corporate Sales in 1995. In 2001, Mr. Petterson assumed the role of Senior Vice President–Operations, with responsibility for worldwide distribution, customer service and security activities. His responsibilities were expanded in 2003 to include manufacturing operations. Currently, Mr. Petterson leads the Company's global operations and customer service activities as Senior Vice President–Global Operations and Customer Services.

COMPENSATION OF THE CEO AND OTHER EXECUTIVE OFFICERS

Contents

Compensation Discussion and Analysis	Page PS-26
Compensation Committee Report	Page PS-49
Summary Compensation Table – Fiscal 2013, 2012 and 2011	Page PS-50
Grants of Plan-Based Awards Table – Fiscal 2013	Page PS-54
Discussion of Summary Compensation Table and Grants of Plan-Based Awards	Page PS-56
Outstanding Equity Awards at Fiscal Year-End Table	Page PS-62
Option Exercises and Stock Vested Table – Fiscal 2013	Page PS-64
Pension Benefits Table	Page PS-65
Nonqualified Deferred Compensation Table	Page PS-69
Potential Payments on Termination or Change in Control	Page PS-71
Director Compensation Table – Fiscal 2013	Page PS-75
Equity Compensation Plan Information	Page PS-77

COMPENSATION DISCUSSION AND ANALYSIS ("CD&A")

This Compensation Discussion and Analysis explains the Company's compensation program as it pertains to the Company's Named Executive Officers for Fiscal 2013. See "Named Executive Officers" on PS-34.

EXECUTIVE SUMMARY

2013 Company Performance

Fiscal 2013 was a year of overall success for the Company, as reflected by the following key highlights:

Stock Price at January 31, 2013	Stock Price at January 31, 2014	Percentage Increase
$65.75	$83.19	27%

Fiscal 2012 Net Earnings	Fiscal 2013 Net Earnings (on a Non-GAAP basis – see Appendix I at PS-92)	Percentage Increase
$416.2 million	$480.6 million	15%

Fiscal 2013 Diluted Earnings per Share ("EPS") (on a Non-GAAP basis – see Appendix I at PS-92)	Initial Fiscal 2013 Diluted EPS Forecast
$3.73	$3.43 - $3.53

Key highlights of Fiscal 2013 performance were as follows:

Sales Growth: Net sales increased 6% to $4 billion with solid and/or improving performance across the Company's geographic regions.

Improved Profitability: Excluding the charges discussed in Appendix I at PS-92, the Company's profitability improved – earnings from operations increased 14% and the ratio of earnings from operations to sales increased to 19.7%.

Store Expansion: Fourteen stores, net were added across the Americas, Asia-Pacific and Europe.

Product Introductions: The Company expanded its offerings in all categories. Specific introductions included the GATSBY and ZIEGFELD collections, reinterpretation of the ATLAS® collection, and the global debut of the TIFFANY HARMONY® engagement and band ring collection.

Non-GAAP results and Swatch Arbitration Award

The non-GAAP results reported above (Fiscal 2013 net earnings of $480.6 million) exclude, among other items, an after-tax charge of approximately $300 million in connection with the adverse arbitration ruling (the "Arbitration Award") in favor of The Swatch Group Ltd. and certain of its affiliates (collectively, "Swatch"). The Company has paid the Arbitration Award, as required by the ruling.

The arbitral panel found that, although the Company's management did not act in bad faith, the Company had materially breached its agreement with Swatch. However, a Dissenting Opinion by one of the three members of the arbitral panel stated that the claims of Swatch should have been dismissed. Management disagrees with the finding of breach by the arbitral panel and believes the finding is not supported by the facts of the case or the various agreements between the parties. The ruling and the payment of the

Arbitration Award will not, however, affect the Company’s ability to realize business plans in the short or long term.

The Compensation Committee of the Board of Directors (the “Committee”) weighed the above factors in deciding to rely on the non-GAAP results for purposes of Fiscal 2013 incentive compensation awards. In light of the Committee’s decision, unless otherwise noted, references to net earnings for Fiscal 2013 in this Compensation Discussion and Analysis and the other sections of this 2014 Proxy Statement for the Annual Shareholder Meeting shall mean the non-GAAP results, as explained and reconciled to GAAP results at Appendix I at PS-92.

The Company is proceeding with plans to design, produce, market and distribute TIFFANY & CO. brand watches. The Company is also seeking to set aside the Arbitration Award on statutory grounds provided by Dutch law, although management recognizes that arbitration awards are generally final. See the Company’s Annual Report on Form 10-K for the fiscal year ended January 31, 2014 on pages K-20 and K-69.

2013 Incentive Compensation

As a result of the favorable non-GAAP results, and consistent with targets and parameters established by the Committee at the start of the year, the Committee awarded each executive officer 100% of his or her target Fiscal 2013 short-term incentive/bonus based on achievement of the net earnings target and, for each executive officer other than Mr. Cumenal, an additional range of 20% - 25% of his or her target Fiscal 2013 short-term incentive/bonus based on individual performance parameters. Mr. Cumenal received an additional 53% of his target Fiscal 2013 short-term incentive based on individual performance parameters, in connection with his promotion to President in September 2013 and in recognition of his increased responsibilities.

The performance-based restricted stock unit awards made to the executive officers in January 2011, for the three-year period ended January 31, 2014, vested at 75% of target shares (37.5% of maximum shares), based on cumulative EPS of $10.66 for the three-year period as determined in accordance with the terms of the 2005 Employee Incentive Plan (see PS-58), against the EPS target of $12.12 for the three-year period, and on the average ROA target not having been met for the three-year period ended January 31, 2014.

2014 Executive Compensation Actions Taken During Fiscal 2013

In January 2014, the Committee reviewed base salaries and target incentive compensation (as a ratio of base salary) for all executive officers, resulting in increases to base salary and/or target incentive compensation for all named executive officers. These adjustments were based on a variety of factors, including competitive market data, each executive's potential contributions and performance history, and degree of importance of the executive's contributions to the Company.

2014 Base Salary

The named executive officer base salaries had not been increased since 2011, and adjustments in 2014 ranged from 0% for Messrs. Kowalski, Fernandez and King, to 5.9% for Mr. Cumenal, to 6.8% for Ms. Cloud.

2014 Target Short-Term Incentive Award

The Fiscal 2014 target short-term incentives, as a percentage of salary, were increased from Fiscal 2013 for Messrs. Kowalski and Cumenal, to 150% and 125% respectively, and for Ms. Cloud, to 60%. For Messrs. Fernandez and King, target incentive, as a percentage of salary, for Fiscal 2014 was unchanged from Fiscal 2013.

Fiscal 2014 short-term incentives/bonuses will be determined based on a combination of earnings from operations and individual performance. Earnings from operations replaced net earnings as the financial performance measure to more directly link award pay-outs to controllable performance.

2014 Long-Term Incentive Awards

Fiscal 2014 long-term incentive awards were granted in January 2014 and were delivered in a combination of performance-based restricted stock units ("PSUs") and stock options. PSUs represent 50% of the award opportunity, with vesting based on achievement of three-year cumulative earnings per share goals and subject to modification based on the Company's three-year average return on assets.

Long-term incentive awards for Fiscal 2014 were increased from Fiscal 2013 awards (as a ratio of base salary) for Messrs. Kowalski and Cumenal, to 400% and 300% of base salary respectively, and for Ms. Cloud, to 200% of base salary. For Mr. Fernandez, the long-term incentive award (as a ratio of base salary) for Fiscal 2014 was unchanged from Fiscal 2013. For Mr. King, the long-term incentive award (as a ratio of base salary) for Fiscal 2014 was decreased to 100% of base salary.

Comparison of Target Compensation Set in January 2014 v. January 2013

	Base Salary		Target Short-Term Incentive Award		Target Long-Term Incentive Award		Total Target Direct Compensation	
	Fiscal 2013	Fiscal 2014	Fiscal 2013	Fiscal 2014	Fiscal 2013	Fiscal 2014	Fiscal 2013	Fiscal 2014
Michael J. Kowalski	$1,000,000	$1,000,000	$1,000,000	$ 1,500,000	$3,000,000	$4,000,000	$5,000,000	$6,500,000
Frederic Cumenal	$ 850,000	$ 900,000	$ 595,000	$ 1,125,000	$1,700,000	$2,700,000	$3,145,000	$4,725,000
James N. Fernandez	$ 850,000	$ 850,000	$ 595,000	$ 595,000	$1,912,500	$1,912,500	$3,357,500	$3,357,500
Jon M. King	$ 740,000	$ 740,000	$ 518,000	$ 518,000	$1,480,000	$ 740,000	$2,738,000	$1,998,000
Pamela H. Cloud	$ 515,000	$ 550,000	$ 257,500	$ 330,000	$772,500	$1,100,000	$1,545,000	$1,980,000

Other Compensation Actions in Fiscal 2013

The Committee retained a new independent consultant, Frederic W. Cook & Co., Inc. ("Cook & Co.") in Fiscal 2013. Based in part on insights shared by Cook & Co. as part of its initial review, the Committee adopted the following notable policies and practices in Fiscal 2013:

- Policy for Recovery of Erroneously Awarded Incentive Based Compensation (“clawback policy");
- Amended and Restated Share Ownership Policy for Executive Officers & Directors: stock options no longer count toward ownership goals; no compliance deadline; new restrictions on the sale of shares of common stock resulting from stock awards for those executive officers and directors who have not met their share ownership requirement; and
- Updated peer group for competitive compensation analysis for greater alignment with the Company's size and complexity.

Other Compensation Arrangements in Fiscal 2013

In September 2013, the Board appointed Frederic Cumenal to the position of President of Tiffany & Co. and to a newly-created seat on the Board. In his new role as President, Mr. Cumenal continues to have responsibility for sales and distribution of TIFFANY & CO. products globally, with additional responsibility for the Product and Store Design, Merchandising and Marketing functions. In connection with Mr. Cumenal's promotion to President, the Committee made a special grant to him of time-vesting restricted stock units and time-vesting stock options, with a total grant-date fair value of approximately $2,000,000. The restricted stock units and the stock options will vest in 2017, two business days after the Company's financial results for Fiscal 2016 are announced, provided Mr. Cumenal remains employed on such date.

In November 2013, the Company entered into a Resignation and Release Agreement with its Chief Financial Officer at that time, Patrick F. McGuiness. Under that Agreement, the Company provided severance benefits to Mr. McGuiness in exchange for a release of claims. For more details see PS-45.

Corporate Governance Best Practices

The Board seeks to ensure that the Company's executive compensation program conforms to sound corporate governance principles and policies, as demonstrated by the following practices:

WHAT WE DO	WHAT WE DON'T DO
Pay for performance, with 85% of CEO compensation and 75% of other named executive officer compensation "at risk"	Tax gross-ups
Limited use of employment agreements (for newly-recruited senior executives only)	Pay current dividends on unvested long-term incentives
Retain Independent Executive Compensation Advisor	Permit repricing of underwater stock options without shareholder approval
Share Ownership Policy	Allow pledged shares to count for Share Ownership Policy
"Dual trigger" requirement for Change in Control benefits	Grant stock options below 100% of fair market value
Provide limited perquisites	Permit hedging of Company stock
Clawback policy	

Say on Pay

In May 2013, the Company's Say on Pay proposal passed with 97.78% of the shareholder advisory votes in favor of the Company's executive compensation program, which indicated to the Committee that shareholders were supportive of the Company's compensation design and philosophy, and that significant changes were not warranted.

OVERVIEW OF COMPENSATION COMPONENTS

The Committee has established an executive compensation plan that contains the following key components:

Compensation Component	*Objectives*	*Key Features*
Base salary	Provide cash compensation that is not "at risk" so as to provide a stable source of income and financial security.	Designed to retain and attract key executives by providing a reasonable and market-competitive level of fixed compensation.
Short-term incentives (annual incentive award or bonus)	Motivate achievement of annual financial targets and individual demonstration of strategic leadership.	Cash payments dependent on the degree of achievement of the annual earnings targets and individual factors – Committee retains discretion to reduce awards.
Long-term incentives (performance-based restricted stock units and stock options)	Align management interests with those of shareholders. Motivate achievement of sustainable earnings growth, asset efficiency and stock price growth. Retain executives.	Performance-based restricted stock unit awards vest upon achievement of Company financial goals over a three-year performance period and require continued employment. Stock option awards vest ratably over four years of continued employment.
Time-vesting restricted stock units	Used periodically on a selective basis, typically in connection with a promotion, to recognize prior performance or to attract or retain key talent.	Typically time-vesting after three years of continued employment.
Benefits	Attract and retain executives.	A comprehensive program of benefits that includes retirement benefits and life insurance benefits that build cash value.

SHORT- AND LONG-TERM PLANNING FOR SUSTAINABLE EARNINGS GROWTH

The performance of management in developing and executing plans and in managing external variables determines the Company's success in achieving its financial and brand stewardship goals – both short- and long-term.

As part of each year's planning process, the executive officers develop and submit for Board approval:

- A three-year strategic plan that balances earnings with "brand stewardship" (see below); and
- A profit plan for the fiscal year.

Both plans must incorporate challenging but achievable goals for sales growth, merchandising, gross margins, marketing expenditures, staffing, other expenses, capital spending and all other elements of the Company's financial performance.

"Brand stewardship" refers to actions taken by management to maintain, in the minds of consumers, strong associations between the TIFFANY & CO. brand and product quality, product exclusivity (luxury), the highest levels of customer service, compelling store design and product display and responsible product sourcing practices.

The Committee recognizes that tradeoffs between short-term objectives and brand stewardship are often difficult. For example, variations in product mix can positively affect gross margins in the short term while negatively affecting brand image, and increased staffing can positively affect customer service while negatively affecting earnings. Through the planning process, management must bring into balance expectations for annual earnings growth and concerns for brand stewardship and sustainable earnings growth.

OBJECTIVES OF THE EXECUTIVE COMPENSATION PROGRAM

The Committee has established the following objectives for the compensation program:

- To attract, motivate and retain the management talent necessary to develop and execute both the annual and strategic plans;
- To reward achievement of short- and long-term financial goals; and
- To link management's interests with those of the shareholders.

The total executive compensation program includes base salary, short- and long-term incentives and benefits.

SETTING EXECUTIVE COMPENSATION

The Committee determines all remuneration arrangements for executive officers and compensation plans in which officers and employees of the Company are eligible to participate, as more fully described in the Committee Charter. In January of each year, the Committee reviews the target amount of total compensation for each executive officer, as well as the target levels of key components of such compensation. This follows a process in which the Committee conducts a detailed review of each executive officer's compensation.

COMPENSATION EVALUATION PROCESS

PROXY STATEMENT

The following are key components of the Committee evaluation process.

Consideration of Say On Pay

The Committee weighs the level of shareholder support for the compensation program as demonstrated by the Say on Pay vote.

Independent Compensation Advisor

In connection with carrying out its responsibilities, the Committee relies on the advice of Cook & Co., its independent compensation advisor, and the competitive compensation analysis provided by Cook & Co. See *Role of Compensation Consultants* at PS-15 for discussion of selection process for Cook & Co., inclusive of an independence analysis.

Tally Sheets

The Committee regularly reviews "tally sheets," prepared by the Company's Human Resources division for each executive officer. The tally sheets include data concerning historical compensation and wealth accumulation data from employment with Tiffany.

Consultations with the Chief Executive Officer

In periodic meetings with the Committee, the chief executive officer provides his views as to the individual performance of the other executive officers, and the Committee solicits his recommendations with respect to their compensation. His input is especially important with respect to the evaluation of the individual performance parameters used in determining short-term incentives, as well as for setting base salary and target incentive compensation as a ratio of base

salary. The Committee also relies on its own business judgment as to each executive officer's maturity, experience and tenure, capacity for growth, expected future contributions, complexity of role, demonstrated success and desirability to the Company's competitors.

Coordination with Financial Results and Annual and Strategic Planning Process

In January, the Committee reviews a forecast of financial results for the fiscal year ending that month with the chief financial officer and reviews calculations of the tentative payouts for short- and long-term incentives on that basis. Final calculations are reviewed and approved at the March meeting, when fiscal year financial results are nearly final, and when the annual profit plan and the strategic plan are presented for approval by the Board. After the public release of financial results, the final calculation is made and the Committee authorizes management to make payment on prior year short-term incentive awards and performance-based restricted stock unit awards for which the three-year performance period ended in the prior year and to enter into written agreements with respect to current year short-term incentive awards.

The Committee awards stock options to executive officers at a meeting that occurs on the Wednesday immediately preceding the third Thursday of January each year, or when individual promotions are recognized. The Committee has never delegated to management its authority to make awards of stock options. Since 2005, awards of performance-based restricted stock units have also been made at the January meeting with reference to a preliminary draft of the Company's strategic plan, although the specific financial goals are not set until the March meeting when the strategic plan is adopted.

COMPETITIVE COMPENSATION ANALYSIS - NO BENCHMARKS

Each year the Committee refers to competitive compensation (market) data because the Committee believes that such data are helpful in assessing the competitiveness of the total compensation offered to the Company's executive officers. However, the Committee does not consider such market data sufficient for a full evaluation of appropriate compensation for any individual executive officer. Accordingly, the Committee:

- Has not set a "benchmark" to such data for any executive officer, although it does look to see if the Company's total executive program falls between the 25th and 75th percentile of market data;
- Does not rely exclusively on compensation surveys or publicly available compensation information when it determines the compensation of individual executive officers; and
- Also considers those factors described above in *Compensation Evaluation Process.*

The Committee reviewed a competitive compensation analysis presented on November 20, 2013 by Cook & Co.

The analysis included the following elements of compensation for each executive officer:

- base salary;
- target short-term incentive;
- target total cash compensation (salary plus target short-term incentive);
- target long-term incentive; and
- target total direct compensation (target total cash compensation plus target long-term incentive).

DEFINING APPROPRIATE COMPARATORS

Defining an appropriate comparator group within the retail industry is a challenge because there are few U.S. companies of similar size in the luxury retail business with an integrated manufacturing function and extensive international organization similar to the Company. In addition, the Committee believes that an appropriate comparator group must include non-retail companies because a competitive market for the services of our executives exists, even among companies outside the retail industry. Accordingly, to fully understand market compensation levels for comparable executive positions, the analysis includes data for both retail and general industry companies, with greater emphasis on the former.

For the named executive officers, a defined peer group was used for comparative purposes; for Fiscal 2013 such group was comprised of U.S. public companies similar to Tiffany, selected by the Committee. For the executive officers as a whole, third-party surveys for both retail and general industry were used.

Peer Group

For the five highest paid executive officers the Committee reviewed comparisons to the five highest paid executives of the newly adopted peer group. The peer group differed from the prior year as follows, based in part on recommendations of Cook & Co. In selecting the peer group, the Committee sought to include companies similar to Tiffany across a range of factors, including size, business model (e.g. significant international sales, manufacturing/sourcing operations), products, and customers. The 2014 peer group consists of 20 companies, including nine companies from the 2013 peer group. Six companies were removed from the 2013 peer group due differences in size and/or business model and 11 companies were added:

Peers for Fiscal 2013 Review	Deletions	Additions	Peers for Fiscal 2014 Review
Abercrombie	Abercrombie	Burberry	Burberry
ANN	ANN	Coty	Coach
Coach	Fifth & Pacific	Elizabeth Arden	Coty
Fifth & Pacific	Foot Locker	Fossil	Elizabeth Arden
Foot Locker	Movado	Hanesbrands	Fossil
L Brands	Saks	Estee Lauder	Hanesbrands
Movado		Lululemon Athletica	L Brands
Nordstrom		Restoration Hardware	Estee Lauder
Pier 1 Imports		Signet Jewelers	Lululemon Athletica
PVH		Starwood Hotels	Nordstrom
Ralph Lauren		VF Corporation	Pier 1 Imports
Saks			PVH
Sotheby's			Ralph Lauren
Williams-Sonoma			Restoration Hardware
Zale			Signet Jewelers
			Sotheby's
			Starwood Hotels
			VF Corporation
			Williams-Sonoma
			Zale

In the aggregate, for Fiscal 2013 target total direct compensation for the Fiscal 2012-named executive officers (Messrs. Kowalski, McGuiness, Fernandez, Cumenal and King), fell at the median, with the chief

executive officer positioned below the median and the remaining named executive officers positioned in the median to the 75th percentile range.

Survey Data

The Committee used third party survey data to evaluate compensation for the chief executive officer and all other executive officers. The surveys used were:

- Towers Watson Retail Survey;
- Towers Watson General Industry Survey; and
- Hay Group Luxury Retail Survey.

Relative to the survey data, target total direct compensation for the chief executive officer was at the median, and the remainder of the Fiscal 2012 named executive officers approximated the 75th percentile range. Ms. Cloud's target total direct compensation fell between the 25th percentile and median.

NAMED EXECUTIVE OFFICERS

The Company's named executive officers for Fiscal 2013 were as follows:

Michael J. Kowalski	Chief Executive Officer
James N. Fernandez	Chief Operating Officer Chief Financial Officer, Nov. 27, 2013 - Jan. 31, 2014
Patrick F. McGuiness	Chief Financial Officer, Feb. 1, 2013 - Nov. 27, 2013
Frederic Cumenal	President
Jon M. King	Executive Vice President
Pamela H. Cloud	Senior Vice President–Merchandising

RELATIVE VALUES OF KEY COMPENSATION COMPONENTS

In January 2014, as part of its annual review of the target level of short- and long-term incentives for each executive officer, the Committee adopted the following ratios of incentive payments to base salary. These percentages, when applied to base salary, resulted in the amount of incentives granted to each executive officer. The Committee split the estimated value of the long-term incentives evenly between the grant-date fair market value of the targeted number of performance-based restricted stock units and the estimated (Black-Scholes) value of stock options.

Executive	Position	Target Short-term Incentive as a Percent of Salary	Maximum Short-term Incentive as a Percent of Salary	Target Long-term Incentive as a Percent of Salary
Michael J. Kowalski	Chairman & CEO	150%	300%	400%
James N. Fernandez	Chief Operating Officer Chief Financial Officer	70%	140%	225%
Frederic Cumenal	President	125%	250%	300%
Jon M. King	Executive Vice President	70%	140%	100%
Pamela H. Cloud	SVP - Merchandising	60%	120%	200%

PROXY STATEMENT

The Committee believes that the portion of an executive officer's compensation that is "at risk" (subject to adjustment for corporate performance factors and changes in the Company's stock price) should vary proportionately to the amount of responsibility the executive officer bears for the Company's performance. The Committee also believes that a minimum of 50% of the total compensation opportunity of the chief executive officer and approximately 40% of the total compensation opportunity of the other executive officers should be comprised of long-term incentives to link realized compensation to the Company's longer-term operating and stock price performance.

BASE SALARY

The Committee pays the executive officers competitive base salaries as one part of a total compensation program to attract and retain them, but does not use base salary increases as the primary means of recognizing talent and performance.

In January 2014, the Committee reviewed base salaries for all executive officers. As a result of the review, base salaries for Messrs. Kowalski, Fernandez and King were left unchanged. The Committee increased the base salaries for Mr. Cumenal and Ms. Cloud.

Executive	Position	Fiscal 2013 Base Salary	Fiscal 2014 Base Salary	Percent Increase from Fiscal 2013 to Fiscal 2014
Michael J. Kowalski	Chairman & CEO	$ 1,000,000	$ 1,000,000	—%
James N. Fernandez	Chief Operating Officer Chief Financial Officer	$ 850,000	$ 850,000	—%
Frederic Cumenal	President	$ 850,000	$ 900,000	5.9%
Jon M. King	Executive Vice President	$ 740,000	$ 740,000	—%
Pamela H. Cloud	SVP - Merchandising	$ 515,000	$ 550,000	6.8%

The determinations were based on multiple factors, including that no general salary increases had been implemented for this group for three years; competitive market compensation levels for comparable positions; changes in responsibilities; individual performance and expected contributions; breadth, scope and complexity of role; internal equity; and overall shareholder support as evidenced by the 2013 Say on Pay vote.

SHORT-TERM INCENTIVES

The Committee uses short-term incentives to motivate executive officers to achieve the annual financial goals and to demonstrate strategic leadership. Short-term incentives consist of annual cash incentive awards under the 2005 Employee Incentive Plan for the named executive officers and bonus eligibility for the other executive officers. Short-term incentive awards have an individual component but are primarily formula-driven, with payments based on the degree of achievement of the annual earnings targets (which agree to the Company's profit plan) set by the Committee under the plan. The 2005 Employee Incentive Plan permits the Committee, in evaluating achievement of a performance goal, to exclude certain events. See DISCUSSION OF SUMMARY COMPENSATION TABLE AND GRANTS OF PLAN-BASED AWARDS - Non-Equity Incentive Plan Awards - Permissible Adjustments to Evaluation of Performance, at PS-57.

For short-term incentives paid in respect of Fiscal 2013, the Committee determined a portion of the awards based on the following individual factors: strategic thinking; leadership, including development of effective management teams and employee talent; demonstrated adherence to the Company's Standards of Business Conduct – Worldwide; financial metrics relevant to specific areas of responsibility; and specific objectives set for the executive officer. These same factors will be used to determine a portion of the short-term incentives to be paid in respect of Fiscal 2014.

The target short-term incentives (as a ratio of base salary) established by the Committee for each of the named executive officers for Fiscal 2011 remained in place for Fiscal 2012 and Fiscal 2013, but were adjusted as follows for Fiscal 2014:

Executive	Position	Target Short-term Incentive as a Percent of Salary - Fiscal 2013	Target Short-term Incentive as a Percent of Salary - Fiscal 2014
Michael J. Kowalski	Chairman & CEO	100%	150%
James N. Fernandez	Chief Operating Officer Chief Financial Officer	70%	70%
Frederic Cumenal	President	70%	125%
Jon M. King	Executive Vice President	70%	70%
Pamela H. Cloud	SVP - Merchandising	50%	60%

The Committee deemed increases to target short-term incentives to Messrs. Kowalski and Cumenal, and Ms. Cloud to be appropriate for Fiscal 2014, based on each of their performance, past contributions and potential contributions. This was especially true in connection with Mr. Cumenal's appointment as President. An increased target short-term incentive, relative to other forms of compensation, provides greater pay opportunity for these officers, while ensuring such compensation is tied to the performance of the Company.

The maximum short-term incentive established by the Committee for each of the named executive officers is equal to twice the target.

Fiscal 2013

For Fiscal 2013, the Committee established target and maximum short-term incentives for the executive officers, the payment of which would be wholly contingent on the Company meeting a net earnings threshold. The Committee also determined that, if the net earnings threshold was met, then the actual amount of the short-term incentive award pay-out would be determined in part based on corporate performance (the "Corporate Portion") and in part on individual performance (the "Individual Portion"). Further, for the Corporate Portion of the award, the Committee exercised its discretion to establish earnings targets which were substantially in excess of the threshold amount.

At the beginning of the fiscal year, the Committee established the net earnings threshold at $268.2 million (subject to permitted adjustments). In addition, the Committee expressed its intention that executive officers would be paid up to 160% of their target short-term incentives based on corporate performance and up to 40% of their target short-term incentives based on individual performance.

Corporate Portion

Performance Goals. The Committee advised the executive officers that it would use its discretion to determine pay-out of the Corporate Portion of the award based on the following net earnings targets, subject to proration if Fiscal 2013 net earnings fall between the amounts in the first column:

If Net Earnings, as adjusted, Equal:	**Then Percentage Pay-out of Incentive Award Will Be:**
$357.8 million or below	0%
$447.0 million	64% of Target Short-term Incentive Award
$536.6 million	160% of Target Short-term Incentive Award

Actual Payout. In March 2014, after reviewing and concurring with the recommendation of the chief executive officer, the Committee determined that the pay-out percentage for the Corporate

PROXY STATEMENT

Portion would be 100% of the target short-term incentive award, as Fiscal 2013 net earnings, on a non-GAAP basis (see Appendix I at PS-92 for a reconciliation to GAAP results), fell between $447.0 million and $536.6 million.

Individual Portion

Actual Pay-out. In March 2014, the Committee reviewed and concurred with the chief executive officer's recommendations with respect to the pay-out of the Individual Portion for all other executive officers. The Committee independently evaluated the performance of the chief executive officer for purposes of the Individual Portion. Each named executive officer's individual performance was compared to the specific objectives set at the beginning of Fiscal 2013.

The Committee determined to pay each named executive officer 20-25% of the target incentive award based on the Individual Portion, except for Mr. Cumenal. The Committee exercised its discretion to pay out the Individual Portion of Mr. Cumenal's target short-term incentive award at 53%, in connection with his promotion to President in September 2013, and in recognition of his increased responsibilities for the latter part of Fiscal 2013.

In total, the named executive officers, other than Mr. Cumenal, were paid between 120%-125% (with Mr. Cumenal being paid 153%) of their target short-term incentives for Fiscal 2013.

Fiscal 2014

For Fiscal 2014, the Committee decided to retain the short-term incentive structure from Fiscal 2013, subject to the change in threshold from net earnings to earnings from operations, as described below. In March 2014, the Committee established $534 million as the operating earnings threshold necessary for a pay-out of the Fiscal 2014 short-term incentives. Similar to Fiscal 2013, the executive officers may earn up to 160% of their target short-term incentives based on corporate performance and up to 40% of their target short-term incentives based on individual performance.

Corporate Portion

For Fiscal 2014, the Committee decided to use earnings from operations rather than net earnings in order to better link the Corporate Portion to objectives that are within the control of the executive officers and to avoid redundancy with the net earnings measure used for performance-based restricted stock unit awards. The Committee advised the executive officers that it intended to pay the incentive awards as follows:

If Earnings from Operations, as Adjusted, Equal:	Then Percentage Pay-Out of Incentive Award Will Be:
$711 million or below	0%
$889 million	80% of Target Short-term Incentive Award
$1,067 million	160% of Target Short-term Incentive Award

Individual Portion

Executive officers may receive up to 40% of the target short-term incentives based on the following factors:

- strategic thinking;
- leadership, including development of effective management teams and employee talent;
- demonstrated adherence to the Company’s Standards of Business Conduct - Worldwide, and Professionalism;
- financial metrics relevant to the executive’s specific areas of responsibility; and
- specific objectives set for the executive officer by the chief executive officer, or, in the case of the chief executive officer, by the Board of Directors.

Five-year History of Short-term Incentive Pay-outs

The following is the record of short-term incentive payouts (including bonuses) for the executive officers as a group average as a percent of target over the past five fiscal years:

Fiscal Year	Pay-Out as a Percentage of Target Short-term Incentive Award/Bonus
2013	124%
2012	15%
2011	121%
2010	152%
2009	200%
Five Year Average	122%

For further description of the incentive awards, including incentive award targets from year-to-year and the conditions under which the Committee may exercise discretion, see DISCUSSION OF SUMMARY COMPENSATION TABLE AND GRANTS OF PLAN-BASED AWARDS – Non-Equity Incentive Plan Awards (see PS-56).

LONG-TERM INCENTIVES

The Committee uses long-term incentives to align management interest with those of shareholders, to motivate management to achieve sustainable earnings growth, asset efficiency and stock price growth and to promote the retention of executive officers.

The Committee considers equity-based awards to be appropriate because, over the long term, the Company's stock price should be a good indicator of management's success in achieving the above objectives.

The total value of each executive officer's target grant each year is based on a percentage of base salary as indicated above under "Relative Values of Key Compensation Components" (on PS-34) for Fiscal 2014, and the ratio of long-term incentive to base salary is reviewed annually at the same time that base salaries are reviewed.

The Committee awards two different types of equity awards – performance-based restricted stock units and stock options – because each form of award complements the other and ensures that realized compensation is linked to both long-term operating and stock price performance.

- *Performance-based restricted stock units* reward executives for meeting key financial goals that are important to the long-term performance of the Company, even if the achievement of those goals is not necessarily reflected in the share price as the market does not always respond to earnings growth in a predictable manner.

- *Stock options* do not reward executives in a declining market. However, they do provide returns commensurate with those of shareholders, whether or not performance goals have been met. This balances an inherent challenge associated with performance-based restricted stock units, as non-controllable and highly variable external factors affect the Company's performance and make it difficult to establish appropriate strategic performance goals.

In order to provide balance to the Company's long-term incentives, the Committee determined that the ratio of the estimated value of performance-based restricted stock unit awards to the estimated value of

stock options awards should be as nearly 50/50 as practicable. For purposes of achieving this ratio, the Committee values the awards as follows:

- for stock options, on the basis of the Black-Scholes model; and
- for performance-based restricted stock units, using the per share market value immediately prior to the grant on the assumption that units would vest at the earnings-per-share target (attainment of the return on assets ("ROA") modifier was not considered in making this allocation).

Performance-Based Restricted Stock Unit Grants

Performance-Based Restricted Stock Unit Grants Made in January 2014, 2013 and 2012

Complete vesting of performance-based restricted stock units granted in January 2014, January 2013 and January 2012 is dependent upon achievement of earnings-per-share thresholds. If these thresholds are met, the Committee will have discretion to vest the maximum number of stock units granted or any lesser number down to zero. The Committee has communicated to the executive officers that it will exercise its discretion to reduce the number of units vesting on the basis of both a cumulative earnings per share ("EPS") goal and an average return on assets ("ROA") goal over each of the three-year performance periods.

- The Company's stock price over the long term is primarily driven by growth in EPS. The Committee determined that EPS performance should be the primary determiner of vesting, and no shares will vest unless a threshold level of EPS performance is achieved.
- The Company's ROA is also likely to significantly affect its stock price over the long term. This is due, in part, to the significance of inventory and capital expenses in its business. Thus the Committee uses ROA as a supplemental indicator of management's success in achieving sustainable earnings growth.
- The EPS and ROA goals were set by the Committee to agree to the Company's strategic plan as approved by the Board.

For the Fiscal 2014 award, the Committee used its discretion to establish three goals for EPS which will, in conjunction with ROA performance, determine the number of shares that vest, and has provided the following chart to the executive officers to illustrate the manner in which the Committee intends to exercise its discretion at the conclusion of the three-year performance period:

<table>
<tr><th>EPS Performance</th><th>Percentage of Target Shares Earned under EPS Goal</th><th colspan="4">ROA ADJUSTMENT TO SHARES EARNED UNDER EPS GOAL</th><th>Percentage of Target Shares Earned with Impact of ROA Adjustment</th></tr>
<tr><th></th><th></th><th>ROA Achievement of 0 to 89.9%</th><th>ROA Achievement of 90.0% to 99.9%</th><th>ROA Achievement of 100.0% to 109.9%</th><th>ROA Achievement of 110% or Greater</th><th></th></tr>
<tr><td>EPS Threshold Not Reached</td><td>0%</td><td>No ROA Adjustment</td><td>No ROA Adjustment</td><td>No ROA Adjustment</td><td>No ROA Adjustment</td><td>0%</td></tr>
<tr><td>EPS Threshold Reached</td><td>25%</td><td>No ROA Adjustment</td><td>No ROA Adjustment</td><td rowspan="3">0% to 9% upward adjustment contingent on level of ROA achievement e.g. Achievement of 105% of ROA Target =>5% adjustment upward Achievement of 109% of ROA Target => 9% adjustment upward</td><td>+10%</td><td>25% to 35%</td></tr>
<tr><td>EPS Target Reached</td><td>100%</td><td>-10%</td><td rowspan="2">-1% to -9% downward adjustment contingent on level of ROA achievement e.g. Achievement of 95% of ROA Target => 5% adjustment downward Achievement of 99% of ROA Target => 1% adjustment downward</td><td>+10%</td><td>90% to 110%</td></tr>
<tr><td>EPS Maximum Reached</td><td>190%</td><td>-10%</td><td>+10%</td><td>180% to 200%</td></tr>
</table>

For the Fiscal 2013, Fiscal 2012 and Fiscal 2011 grants, the Committee advised the executive officers that it would apply its discretion in a similar manner. However, for these grants the Committee communicated its intention to apply the ROA adjustment on an all-or-nothing basis (10% upward/10% downward adjustment if ROA Target is met/not met).

Performance Targets, Thresholds and Maximums—January 2014 Performance-Based Grants

In March 2014, the Committee established the following in respect of the performance-based restricted stock units granted in January 2014, subject to adjustments as permitted under the 2005 Employee Incentive Plan:

EPS Threshold: **$10.18** per share (aggregate net earnings per share on a diluted basis over the three-year period)

EPS Target: **$14.17** per share (aggregate net earnings per share on a diluted basis over the three-year period)

EPS Maximum: **$16.26** per share (aggregate net earnings per share on a diluted basis over the three-year period)

ROA Target: **11.0%** (return on average assets in each of the fiscal years in the performance period, expressed as a percentage and then averaged over the entire performance period)

Performance-Based Restricted Stock Unit Grant Made in January 2011

In March 2014, it was determined that a cumulative net EPS of $10.66 per diluted share was achieved for the three-year performance period ending January 31, 2014. The return on assets for the performance period equaled 10.1%. The performance goals established by the Committee in March 2011 were as follows:

EPS Threshold:	**$5.80** per share (aggregate net earnings per share on a diluted basis over the three-year period)
EPS Target:	**$12.12** per share (aggregate net earnings per share on a diluted basis over the three-year period)
EPS Maximum:	**$16.43** per share (aggregate net earnings per share on a diluted basis over the three-year period)
ROA Target:	**12.2%** (return on average assets in each of the fiscal years in the performance period, expressed as a percentage and then averaged over the entire performance period)

As a result, 75% of the target shares granted to each executive officer vested.

For a more complete description of the performance-based restricted stock units, including a description of the circumstances in which a portion of the units may vest in various circumstances of death, disability, a Change of Control or at the initiative of the executive's employer and the goals set from year-to-year, see DISCUSSION OF SUMMARY COMPENSATION TABLE AND GRANTS OF PLAN-BASED AWARDS – Equity Incentive Plan Awards – Performance-Based Restricted Stock Units at PS-58.

<u>Stock Option Grants</u>

Each January, at a meeting that occurs on the Wednesday immediately preceding the third Thursday of the month, the Committee grants stock options in order to further link the interests of the executive officers and the Company's shareholders in long-term growth in share value and to support the brand stewardship over the long term.

The 2005 Employee Incentive Plan under which stock options are granted requires the exercise price of each option to be established by the Committee (or determined by a formula established by the Committee) at the time the option is granted. Options are to be granted with an exercise price equal to or greater than the fair market value of a share as of the grant date. Historically, the Committee has calculated the exercise price to be the higher of (i) the simple arithmetic mean of the high and low sale price of such stock on the New York Stock Exchange on grant date or (ii) the closing price on such Exchange on the grant date. The incentive plan does not permit for the repricing of options at a later date.

In addition to the annual grants made each January, the Committee occasionally grants stock option awards in connection with promotions. In September 2013, the Committee granted such an award to Mr. Cumenal - 36,523 stock options, with an exercise price of $80.52, to vest in March 2017 – in connection with his appointment to the role of President. (For a description of the stock options see DISCUSSION OF SUMMARY COMPENSATION TABLE AND GRANTS OF PLAN-BASED AWARDS – Equity Incentive Plan Awards – Stock Options at PS-60.)

TIME-VESTING RESTRICTED STOCK UNIT AWARDS

On occasion, the Committee may make time-vesting restricted stock unit awards for reasons such as recognition of prior performance; promotion; attraction of new talent; retention of key talent; and in lieu of cash compensation increases. In September 2013, the Committee granted such an award to Mr. Cumenal, of 12,419 restricted stock units, in connection with his appointment to the role of President. Subject to certain conditions, Mr. Cumenal's award will not vest unless he remains employed through March 2017.

RETIREMENT BENEFITS

Retirement benefits are offered to attract qualified executive officers and because the Committee seeks to retain experienced officers, especially in their later years when they have gained experience and become more valuable to the Company and to its competitors. (For a description of the retirement benefits see PENSION BENEFITS – Features of the Retirement Plans at PS-66.)

Retirement benefits offer financial security in the future and are not entirely contingent upon corporate performance factors. It is the case, however, that average final compensation, on which the retirement benefits of each executive officer is based, will be determined, in part, by reference to bonus and incentive awards made in the past; such awards are determined by corporate and individual performance factors in the year awarded.

The named executive officers (other than Mr. Cumenal) participate in three retirement plans: they participate in the same tax-qualified pension plan available to all full-time U.S. employees hired before January 1, 2006 and also receive incremental benefits under the Excess Plan and the Supplemental Plan.

The Excess Plan credits base salary and short-term incentive in excess of amounts that the Internal Revenue Service (IRS) allows the tax-qualified pension plan to credit in computing benefits, although benefits under both of these plans are computed under the same formula. The Committee considers it fair and consistent with the employee retention purpose of the tax-qualified pension plan to maintain for executives the relationship established for employees compensated below the IRS limit between annual cash compensation and pension benefits.

The Supplemental Plan serves as a stay-incentive for experienced executives by increasing the percentage of average final compensation provided as a benefit when the executive reaches specified service milestones.

For executive officers hired by the Company on January 1, 2006 or later (such as Mr. Cumenal), a defined contribution retirement benefit is available through the Tiffany & Co. Employee Profit Sharing and Retirement Savings Plan, and excess defined retirement benefit contributions ("Excess DCRB Contribution") credited to the Tiffany and Company Executive Deferral Plan. Employer contributions credited to the Deferral Plan are calculated to compensate executives for pay amounts curtailed by reason of the limitations under the Internal Revenue Code. Mr. Cumenal is a participant in each of these plans, and receives additional retirement benefits under his employment agreement, which were intended as "make whole" payments for amounts Mr. Cumenal forfeited at his prior employer. Mr. Cumenal accrued significant long-term pension benefits with his prior employer.

LIFE INSURANCE BENEFITS

IRS limitations render the life insurance benefits that the Company provides to all full-time U.S. employees in multiples of their annual base salaries largely unavailable to the Company's executive officers. The Company maintains the relationship established for lower-compensated employees between annual base salaries and life insurance benefits through executive-owned, employer-paid whole-life policies. (For an explanation of the key features of the life insurance benefits, see DISCUSSION OF SUMMARY COMPENSATION TABLE AND GRANTS OF PLAN-BASED AWARDS – Life Insurance Benefits at PS-60.)

DISABILITY INSURANCE BENEFITS

The Company provides executive officers with special disability insurance benefits because their salaries are inconsistent with the income replacement limits of the Company's standard disability insurance policies. Thus, these special disability benefits maintain the relationship established for employees compensated below the IRS limit between annual cash compensation and disability benefits. Disability insurance premiums are taxable to the executives and no gross-up is paid.

EQUITY OWNERSHIP BY EXECUTIVE OFFICERS AND NON-EXECUTIVE DIRECTORS

The Company has in place a share ownership policy for executive officers and non-executive directors, to better align management's interests with those of shareholders over the long term. In Fiscal 2013, the Committee reviewed its share ownership policy with Cook & Co. to assure that the levels and design remained competitive and appropriate; no change was made to stock ownership levels as a consequence of that review. The Committee, did, however, approve an amended and restated version of the policy as described below.

Significant Portfolio

Under the share ownership policy, executive officers and non-executive directors are subject to restrictions on the disposal of shares of the Company's common stock. For each executive officer or non-executive director, Significant Portfolio means ownership of shares having a total market value equal to or greater than the following multiples of their annual base salaries/annual retainer:

Position/Level	Market Value of Company Stock Holdings as a Multiple of Base Salary/Retainer (Significant Portfolio Requirement)
Chief Executive Officer	Five Times
Non-Executive Directors	Five Times
President	Four Times
Executive Vice President	Three Times
Senior Vice President	Two Times

The following do not count toward the ownership requirement for a Significant Portfolio:

- Rights to acquire shares of the Company's common stock through derivative securities, including stock options; and
- Shares of the Company's common stock that are pledged to a third party (for example, where common stock is held in a margin account maintained at a brokerage firm).

The officer's or director's attainment of a Significant Portfolio is measured annually on April 1 or the first trading day thereafter (September 18, 2013 for the initial implementation period of the amended and restated policy). However, an officer or director who acquires a Significant Portfolio after the annual calculation date shall be deemed to hold a Significant Portfolio for purposes of any proposed disposition after such acquisition.

Disposal Restrictions

An executive officer or non-executive director who has a Significant Portfolio may not dispose of shares of the Company's common stock if the disposition would cause his or her holdings to fall below the Significant Portfolio threshold. He or she is free, however, to dispose of any or all shares in excess of the Significant Portfolio threshold.

For an executive officer or non-executive director who does not have a Significant Portfolio, he or she is permitted to dispose of shares of the Company's common stock only as follows:

- no more than 75% of the gross shares deemed issued as a consequence of any vesting or exercise of an equity award;
- under circumstances constituting a financial hardship, as so determined by the Board; or
- pursuant to a qualified domestic relations order.

Compliance

The amended and restated policy does not contain an express compliance deadline in recognition that the disposal restrictions ensure that the executive officers and non-executive directors are making progress toward meeting the Significant Portfolio requirements and provide for greater administrative ease.

The chief executive officer holds more than four times his goal; eight of the remaining ten executive officers, and all of the eight non-executive directors, hold Significant Portfolios.

HEDGING NOT PERMITTED

The Board of Directors adopted a worldwide policy on Insider Information, applicable to all employees, officers, and directors. The policy expressly prohibits speculative transactions (i.e. hedging), such as the purchase of calls or puts, selling short or speculative transactions as to any rights, options, warrants or convertible securities related to Company securities.

RETENTION AGREEMENTS

The Committee continues to believe that, during any time of possible or actual transition of corporate control, it would be important to keep the team of executive officers in place and free of distractions that might arise out of concern for personal financial advantage or job security. Since the Company went public in 1987, it has not had a single controlling shareholder, and, depending upon the circumstances, executive officers could consider acquisition of a controlling interest, as described in the retention agreements, to be a prelude to a significant change in corporate policies and an incentive to leave. To ensure that executive officers remain with the Company, stay focused on the business and maximize shareholder value during a period of uncertainty resulting from a potential change in control transaction, the Company has entered into retention agreements with each of the executive officers (other than Mr. Cumenal, who has an employment agreement) which provide financial incentives for them to remain in place during any such times. For a description of the retention agreements, see POTENTIAL PAYMENTS ON TERMINATION OR CHANGE IN CONTROL – Retention Agreements at PS-72. For a description of Mr. Cumenal's employment agreement, which contains comparable provisions to those of the retention agreements see COMPENSATION DISCUSSION AND ANALYSIS, *Other Employment Agreements or Severance Plans for Executives* below.

The Committee believes that the retention agreements serve the best interests of the Company's shareholders because such agreements:

- will increase the value of the Company to a potential acquirer that requires delivery of an intact management team;
- will help to keep management in place and focused should any situation arise in which a change of control looms but is not welcome or agreement has not yet been reached;
- are a prudent defense to the possibility that one or more senior executive officers might retire or take a competing job offer during a time of transition; and
- are not overly generous.

The Committee also believes that the independent directors are fully capable of weighing the merits of any proposed transaction and reaching a proper conclusion in the interests of the shareholders, even if management would benefit financially from change in control payments to the executive officers.

Dual Triggers

The retention agreements are "dual-trigger" arrangements in that they provide no benefits unless two events occur: (i) a change in control followed by (ii) a loss of employment.

Definition of "Change in Control"

The retention agreements in place for executive officers (see above) deem a "Change in Control" to occur only in the following four situations:

- a share acquisition resulting in a person, syndicate or group beneficially owning 35% or more of the voting power of the Company;
- incumbent directors (including those appointed or nominated by incumbent directors) cease to be a majority of the Board;
- a corporate transaction, such as a merger, in which the shareholders prior to the transaction do not thereafter own more than 50% of the voting power of the resulting company's shares; and
- a sale of all or substantially all of the assets of the Company or Tiffany.

No Gross-Ups

The retention agreements do not provide executive officers with reimbursement for excise taxes or other taxes in connection with severance payments or other amounts relating to the change in control.

OTHER EMPLOYMENT AGREEMENT OR SEVERANCE PLANS FOR EXECUTIVES

Apart from the retention agreements, the employment agreement entered into with Frederic Cumenal discussed below, and the resignation and release agreement with Patrick F. McGuiness discussed below, the Company is not party to any employment agreement with any executive officer or any other agreement that provides for severance benefits on termination of employment. The Company is not obligated to pay severance benefits to any executive officer upon termination, other than Mr. Cumenal, unless a change in control has occurred, although it is permitted to provide such benefits if it deems it appropriate to do so.

Frederic Cumenal Employment Agreement

On March 10, 2011, Frederic Cumenal commenced employment with Tiffany as an executive officer with the title "Executive Vice President" and responsibility for sales and distribution of TIFFANY & CO. products in all markets other than the Americas. In October 2012, he was assigned such responsibility for the Americas as well, and in September 2013, was assigned responsibility for the Design, Store Development, Marketing and Merchandising functions in connection with his appointment to the role of President.

Tiffany entered into an employment agreement with Mr. Cumenal as part of the recruiting process in Fiscal 2011. The employment agreement, which was approved by the Committee, addresses certain elements of the personal costs, foregone compensation and professional risk that Mr. Cumenal incurred to accept the position and relocate his family to the United States. For a discussion of the key compensatory features of that employment agreement, see PS-60.

Patrick F. McGuiness Resignation and Release Agreement

On November 27, 2013, Patrick F. McGuiness resigned from the Company pursuant to a resignation and release agreement entered into on November 15, 2013. The key compensatory features, offered to Mr. McGuiness in exchange for a release of claims, are as follows:

- Severance Amount: A cash payment equal to $899,000.
- 2013 Bonus Payment: The target bonus set for Mr. McGuiness for Fiscal 2013 ($257,000) paid out at the average percentage of individual bonus targets for actual bonuses paid to senior vice presidents for Fiscal 2013, pro-rated in accordance with the portion of the one-year period during which Mr. McGuiness remained employed by the Company during Fiscal 2013 (.83).
- Acceleration of Stock Option Awards: Tranches of grants of non-qualified stock options made by the Company to Mr. McGuiness on January 20, 2010, January 20, 2011, June 21, 2011, January 18, 2012 and January 16, 2013, which were otherwise scheduled to vest from January 2014 through June 2014, became fully vested.

- Extended Exercise Period for Vested Options: All vested and exercisable options grants outstanding may be exercised during the one-year period ending November 15, 2014, provided that no option, or any installment thereof, may be exercised by Mr. McGuiness more than ten years after its associated grant date.
- Acceleration of Time-Vesting Restricted Stock Units: The time-vesting restricted stock unit award made by the Company to Mr. McGuiness on June 21, 2011 became fully vested.
- 2011 Grant of Performance-Based Restricted Stock Units: a portion of the stock units from the 2011 PSU Grant will be fully vested consistent with the vesting for the remaining senior vice presidents in March 2014, pro-rated in accordance with the portion of the three-year performance period during which Mr. McGuiness remained employed by the Company (.94). The Company's grants to Mr. McGuiness of performance-based restricted stock units in January 2012 and January 2013 were forfeited by Mr. McGuiness.
- Insurance Policy: The company surrendered to Mr. McGuiness the life insurance policy sponsored by the Company but owned by and ensuring the life of Mr. McGuiness.

EQUITY GRANT CHANGE IN CONTROL PROVISIONS

For equity awards granted to executive officers in Fiscal 2010 and thereafter, the Committee adopted a comprehensive and restrictive view of the change in control circumstances which should permit accelerated vesting of stock options and performance-based restricted stock units. This view was based on the following beliefs of the Committee:

- where practicable, executives should be required to meet the service vesting provisions of equity grants following a change in control;
- the definition of "Change in Control" (see above) includes circumstances where it is sensible to require the executive to remain employed in order to vest in his/her equity grant and other circumstances where it is not sensible;
- following a change in control, an executive should have the benefit of his/her equity grants if terminated without cause or if he/she resigns with good reason;
- performance-based equity grants should be treated separately from grants that are purely time-vested because a change in control may result in a change in business strategy making it difficult, if not impossible, for the Company to achieve the performance criteria; and
- the independent directors are fully capable of weighing the merits of any proposed transaction and reaching a proper conclusion in the interests of the shareholders, even if management would benefit financially from change in control payments to the executive officers.

For performance-based restricted stock unit awards made in January 2014, the Committee modified the applicable terms in the event of a Change in Control. In such event, the performance-based restricted stock units will convert to time-vesting restricted stock units. If the Change in Control occurs in the first or second year of the performance period, 55% of the awarded stock units will convert to time-vesting restricted stock units. If the Change in Control occurs in the third year of the performance period, the percentage of the awarded stock units to convert to time-vesting restricted stock units will be based on the Company's cumulative performance during the first and second fiscal year of the Performance Period, as compared to the performance goals expressed at the time of grant, but pro-rated for the cumulative two-year period (66.67%).

SUPPLEMENTAL PLAN CHANGE IN CONTROL PROVISIONS

The Supplemental Plan for executive retirement benefits also requires that, in most circumstances, Change in Control entitlements will only be triggered on a loss of employment (a "dual-trigger").

TERMINATION FOR CAUSE

Stock options granted under the 2005 Employee Incentive Plan may not be exercised after a termination for cause. Performance-based restricted stock units will not vest if termination for cause occurs before the conclusion of the three-year performance period.

RESTRICTIVE COVENANTS

All executive officers have signed non-competition covenants that have a two-year post-employment term. For those who are age 60 or older at termination of employment or who attain age 60 within six months of termination, the term ends six months after termination. For all executive officers, the term ends in six months after termination if a change in control (as defined in the retention agreements) has occurred prior to termination of employment or during the six-month period. For all executive officers, once the six-month minimum period has passed, a change of control will result in an early end to the term.

Violation of the non-compete covenants will result in:

- loss of benefits under the Excess Plan and the Supplemental Plan;
- loss of all rights under stock options and performance-based restricted stock units; and
- mandatory repayment of all proceeds from stock options exercised or restricted stock units vested during a period beginning six months before termination and throughout the duration of the non-competition covenant.

CLAWBACK POLICY

In September 2013, the Committee adopted a policy that expressly provides for recoupment of executive incentive-based compensation if an accounting restatement is required due to material noncompliance with any financial reporting requirements. For purposes of the policy, incentive-based compensation means pay which has been calculated based on objective performance criteria included in publicly-reported financial information reported by the Company, and includes performance-based restricted stock unit awards, cash incentive awards, and bonuses. Time-vesting stock options and restricted stock units, or proceeds therefrom, are not subject to this policy.

Under the policy, in the event of a material restatement, the Board will review the incentive-based compensation paid to executive officers during the three year period preceding the issuance of the restatement to determine if excess incentive compensation was paid. Excess incentive compensation is defined to be any incentive compensation in excess of that which would have been paid if the applicable material restatement had been applied at the time of payment.

The Board may seek recoupment of after-tax excess incentive compensation from one or more of the executive officers who received excess payment.

All executive officers have acknowledged receipt of the clawback policy in writing. Further, the clawback policy is incorporated by reference into the incentive compensation award terms and agreements for Fiscal 2014.

The Committee awaits the Securities and Exchange Commission's adoption of final rules under the Dodd-Frank Wall Street Reform and Consumer Protection Act (i.e. Section 10D to the Securities Exchange Act of 1934) addressing compensation clawbacks. After such rules are adopted, the Committee will consider revisions to such policy in conformance with such rules.

LIMITATION UNDER SECTION 162(M) OF THE INTERNAL REVENUE CODE

Section 162(m) of the Internal Revenue Code generally denies a federal income tax deduction to the Company for compensation in excess of $1 million per year paid to any of the named executive officers other than the chief financial officer. This denial of deduction is subject to an exception for "performance-based compensation" such as the performance-based restricted stock units, stock options and annual incentive awards discussed above. Although the Committee has designed the executive compensation program with tax considerations in mind, the Committee does not believe that it would be in the best interests of the Company to adopt a policy that would preclude compensation arrangements subject to deduction limitations.

The compensation actually paid to the executive officers is expected to be deductible by the Company except in the following respect: compensation that exceeds $1 million in any single year for any single named executive officer consisting of the following elements: "Salary" and "All Other Compensation" in the Summary Compensation Table, plus compensation that relates to the time-vesting restricted stock units described in note (c) to the Summary Compensation Table. The Committee may decide, in the course of exercising its business judgment, to adjust payouts under one or more other compensation components in a way that disqualifies such payouts as performance-based for a particular year.

* * *

COMPENSATION COMMITTEE REPORT

We have reviewed and discussed with the management of Tiffany & Co. the Compensation Discussion and Analysis section of this Proxy Statement. Based on our review and discussions, we recommend to the Board of Directors, to the chief executive officer and to the chief financial officer that the Compensation Discussion and Analysis be included in this Proxy Statement and the Annual Report on Form 10-K for the fiscal year ended January 31, 2014.

Compensation Committee and its Stock Option Subcommittee:

Gary E. Costley, Chair
Rose Marie Bravo
Abby F. Kohnstamm
Charles K. Marquis
Peter W. May
Robert S. Singer

March 19, 2014

SUMMARY COMPENSATION TABLE
Fiscal 2013, Fiscal 2012 and Fiscal 2011

Name and Principal Position	Year	Salary ($) (a)	Bonus ($) (b)	Stock Awards ($) (c)	Option Awards ($) (d)	Non-Equity Incentive Plan Compensation ($) (e)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (f)	All Other Compensation ($)		Total ($)
Michael J. Kowalski	2013	$ 997,315	$ —	$ 1,883,925	$1,939,516	$ 1,200,000	$ —	$ 126,365	(g)	$ 6,147,121
Chairman and CEO	2012	$ 997,315	$ —	$ 1,569,229	$1,505,835	$ 140,000	$ 1,783,014	$ 141,158	(h)	$ 6,136,551
	2011	$ 997,315	$ —	$ 1,569,700	$1,514,352	$ 1,150,000	$ 3,576,867	$ 172,178	(i)	$ 8,980,412
Patrick F. McGuiness	2013	$ 430,648	$ 258,105	$ —	$ —	$ —	$ —	$ 995,761	(j)	$ 1,684,514
*Senior Vice President - CFO **	2012	$ 513,617	$ 36,000	$ 402,197	$ 392,827	$ —	$ 505,151	$ 79,642	(k)	$ 1,929,434
	2011	$ 513,617	$ 310,000	$ 966,197	$ 936,380	$ —	$ 607,692	$ 79,693	(l)	$ 3,413,579
James N. Fernandez	2013	$ 847,718	$ —	$ 895,911	$ 925,000	$ 714,000	$ —	$ 151,556	(m)	$ 3,534,185
*Executive Vice President - COO & CFO **	2012	$ 847,748	$ —	$ 995,603	$ 960,243	$ 85,000	$ 1,363,317	$ 150,777	(n)	$ 4,402,688
	2011	$ 847,718	$ —	$ 2,120,758	$2,064,721	$ 720,000	$ 2,168,021	$ 149,252	(o)	$ 8,070,470
Frederic Cumenal	2013	$ 847,718	$ —	$ 2,227,096	$2,253,929	$ 910,350	$ —	$ 729,610	(p)	$ 6,968,703
President	2012	$ 847,748	$ —	$ 883,516	$ 851,124	$ 85,000	$ —	$ 690,278	(q)	$ 3,357,666
	2011	$ 756,425	$ —	$ 3,501,889	$1,709,681	$ 720,000	$ —	$ 1,236,409	(r)	$ 7,924,404
Jon M. King	2013	$ 738,013	$ —	$ 351,666	$ 358,064	$ 621,600	$ —	$ 134,282	(s)	$ 2,203,625
Executive Vice President	2012	$ 738,013	$ —	$ 771,428	$ 742,006	$ 70,000	$ 969,665	$ 131,548	(t)	$ 3,422,660
	2011	$ 738,013	$ —	$ 778,571	$ 746,512	$ 570,000	$ 1,491,912	$ 128,627	(u)	$ 4,453,635
Pamela H. Cloud	2013	$ 513,617	$ 321,875	$ 519,126	$ 534,113	$ —	$ 8,388	$ 80,509	(v)	$ 1,977,628
Senior Vice President - Merchandising										

* Patrick F. McGuiness held the role of CFO from June 20, 2011 through November 27, 2013. James N. Fernandez assumed responsibilities as CFO on November 27, 2013.

Notes to Summary Compensation Table:

(a) Salary amounts include amounts deferred at the election of the executive under the Tiffany and Company Executive Deferral Plan (the "Deferral Plan") and under the 401(k) feature of the Company's Employee Profit Sharing and Retirement Savings Plan (the "401(k) Plan"). Amounts deferred to the Deferral Plan are also shown in the Nonqualified Deferred Compensation Table.

(b) Bonus amounts include amounts deferred at the election of the executive under the Deferral Plan and under the 401(k) Plan. Bonus amounts are earned in the fiscal year ended January 31 and paid in April. The Fiscal 2013 bonus amount for Mr. McGuiness was paid as provided by the Resignation and Release Agreement entered into on November 15, 2013. The agreement provides for payment of the target bonus set for Mr. McGuiness for Fiscal 2013 ($257,000), paid out at the average percentage of individual bonus targets for actual bonuses paid to senior vice presidents for Fiscal 2013, pro-rated in accordance with the portion of the one-year period during which Mr. McGuiness remained employed by the Company during Fiscal 2013 (.83).

(c) Amounts shown represent the dollar amount of the grant date fair value of the stock unit award calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation ("Codification Topic 718") for the fiscal year in which the award was granted (which includes the grants made on January 16, 2014). The amounts shown are based on the assumption that the earnings-per-share target and return on assets target for the three-year performance period identified by the Committee for each respective grant will be met at 100.0%.

The maximum value of each award, assuming the highest level of performance conditions are met for the applicable period, calculated in accordance with Codification Topic 718, appear in the chart below. For Mr. McGuiness, the 2011 amount includes the grant date fair value of a one-time promotion Time-Vesting Restricted Stock Unit Award of $558,075, computed in accordance with Codification Topic 718, disregarding any estimates of forfeitures related to service-based vesting conditions. For Mr. Fernandez, the 2011 amount includes the grant date fair value of a one-time promotion Time-Vesting Restricted Stock Unit Award of $1,116,150 computed in accordance with Codification Topic 718, disregarding any estimates of forfeitures related to service-based vesting conditions. For Mr. Cumenal, (i) the 2011 amount includes the grant date fair value of a one-time sign-on Time-Vesting Restricted Stock Unit Award of $1,633,680, computed in accordance with Codification Topic 718, disregarding any estimates of forfeitures related to service-based vesting conditions, and (ii) the 2013 amount includes the grant date fair value of a one-time promotion Time-Vesting Restricted Stock Unit Award of $954,400, computed in accordance with Codification Topic 718, disregarding any estimates of forfeitures related to service-based vesting conditions.

Maximum Value of Stock Awards at Grant Date Value

Executive	2013	2012	2011
Michael J. Kowalski	$ 3,767,850	$ 2,853,144	$ 2,854,000
Patrick F. McGuiness	$ —	$ 731,268	$ 1,300,115
James N. Fernandez	$ 1,791,822	$ 1,810,188	$ 2,942,710
Frederic Cumenal	$ 3,499,792	$ 1,606,392	$ 4,980,551
Jon M. King	$ 703,332	$ 1,402,596	$ 1,415,584
Pamela H. Cloud	$ 1,038,252	Not a named Executive Officer	Not a named Executive Officer

(d) Amounts shown represent the dollar amount of the grant date fair value of the stock option award (which includes the grants made on January 16, 2014) calculated in accordance with Codification Topic 718 for the fiscal year in which the award was granted. For Mr. McGuiness, the 2011 amount includes the grant date fair value of a one-time promotion stock option award of $552,460, computed in accordance with Codification Topic 718, disregarding any estimates of forfeitures related to service-based vesting conditions. For Mr. Fernandez, the 2011 amount includes the grant date fair value of a one-time promotion stock option award of $1,104,920, computed in accordance with Codification Topic 718, disregarding any estimates of forfeitures related to service-based vesting conditions. For Mr. Cumenal, the 2013 amount includes the grant date fair value of a one-time promotion stock option award of $941,026, computed in accordance with Codification Topic 718, disregarding any estimates of forfeitures related to service-based vesting conditions.

(e) This column reflects cash short-term incentive awards under the 2005 Employee Incentive Plan. These awards are earned in the fiscal year ended January 31 and are paid on the basis of achieved Performance Goals after the release of the Company's financial statements for the fiscal year. (For a description of the Performance Goals, see DISCUSSION OF SUMMARY COMPENSATION TABLE AND GRANTS OF PLAN-BASED AWARDS – Non-Equity Incentive Plan Awards.) This column includes amounts deferred at the election of the executive under the Deferral Plan. Amounts so deferred are also shown in the Nonqualified Deferred Compensation Table.

(f) This column represents the aggregate change, over the course of the fiscal year, in the actuarial present value of the executive's accumulated benefit under all defined benefit plans.

This column does not include earnings under the Deferral Plan because it is not a defined benefit plan and because it does not pay above-market or preferential earnings on compensation that is deferred.

The 2011 amount includes a change in discount rate from 6.0% to 5.0%; the 2012 amount includes a change in discount rate from 5.0% to 4.5%; and the 2013 amount includes a change in discount rate as follows: (*i)* for benefits accrued under the tax-qualified defined benefit plan, a change from 4.5% to 4.75% and *(ii)* for benefits accrued under the non-qualified supplemental and excess defined benefit plans, a change from 4.5% to 5.0%.

For Fiscal 2013, the change in pension value is a negative amount for each of the following named executive officers, due to the increase in applicable discount rates (4.75% for the qualified plan, 5.0% for the non-qualified plans):

Executive	Fiscal 2013 Change in Pension Value (negative amount)	
Michael J. Kowalski	$	(185,874)
James N. Fernandez	$	(213,446)
Jon M. King	$	(145,222)

For Mr. McGuiness, the change in pension value for Fiscal 2013 was also a negative amount, of ($270,909). The negative change in pension value was due to the increase in applicable discount rates, and due to Mr. McGuiness's accrued benefit under the Supplemental Plan being reduced to $0, because he separated from employment prior to satisfying the applicable vesting requirements.

(g) Mr. Kowalski's Fiscal 2013 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium ($103,265); disability insurance premium ($15,600); and 401(k) Plan matching contribution ($7,500).

(h) Mr. Kowalski's Fiscal 2012 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium ($119,510); disability insurance premium ($14,298); and 401(k) Plan matching contribution ($7,350).

(i) Mr. Kowalski's Fiscal 2011 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium ($150,530); disability insurance premium ($14,298); and 401(k) Plan matching contribution ($7,350).

(j) Mr. McGuiness's Fiscal 2013 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": a life insurance premium ($60,199); disability insurance premium ($5,427); 401(k) Plan matching contribution ($7,500); and benefits under the Resignation and Release Agreement dated November 15, 2013, inclusive of a cash severance payment ($899,000), continued healthcare coverage for Mr. McGuiness and his family ($3,635), and one year of executive premium outplacement coverage ($20,000).

(k) Mr. McGuiness's Fiscal 2012 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium ($62,181); disability insurance premium ($10,111); and 401(k) Plan matching contribution ($7,350).

(l) Mr. McGuiness's Fiscal 2011 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium ($62,232); disability insurance premium ($10,111); and 401(k) Plan matching contribution ($7,350).

(m) Mr. Fernandez's Fiscal 2013 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium ($126,976); disability insurance premium ($17,080); and 401(k) Plan matching contribution ($7,500).

(n) Mr. Fernandez's Fiscal 2012 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium ($127,017); disability insurance premium ($16,410); and 401(k) Plan matching contribution ($7,350).

(o) Mr. Fernandez's Fiscal 2011 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium ($125,492); disability insurance premium ($16,410); and 401(k) Plan matching contribution ($7,350).

(p) Mr. Cumenal's Fiscal 2013 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium ($150,000); disability insurance premium ($12,475); Defined Contribution Retirement Benefit under U.S. plan ($7,500);

Excess Defined Contribution Benefit under U.S. plan ($39,532); 401(k) Plan matching contribution ($7,500); Defined Contribution to French Pension Scheme ($88,333); Payment to Special Retirement Account ($397,270); Payment towards tax preparation consultation services ($27,000). Please see the discussion of Mr. Cumenal's Senior Executive Employment Agreement and compensation paid thereunder, in connection with his commencement of employment in March 2011, at PS – 60.

(q) Mr. Cumenal's Fiscal 2012 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium ($150,000); disability insurance premium ($12,475); Defined Contribution Retirement Benefit under U.S. plan ($7,350); Excess Defined Contribution Benefit under U.S. plan ($13,386); 401(k) Plan matching contribution ($7,350); Defined Contribution to French Pension Scheme ($88,946); Payment to Special Retirement Account ($378,481); Payment towards tax preparation consultation services ($32,290). Please see the discussion of Mr. Cumenal's Senior Executive Employment Agreement and compensation paid thereunder, in connection with his commencement of employment in March 2011, on PS – 60.

(r) Mr. Cumenal's Fiscal 2011 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium ($150,000); disability insurance premium ($11,500); Relocation Expenses ($650,000); Defined Contribution to French Pension Scheme ($43,621); Payment to Special Retirement Account ($371,680); legal fees for work authorization and review of Senior Executive Employment Agreement ($9,608). Please see the discussion of Mr. Cumenal's Senior Executive Employment Agreement and compensation paid thereunder, in connection with his commencement of employment in March 2011, on PS – 60.

(s) Mr. King's Fiscal 2013 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium ($113,432); disability insurance premium ($13,350); and 401(k) Plan matching contribution ($7,500).

(t) Mr. King's Fiscal 2012 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium ($110,848); disability insurance premium ($13,350); and 401(k) Plan matching contribution ($7,350).

(u) Mr. King's Fiscal 2011 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium ($107,927); disability insurance premium ($13,350); and 401(k) Plan matching contribution ($7,350).

(v) Ms. Cloud's Fiscal 2013 compensation included the following elements whose total incremental cost to the Company is shown in the column titled "All Other Compensation": life insurance premium ($64,100); disability insurance premium ($8,909); and 401(k) Plan matching contribution ($7,500).

GRANTS OF PLAN-BASED AWARDS
Fiscal 2013
2005 Employee Incentive Plan

Name	Award Type	Grant Date	Estimated Future Pay-outs Under Non-Equity Incentive Plan Awards			Estimated Future Pay-outs Under Equity Incentive Plan Awards (a)			All Other Option/ Stock Awards: Number of Securities Underlying Options/ Awards (#)	Exercise or Base Price of Option Awards ($/Sh) (b)	Grant Date Fair Value of Equity Awards (c) (d)
			Threshold ($)	Target ($)	Maximum ($)	Threshold Number of Shares (assuming EPS Threshold is met, and Return on Assets Target is under-achieved by 10%)	Target Number of Shares (assuming EPS Target is met, with no adjustment for Return on Assets because Return on Assets Target is met at 100.0%)	Maximum Number of Shares (assuming EPS Target is exceeded by $2.09 and Return on Assets Target is exceeded by 10%)			
Michael J. Kowalski	Annual Incentive		$ —	$1,500,000	$ 3,000,000						
	Performance -Based RSU	1/16/2014				5,625	22,500	45,000			$ 1,883,925
	Stock Option	1/16/2014							65,000	$ 88.77	$ 1,939,516
Patrick F. McGuiness	Annual Incentive		$ —								
	Performance -Based RSU	1/16/2014				—	—	—			$ —
	Stock Option	1/16/2014							—	$ —	$ —
James N. Fernandez	Annual Incentive		$ —	$ 595,000	$ 1,190,000						
	Performance -Based RSU	1/16/2014				2,675	10,700	21,400			$ 895,911
	Stock Option	1/16/2014							31,000	$ 88.77	$ 925,000
Frederic Cumenal	Annual Incentive		$ —	$1,125,000	$ 2,250,000						
	Performance -Based RSU	1/16/2014				3,800	15,200	30,400			$ 1,272,696
	Stock Option	1/16/2014							44,000	$ 88.77	$ 1,312,903
	Stock Option	9/19/2013							36,523	$ 80.52	$ 941,026
	Time-Vesting RSU	9/19/2013							12,419	$ 76.85	$ 954,400
Jon M. King	Annual Incentive		$ —	$ 518,000	$ 1,036,000						
	Performance -Based RSU	1/16/2014				1,050	4,200	8,400			$ 351,666
	Stock Option	1/16/2014							12,000	$ 88.77	$ 358,064
Pamela H. Cloud	Annual Incentive			$ 330,000	$ 660,000						
	Performance -Based RSU	1/16/2014				1,550	6,200	12,400			$ 519,126
	Stock Options	1/16/2014							17,900	$ 88.77	$ 534,113

Notes to Grants of Plan-Based Awards Table

(a) No portion of these awards will pay out unless the Earnings Threshold is attained over the three-year Performance Period ending January 31, 2017. If the Earnings Threshold is attained, the Committee

may vest the Maximum Number of Shares, but has the discretion to reduce the vested number of shares by any amount down to zero shares.

The Committee has communicated to the executive officers that it intends to exercise its discretion as indicated in the chart below:

EPS Performance	Percentage of Target Shares Earned under EPS Goal	ROA ADJUSTMENT TO SHARES EARNED UNDER EPS GOAL				Percentage of Target Shares Earned with Impact of ROA Adjustment
		ROA Achievement of 0 to 89.9%	ROA Achievement of 90.0% to 99.9%	ROA Achievement of 100.0% to 109.9%	ROA Achievement of 110% or Greater	
EPS Threshold Not Reached	0%	No ROA Adjustment	No ROA Adjustment	No ROA Adjustment	No ROA Adjustment	0%
EPS Threshold Reached	25%	No ROA Adjustment	No ROA Adjustment	0% to 9% upward adjustment contingent on level of ROA achievement e.g. Achievement of 105% of ROA Target =>5% adjustment upward Achievement of 109% of ROA Target => 9% adjustment upward	+10%	25% to 35%
EPS Target Reached	100%	-10%	-1% to -9% downward adjustment contingent on level of ROA achievement e.g. Achievement of 95% of ROA Target => 5% adjustment downward Achievement of 99% of ROA Target => 1% adjustment downward		+10%	90% to 110%
EPS Maximum Reached	190%	-10%			+10%	180% to 200%

In March 2014, the Committee set the threshold, target, and maximum in terms of the Company's aggregate net earnings per share on a diluted basis (subject to adjustments as permitted under the 2005 Employee Incentive Plan) ("EPS") over the three-year Performance Period.

- The EPS Threshold is $10.18 per diluted share.
- The EPS Target is $14.17 per diluted share.
- The EPS Maximum is $16.26 per diluted share.

The Committee set the ROA Target in terms of the Company's return on average assets in each of the fiscal years in the Performance Period, expressed as a percentage, and then averaged over the entire Performance Period.

- The ROA Target is 11.0%.

Amounts listed in the sub-column labeled "Target Number of Shares" reflect the Target Number of Shares, assuming the EPS Target is met and the ROA Target is achieved at 100.0% (resulting in no ROA adjustment). By contrast, if the EPS Target is met, and the ROA Target is met at, for example, 105%, exercise of the Committee's discretion in accordance with the table above will result in vesting of aggregate shares as follows (inclusive of a 5% increase in vesting due to 105% ROA target achievement): Michael J. Kowalski, 23,625; James N. Fernandez, 11,235; Frederic Cumenal, 15,960; Jon M. King, 4,410; and Pamela H. Cloud, 6,510.

(b) The exercise price of all options was equal to or greater than the closing price of the underlying shares on the New York Stock Exchange on the grant date. The Committee adopted the following pricing convention on January 18, 2007: the higher of (i) the simple arithmetic mean of the high and low sales price of such stock on the New York Stock Exchange on the grant date or (ii) the closing price on such Exchange on the grant date. Options granted before January 18, 2007 were priced at the simple arithmetic mean of the high and low sales price of such stock on the New York Stock Exchange on the grant date.

(c) The grant date fair value of each option award was computed in accordance with Codification Topic 718.

(d) The grant date fair value of each performance-based restricted stock unit award was computed assuming that the EPS Target and ROA Target were each met at 100.0%, resulting in vesting of the Target Number of Shares, with no adjustment for the ROA Target. For additional information regarding performance-based restricted stock unit awards, see the table titled "OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END" beginning on PS-62.

DISCUSSION OF SUMMARY COMPENSATION TABLE AND GRANTS OF PLAN-BASED AWARDS

NON-EQUITY INCENTIVE PLAN AWARDS

Fiscal 2013

Net Earnings Threshold & Performance Goals

At the beginning of Fiscal 2013, the Committee granted cash (non-equity) short-term incentive awards to the executive officers, which would be paid subject to the achievement of certain performance goals. The Committee established target and maximum short-term incentive awards for the executive officers, the payment of which would be wholly contingent on the Company meeting a net earnings threshold. The Committee advised the executive officers that, if the net earnings threshold was met, award pay-outs would be determined in part based on corporate performance (the "Corporate Portion") and in part on individual performance (the "Individual Portion"). Further, for the Corporate Portion of the award, the Committee exercised its discretion to establish earnings targets which were substantially in excess of the threshold amount.

Corporate Portion

The Committee advised the executive officers that it would use its discretion to determine pay-out of the Corporate Portion of the award based on the following net earnings targets, subject to proration if Fiscal 2013 net earnings fall between the amounts in the first column:

If Net Earnings, as adjusted, Equal:	Then Percentage Pay-out of Incentive Award Will Be:
$357.8 million or below	0%
$447.0 million	64% of Target Short-term Incentive Award
$536.6 million	160% of Target Short-term Incentive Award

Individual Portion

The Committee advised the executive officers that it would use its discretion to determine payout of the Individual Portion of the award based on the following factors:

- strategic thinking;
- leadership, including development of effective management teams and employee talent;

PROXY STATEMENT

- demonstrated adherence to the Company's Standards of Business Conduct - Worldwide, and Professionalism;
- financial metrics relevant to the executive's specific areas of responsibility; and
- specific objectives set for the executive officer by the chief executive officer, or, in the case of the chief executive officer, by the Board of Directors.

Permissible Adjustments to Evaluation of Performance

The applicable employee incentive plan (the 2005 Employee Incentive Plan, approved by the shareholders) permits the Committee, in evaluating achievement of a performance goal, to exclude any of the following events that occurs during a Performance Period: (i) asset write-downs, (ii) litigation or claim judgment or settlements, (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results, (iv) accruals for reorganization and restructuring programs, and (v) extraordinary non-recurring items as described in Accounting Principles Board Opinion No. 30 (which is currently referred to as FASB Codification reference ASC 225-20) and/or in management's discussion and analysis of financial condition and results of operations appearing in said Annual Report for the applicable year.

Fiscal 2013 Performance & Pay-out

The Fiscal 2013 threshold of $268.2 million was met, excluding a charge of approximately $300 million in connection with the Swatch Arbitration Award and certain other charges, as permitted under the 2005 Employee Incentive Plan. See Appendix I at PS-92; and also discussion of the Compensation Committee's consideration of the Swatch Arbitration Award at PS-26. As a result, each named executive officer was eligible to receive a short-term incentive award equal to 200% of target. The Committee expressed its intention to pay up to 160% of the target short-term incentive based on corporate performance and up to 40% of the target short-term incentive based on individual performance.

The Committee, however, exercised its discretion to award a percentage less than 200%. In March 2014, after reviewing and concurring with the recommendation of the chief executive officer, the Committee determined that the pay-out percentage for the Corporate Portion would be 100% of the target short-term incentive award, as Fiscal 2013 net earnings, on a non-GAAP basis (see Appendix I at PS-92), fell between $447.0 million and $536.6 million.

The Committee also reviewed and concurred with the chief executive officer's recommendations with respect to the pay-out of the Individual Portion for all other executive officers. The Committee independently evaluated the performance of the chief executive officer for purposes of the Individual Portion. Each named executive officer's individual performance was compared to the specific objectives set at the beginning of Fiscal 2013.

Based on the above, the Committee determined to pay each named executive officer from 20%-53% of the short-term incentive for Fiscal 2013 based on the Individual Portion.

Fiscal 2012 and Fiscal 2011

In Fiscal 2012 and 2011, short-term incentive awards were paid out as follows:

- In Fiscal 2012, the Company's consolidated net earnings exceeded the threshold but fell below the target established by the Committee, and short-term incentive awards were paid out at 15% of the target amount, on average.
- In Fiscal 2011, the Company's consolidated net earnings exceeded the target established by the Committee by 15.3%, and short-term incentive awards were paid out at 121% of the target amount, on average.

Difference between Bonus Awards and Annual Incentive Awards

Annual incentive awards paid to the named executive officers differ from bonuses paid to other executive officers as follows:

- Annual incentive awards to named executive officers are paid under the terms of the 2005 Employee Incentive Plan and will be paid only if the Company meets objective performance goals. This promise is set out in written agreements.
- Bonuses are not subject to written agreements. The Compensation Committee has the discretion to increase, decrease or withhold such bonuses. It has been the Committee's practice to align bonuses with annual incentive awards.
- Annual incentive awards to named executive officers are designed so that the amounts paid out will be deductible to the Company and not count against the one million dollar limitation under Section 162(m) of the Internal Revenue Code. Each of the named executive officers is subject to that limitation.
- If a bonus is paid, and the total annual cash compensation paid to that executive in the year of bonus was to exceed the one million dollar limitation, the excess would not be deductible to the Company for federal income tax purposes.

EQUITY INCENTIVE PLAN AWARDS – PERFORMANCE-BASED RESTRICTED STOCK UNITS

The Committee first awarded Performance-Based Restricted Stock Units ("Units") to executive officers in January 2005. Units were subsequently granted in January of each year. The January 2014 award is reflected in the GRANTS OF PLAN-BASED AWARDS table under the column headed "Estimated Future Payouts Under Equity Incentive Plan Awards."

*General terms of Unit grant*s:

- Units are exchanged on a one-to-one basis for shares of the Company's common stock if the Units vest;
- Vesting is determined at the end of a three-year performance period;
- No Units vest if the executive voluntarily resigns, retires or is terminated for cause during the three-year performance period, although partial vesting is provided for in cases of termination for death or disability;
- No dividends are paid or accrued on Units;
- No Units vest (other than for reasons of death, disability or on a change in control) if the Company fails to meet a three-year cumulative EPS threshold set by the Compensation Committee within 90 days after the start of the performance period; and
- EPS performance above the threshold, at the target or maximum levels, results in a greater payout, while failure to achieve a return-on-asset target ("ROA Target"), if the target or maximum EPS goals are met, results in a reduced payout. If EPS performance is at or above the threshold, target, or maximum levels, achievement above the ROA Target will result in an enhanced pay-out.

Performance tests for Performance-Based Restricted Stock Unit Awards Granted in January 2011, 2012, 2013 and 2014

In January 2011, 2012, 2013 and 2014, the Committee awarded performance-based restricted stock units, to vest at the end of a three-year performance period, provided certain performance hurdles were met. For each of these grants:

- the Committee established the performance goals presented in the table below, based on cumulative net earnings per share on a diluted basis and return on assets, for the three-year performance period;
- no units will vest if the EPS Threshold is not achieved;
- if the EPS Threshold is reached, the Committee has the discretion to vest the maximum number of shares but has indicated that it will use its retained discretion to reduce the award based on the guidance that follows:

For Performance Period:	EPS Threshold	EPS Target	EPS Maximum	ROA Target
February 2011 - January 2014	$5.80	$12.12	$16.43	12.2%
February 2012 - January 2015	$9.64	$13.94	$16.77	12.0%
February 2013 - January 2016	$7.62	$11.86	$13.87	9.8%
February 2014 - January 2017	$10.18	$14.17	$16.26	11.0%

If the EPS Threshold is achieved, Target Shares (50% of the Units granted) will tentatively vest based on the following EPS performance goals (without giving effect to ROA Target achievement):

25% of Target Shares at EPS Threshold
100% of Target Shares at EPS Target
190% of Target Shares at EPS Maximum

After tentative vesting is determined, a ROA test is applied as follows for Units awarded in 2011, 2012 and 2013:

If EPS Threshold has been met, but EPS Target has not, achievement of ROA Target will result in a 10% increase in vesting;
If EPS Target has been met, but ROA Target has not, the tentatively vested Units will be reduced by 10%;
If both EPS Target and ROA Target have been met, the tentatively vested Units will be increased by 10%;
100% vesting (twice Target Shares) occurs only if the Company attains the EPS Maximum and achieves the ROA Target;

Under no combination of circumstances will vesting occur for more than the number of Units granted (twice Target Shares).

CHANGE TO ROA ADJUSTMENT FOR JANUARY 2014 AWARD: For the performance-based restricted stock unit award made by the Committee in January 2014, the Committee determined to apply the 10% upward/downward ROA adjustment to vesting on a scalable basis to determine vesting based on achievement of EPS and ROA goals for the three-year performance period ending January 31, 2017. For example, if EPS Target is met for the performance period: 95% achievement of the ROA Target would result in a 5% downward adjustment of vesting; 105% achievement of the ROA Target would result in a 5% upward adjustment of vesting. See discussion of Performance-Based Restricted Stock Unit Grants found in the COMPENSATION DISCUSSION AND ANALYSIS at PS-39 for more detail.

Vesting of Performance-Based Restricted Stock Units for February 2011 - January 2014 Performance Period

In March 2014, for the three-year performance period ending January 31, 2014, it was determined that a cumulative net EPS of $10.66 per diluted share was achieved, compared to the EPS Target of $12.12,

and the ROA Target was not achieved. As a result, 37.5% vesting of the maximum shares granted occurred for each executive officer.

General Note: As permitted under the 2005 Employee Incentive Plan, the Committee retains the discretion to adjust achieved performance so that executive officers will not be advantaged or disadvantaged by extraordinary transactions. For Fiscal 2013, the EPS considered for the purpose of those performance-based restricted stock units scheduled to vest in March 2014 excluded a charge of approximately $300 million for the Swatch Arbitration Award and other charges. See Appendix I at PS-92.

EQUITY INCENTIVE PLAN AWARDS – STOCK OPTIONS

Stock options typically vest (become exercisable) in four equal annual installments. Vesting of each installment is contingent on continued employment, except in the event of death, disability or change in control (see Explanation of Potential Payments on Termination or Change in Control). Special grants are occasionally made in connection with promotions and new hires, and may be awarded on a cliff-vesting basis.

The exercise price for each share subject to a stock option is its fair market value on the date of grant. (For an explanation of the method of determining the exercise price of options, see Note (b) to the GRANTS OF PLAN-BASED AWARDS table.)

Stock options expire no later than the tenth anniversary of the grant date. Stock options expire earlier on:

- termination of employment (three months after termination); or
- death, disability or retirement (two years after the event).

LIFE INSURANCE BENEFITS

The key features of the life insurance benefit that the Company provides to its executive officers are:

- executive officers own whole life policies on their own lives;
- the death benefit is three times annual base salary and target short-term incentive award or bonus, as the case may be;
- the Company pays the premium on such policies in an amount sufficient to accumulate cash value;
- premiums are calculated to accumulate a target cash value at age 65;
- the target cash value will allow the policy to remain in force after age 65 without payment of further premiums with a death benefit equivalent to twice the executive officer's ending annual base salary and target short-term incentive or bonus amount;
- the amount of the premiums paid by the Company is taxable income to the executive officer;
- in 2008 and years prior thereto, the Company paid the additional amounts necessary in order to prevent the executive officer from being subjected to increased income taxes as a result of the taxable premium income; and
- since 2009, the Company has not paid any additional amounts to offset the income tax attributable to the premiums paid on behalf of the executives.

FREDERIC CUMENAL EMPLOYMENT AGREEMENT

Elements of Mr. Cumenal's compensation disclosed in the Summary Compensation Table are provided pursuant to an employment agreement, entered into between Tiffany and Mr. Cumenal as part of his recruiting process in March 2011. The employment agreement, which was approved by the Compensation Committee of the Board of Directors, addresses certain elements of the personal costs, foregone

compensation and professional risk that Mr. Cumenal incurred to accept the position and relocate his family to the United States. That employment agreement included the following key compensatory features, subject to increase:

- Term: three-year initial term with sequential one-year extensions thereafter. Either Tiffany or Mr. Cumenal may give prior notice of non-extension. In the event of a Change in Control, the term will continue for at least two years;
- Base Salary: $850,000 per year;
- Target Annual Incentive Award: $595,000 (70% of Base Salary);
- Three-year Time-Vesting RSU Grant: grant-date fair value of $1,700,000 (200% of Base Salary);
- Stock Option Grant: grant date fair value of $850,000 (100% of Base Salary);
- Performance-Based RSU Grant: grant-date fair value of $850,000 (100% of Base Salary). See *Performance Targets, Thresholds and Maximums, Fiscal 2010 Performance-Based Grants* above;
- Relocation Payment: a one-time award of $650,000 subject to a claw-back of 38% should Mr. Cumenal resign without good reason within 18 months of employment;
- Deferred Compensation: Because Mr. Cumenal will not be eligible to participate in any defined benefit pension plan offered by Tiffany, Tiffany will credit $365,000 per year for the first ten years of his employment to an interest-bearing account for Mr. Cumenal's retirement. He will be fully vested in this account after three years of employment;
- Life Insurance Contributions: As it does for the other executive officers, Tiffany will contribute towards the premium on a whole-life insurance policy to be owned by Mr. Cumenal (up to $150,000 per year). See *Life Insurance Benefits* above;
- French Pension Scheme Payments: Tiffany will make payments of approximately $75,000 per year of employment for the benefit of Mr. Cumenal's account with the French social security and complementary pension schemes;
- Tax Consultation: Tiffany will provide or reimburse Mr. Cumenal for income tax preparation assistance for 2011 and 2012 up to a maximum of $30,000 each year;
- Severance Prior to a Change in Control – Termination without Cause; Resignation for Good Reason (including Tiffany's refusal to extend the term): $605,000; plus Base Salary for the balance of Term (minimum of one year; maximum of two years); plus continuation of medical and dental benefits for one year; and
- Severance After a Change in Control – Termination without Cause; Resignation for Good Reason (including Tiffany's refusal to extend the term): $1,210,000; plus two times Base Annual Salary; plus continuation of medical and dental benefits for two years.
- If Mr. Cumenal terminates employment, Tiffany would also pay him an additional $200,000 payment if Tiffany wanted him to adhere to his non-compete.

The Three-year Time-Vesting RSU Grant and Deferred Compensation provisions of Mr. Cumenal's employment agreement were intended by the Committee and Mr. Cumenal as "make whole" payment for amounts Mr. Cumenal would forfeit at his prior employer. Mr. Cumenal had accrued significant long-term pension benefits with his prior employer.

The French Pension Scheme Payments were intended by the Committee to avoid loss of Mr. Cumenal's accruals under the French social security and complementary pension schemes.

The employment agreement contains definitions of "Cause" and "Good Reason" and has been filed with the Securities and Exchange Commission as Exhibit 10.154 to the Company's Report on Form 8-K dated March 21, 2011.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END
January 31, 2014

Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price ($)	Option Exercise Date (a)	Equity Incentive Plan Awards Number of Unearned Shares, Units, or Other Rights That Have Not Vested (#)(b)		Equity Incentive Plan Awards Market or Payout Value of Unearned Shares, Units, or Other Rights That Have Not Vested ($)	
Michael J. Kowalski								
	85,000		$ 37.8350	1/31/2016				
	77,000		$ 40.1500	1/18/2017				
	101,000		$ 37.6450	1/17/2018				
	90,000	—	$ 43.3700	1/20/2020				
	50,250	16,750	$ 58.0000	1/20/2021				
	35,500	35,500	$ 60.5400	1/18/2022				
	17,250	51,750	$ 63.7600	1/16/2023				
	—	65,000	$ 88.7700	1/16/2024				
					19,050/50,800	(c)	$ 1,584,770	(g)
					12,050/50,000	(d)	$ 1,002,440	(h)
					33,415/47,600	(e)	$ 2,779,794	(i)
					22,500/45,000	(f)	$ 1,871,775	(j)
Patrick F. McGuiness								
	—	—	—	—	4,583/12,220	(c)	$ 381,260	(g)
James N. Fernandez								
	32,000		$ 37.6450	1/17/2018				
	50,000	—	$ 43.3700	1/20/2020				
	32,250	10,750	$ 58.0000	1/20/2021				
	—	40,000	$ 76.8500	6/21/2021				
	22,500	22,500	$ 60.5400	1/18/2022				
	11,000	33,000	$ 63.7600	1/16/2023				
	—	31,000	$ 88.7700	1/16/2024				
					12,150/32,400	(c)	$ 1,010,759	(g)
					7,712/32,000	(d)	$ 641,561	(h)
					21,200/30,200	(e)	$ 1,763,628	(i)
					10,700/21,400	(f)	$ 890,133	(j)
					15,000/15,000	(k)	$ 1,247,850	(m)
Frederic Cumenal								
	18,584	18,584	$ 62.4350	3/10/2021				
	20,000	20,000	$ 60.5400	1/18/2022				
	—	29,250	$ 63.7600	1/16/2023				
	—	36,523	$ 80.5200	9/19/2023				
	—	44,000	$ 88.7700	1/16/2024				
					10,807/28,818	(c)	$ 899,034	(g)
					6,893/28,600	(d)	$ 573,429	(h)
					18,814/26,800	(e)	$ 1,565,137	(i)
					15,200/30,400	(f)	$ 1,264,488	(j)
					39,647/39,647	(l)	$ 3,298,234	(m)

	Option Awards				Stock Awards			
Name	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price ($)	Option Exercise Date (a)	Equity Incentive Plan Awards Number of Unearned Shares, Units, or Other Rights That Have Not Vested (#)(b)		Equity Incentive Plan Awards Market or Payout Value of Unearned Shares, Units, or Other Rights That Have Not Vested ($)	
Jon M. King								
	19,000	—	$43.3700	1/20/2020				
	24,750	8,250	$58.0000	1/20/2021				
	17,500	17,500	$60.5400	1/18/2022				
	8,500	25,500	$63.7600	1/16/2023				
	—	12,000	$88.7700	1/16/2024				
					9,375/25,000	(c)	$ 779,906	(g)
					5,977/24,800	(d)	$ 497,227	(h)
					16,427/23,400	(e)	$ 1,366,562	(i)
					4,200/8,400	(f)	$ 349,398	(j)
Pamela H. Cloud								
	8,000	—	$40.1500	1/18/2017				
	14,000	—	$37.6450	1/17/2018				
	30,000	—	$23.0000	1/28/2019				
	20,000	—	$43.3700	1/20/2020				
	12,750	4,250	$58.0000	1/20/2021				
	9,000	9,000	$60.5400	1/18/2022				
	4,500	13,500	$63.7600	1/16/2023				
	—	17,900	$88.7700	1/16/2024				
					4,875/13,000	(c)	$ 405,551	(g)
					3,133/13,000	(d)	$ 260,634	(h)
					8,564/12,200	(e)	$ 712,439	(i)
					6,200/12,400	(f)	$ 515,778	(j)

Notes to Outstanding Equity Awards at Fiscal Year-End Table

(a) For any option reported, the grant date was ten (10) years prior to the expiration date shown. All options vest 25% per year over the four-year period following a grant date, other than the option grants expiring June 21, 2021 (to Mr. Fernandez's benefit), and September 23, 2023 (to Mr. Cumenal's benefit). These stock option awards shall vest on a 3-year cliff-vesting basis.

(b) In this column, the number to the left of the slash mark indicates the number of shares on which the payout value shown in the column to the right was computed. See Notes (g), (h), (i), (j) and (m) below. The number to the right of the slash mark indicates the total number of shares that would vest upon attainment of all performance objectives over the three-year performance period.

(c) This 2011 grant vested three business days following the date on which the Company’s audited financial results for Fiscal 2013 were publicly reported.

(d) This 2012 grant will vest three business days following the date on which the Company’s audited financial results for Fiscal 2014 are publicly reported.

(e) This 2013 grant will vest three business days following the date on which the Company’s audited financial results for Fiscal 2015 are publicly reported.

(f) This 2014 grant will vest three business days following the date on which the Company's audited financial results for Fiscal 2016 are publicly reported.

(g) This value has been computed at 37.5% of maximum based on Company EPS and ROA performance in Fiscal 2011, Fiscal 2012 and Fiscal 2013. The resulting value was computed on the basis of the stock closing price of $83.19 on January 31, 2014.

(h) This value has been computed at 24.1% of maximum based upon Company EPS and ROA performance in Fiscal 2012 and Fiscal 2013 and projections for Fiscal 2014. The resulting value was computed on the basis of the stock closing price of $83.19 on January 31, 2014.

(i) This value has been computed at 70.2% of maximum based upon Company EPS and ROA performance in Fiscal 2013 and projections for Fiscal 2014 and Fiscal 2015. The resulting value was computed on the basis of the stock closing price of $83.19 on January 31, 2014.

(j) This value has been computed on the assumption that the EPS target will be met and on the assumption that the ROA target will have been achieved at 100.0%. The resulting value was computed on the basis of the stock closing price of $83.19 on January 31, 2014.

(k) This one-time promotion Time-Vesting Restricted Stock Unit Award will vest on June 21, 2014.

(l) This total number of shares is comprised of shares under two different Time-Vesting Restricted Stock Unit Awards, (i) an award of 27,228 restricted stock units scheduled to vest on March 10, 2014; and (ii) an award of 12,419 restricted stock units scheduled to vest three business days following the date on which the Company's audited financial results for Fiscal 2016 are publicly reported.

(m) The value was computed on the basis of the stock closing price of $83.19 on January 31, 2014.

OPTION EXERCISES AND STOCK VESTED
Fiscal 2013

	Option Awards			Stock Awards	
Name	Number of Shares Acquired on Exercise (#)		Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Michael J. Kowalski	155,000	(a)	$ 8,298,475	64,200	$ 4,853,564
Patrick F. McGuiness	128,170	(b)	$ 5,373,536	16,460	$ 1,268,843
James N. Fernandez	46,500	(c)	$ 2,239,661	21,280	$ 1,455,978
Frederic Cumenal	—		$ —	—	$ —
Jon M. King	99,500	(d)	$ 3,420,781	15,680	$ 1,072,826
Pamela H. Cloud	10,000	(e)	$ 477,450	8,960	$ 613,043

Notes to Option Exercises and Stock Vested Table

(a) Weighted-average holding period for options exercised: 4.4 years.
(b) Weighted-average holding period for options exercised: 4.2 years.
(c) Weighted-average holding period for options exercised: 4.9 years.
(d) Weighted-average holding period for options exercised: 5.1 years.
(e) Weighted-average holding period for options exercised: 9.0 years.

PENSION BENEFITS TABLE

Name	Plan Name (a)	Number of Years Credited Service		Actuarial Present Value of Accumulated Benefits	Payments During Last Fiscal Year
Michael J. Kowalski	Pension Plan	35	(b) (c)	$ 1,264,149	$ —
	Excess Plan	35	(b) (c)	$ 13,307,722	$ —
	Supplemental Plan	35	(b) (c)	$ 1,544,613	$ —
Patrick F. McGuiness (e)	Pension Plan	23		$ 443,001	$ —
	Excess Plan	23		$ 1,181,684	$ —
	Supplemental Plan	—		$ —	$ —
James N. Fernandez	Pension Plan	35	(b) (c)	$ 1,062,282	$ —
	Excess Plan	35	(b) (c)	$ 6,325,403	$ —
	Supplemental Plan	35	(b) (c)	$ 714,525	$ —
Frederic Cumenal	Pension Plan	—	(d)	$ —	$ —
	Excess Plan	—		$ —	$ —
	Supplemental Plan	—		$ —	$ —
Jon M. King	Pension Plan	23	(c)	$ 683,236	$ —
	Excess Plan	23	(c)	$ 3,059,702	$ —
	Supplemental Plan	23	(c)	$ 1,330,036	$ —
Pamela H. Cloud (f)	Pension Plan	19		$ 303,507	$ —
	Excess Plan	19		$ 634,628	$ —
	Supplemental Plan	19		$ —	$ —

Notes to Pension Benefits Table

(a) The formal names of the plans are: the Tiffany and Company Pension Plan ("Pension Plan"), the Tiffany and Company Un-funded Retirement Income Plan to Recognize Compensation in Excess of Internal Revenue Code Limits ("Excess Plan") and the Tiffany and Company Supplemental Retirement Income Plan ("Supplemental Plan").

(b) Mr. Kowalski and Mr. Fernandez have each been credited with 6.4 and 6.3 years of service respectively for periods of employment prior to October 15, 1984 with the corporation that was, immediately before that date, Tiffany's parent corporation. Under the Supplemental Plan, the combined benefit available under the retirement plans and Social Security is 60% of average final compensation for a participant with 25 or more years of service (see *Supplemental Plan*). Because Messrs. Kowalski and Fernandez attained 25 years of service with Tiffany as of October 14, 2009, the total retirement benefit available to each will not increase as a result of the credited 6.4 or 6.3 years of service described above. Rather, the effect of this credited service has been to augment the present value each of these officers' accumulated benefit under the Pension Plan and Excess Plan only as follows, resulting in a reduced obligation under the Supplemental Plan:

	Michael J. Kowalski	James N. Fernandez
Pension Plan	$ 226,899	$ 188,629
Excess Plan	$ 2,388,565	$ 1,123,202
Supplemental Plan	$ (2,615,464)	$ (1,311,831)

(c) Mr. Kowalski, Mr. Fernandez and Mr. King are currently eligible for early retirement under each of the Pension, Excess and Supplemental Plans. See *Early Retirement* on PS-69. They are each eligible for

PROXY STATEMENT

early retirement because they have reached age 55 and have accumulated at least ten years of credited service. The normal retirement age under each of the plans is 65. However those eligible for early retirement may retire with a reduced benefit. For retirement at age 55, the reduction in benefit would be 40%, as compared to the benefit at age 65. The benefit reduction for early retirement is computed as follows:

- For retirement between age 60 and age 65, the executive's age at early retirement is subtracted from 65; for each year in the remainder, the benefit is reduced by five percent;
- Thus, for retirement at age 60 the reduction is 25%;
- For retirement between age 55 and age 60, the reduction is 25% plus an additional three percent for each year by which retirement age precedes age 60.

(d) Executive officers hired prior to January 1, 2006 are eligible for participation in the Pension Plan, Excess Plan, and Supplemental Plan. Mr. Cumenal joined the Company in Fiscal 2011 and accordingly does not participate in these plans.

(e) The accumulated benefit for Mr. McGuiness under the Supplemental Plan was reduced to $0 due to his separation from employment prior to satisfying the applicable vesting requirements.

(f) The accumulated benefit for Ms. Cloud under the Supplemental Plan is $0 because her accumulated benefits under the Pension Plan, Excess Plan, and social security collectively exceed the gross benefit determined under the Supplemental Plan as of January 31, 2014.

Assumptions Used in Calculating the Present Value of the Accumulated Benefits

The assumptions used in the Pension Benefit Table are that an active executive would retire at age 65; post-retirement mortality based upon the RP2000 Male/Female Mortality Table Projected to the date of each future cash flow (i.e. a "fully generational" mortality projection); a discount rate of 4.75% for the Pension Plan and 5.0% for the Excess and Supplemental Plans. All assumptions were consistent with those used to prepare the financial statements for Fiscal 2013.

Features of the Retirement Plans

Tiffany has established three retirement plans for eligible employees: the Pension Plan, the Excess Plan and the Supplemental Plan. The executive officers of the Company (other than Mr. Cumenal) are eligible to participate in all three.

Average Final Compensation

Average final compensation is used in each plan to calculate benefits. A participant's "average final compensation" is the average of the highest five years of compensation received in the last ten years of creditable service.

In general, compensation reported in the SUMMARY COMPENSATION TABLE above as "Salary", "Bonus" or "Non-Equity Incentive Plan Compensation" is compensation for purposes of the Plans; amounts attributable to the exercise of stock options or to the vesting of restricted stock are not included. However, Internal Revenue Code requirements limit the amount of compensation that may be included in calculating the benefit under the Pension Plan.

Pension Plan

These are the key features of the Pension Plan:

- it is a "tax-qualified" plan, that is, it is designed to comply with those provisions of the Internal Revenue Code applicable to retirement plans;

- it is a "funded" plan (money has been deposited into a trust that is insulated from the claims of the Company's creditors);
- it is available at no cost to U.S. employees hired before January 1, 2006;
- executive officers other than Mr. Cumenal are participants;
- benefits vest after five years of service;
- benefits are based on the participant's average final compensation and years of service;
- benefits are subject to Internal Revenue Code limitations on the total benefit and the amount that may be included in average final compensation; and
- benefits are not offset by Social Security.

The benefit formula under the Pension Plan first calculates an annual amount based on average final compensation and then multiplies it by years of service. This is the formula: [[(average final compensation less covered compensation) x 0.015] plus [(average final compensation up to covered compensation) x 0.01]] x years of service. "Covered compensation" varies by the participant's birth date and it is an average of taxable wage bases calculated for Social Security purposes.

Example: covered compensation for a person born in 1952 is $79,824. This person has average final compensation of $100,000 and 25 years of service. The Pension benefit at age 65 would be calculated as follows: [[($100,000 - $79,824) x 0.015] plus [($79,824) x 0.01]] x 25 = $27,522 annual benefit for a single life annuity.

The form of benefit elected can reduce the amount of benefit. The highest benefit is available for an unmarried participant who elects to take the benefit over the course of his or her own life (a single-life annuity). A person who elects to take the benefit over the course of two lives, such as a 100% annuity over the lives of the participant and his or her spouse, will experience an actuarial reduction in the amount of his or her benefit.

Excess Plan

These are the key features of the Excess Plan:

- it is not a qualified plan and is not subject to Internal Revenue Code limitations;
- it is not funded (benefits are paid out of the Company's general assets, which are subject to the claims of the Company's creditors);
- it is available only to officers and other select management employees whose benefits under the Pension Plan are affected by Internal Revenue Code limitations, including executive officers other than Mr. Cumenal;
- it uses the same retirement benefit formula as is set forth in the Pension Plan, but includes in average final compensation earnings that are excluded under the Pension Plan due to Internal Revenue Code Limitations;
- benefits are offset by benefits payable under the Pension Plan;
- benefits are not offset by benefits payable under Social Security;
- benefits vest after five years of service;
- benefits are subject to forfeiture if employment is terminated for cause;
- for those who leave Tiffany prior to age 65, benefits are subject to forfeiture for failure to execute and adhere to non-competition and confidentiality covenants;
- benefits are payable upon the later of the participant's separation from service, as defined under the plan, or attainment of age 55; and

- participants will not receive any distribution from the plan until six months following separation from service.

Supplemental Plan

These are the key features of the Supplemental Plan:

- it is not a qualified plan and is not subject to Internal Revenue Code limitations;
- it is not funded (benefits are paid out of the Company's general assets, which are subject to the claims of the Company's creditors);
- it is available only to executive officers, other than Mr. Cumenal;
- it uses a different benefit formula than that used by the Pension Plan and the Excess Plan;
- benefits are offset by benefits payable under the Pension Plan and the Excess Plan;
- benefits are offset by benefits payable under Social Security;
- benefits do not vest until the executive attains, while employed by Tiffany, age 65, or age 55 if he or she has provided ten years of service (benefits will vest earlier on a termination from employment following a change in control (See "Definition of a Change in Control" below));
- benefits are subject to forfeiture if employment is terminated for cause;
- for those who leave Tiffany prior to age 65, benefits are subject to forfeiture for failure to execute and adhere to non-competition and confidentiality covenants; and
- participants will not receive any distribution from the plan until six months following separation from service as defined under the plan.

As its name implies, the Supplemental Plan supplements payments under the Pension Plan, the Excess Plan and from Social Security so that total benefits equal a variable percentage of the participant's average final compensation.

Depending upon the participant's years of service with Tiffany, the combined benefit under the Pension Plan, the Excess Plan, the Supplemental Plan and from Social Security would be as follows:

Years of Service	Combined Annual Benefit As a Percentage of Average Final Compensation
less than 10	(a)
10-14	20%
15-19	35%
20-24	50%
25 or more	60%

(a) The formula for benefits under the Pension and Excess Plans is a function of years of service and covered compensation (subject to Internal Revenue Code limitations in the case of the Pension Plan) and not any specific percentage of the participant's average final compensation (see above). A retiree with less than ten years of service would not receive any benefit under the Supplemental Plan but could expect to receive a benefit of approximately 13% of average final compensation under the Pension and Excess Plans.

Early Retirement and Extra Service Credit

Please refer to Note (c) at PS-65 for a discussion of the early retirement features of the Pension, Excess, and Supplemental Plans.

Tiffany does not have a policy for or practice of granting extra years of credited service under the Excess, Pension and Supplemental Plans. Mr. Kowalski and Mr. Fernandez have credit for service with Tiffany's former parent corporation. This credit was arranged in 1984 when the Company purchased Tiffany.

NONQUALIFIED DEFERRED COMPENSATION TABLE
(Fiscal 2013)

Name	Executive Contribution In Last Fiscal Year (a) ($)	Registrant Contribution In Last Fiscal Year ($)	Aggregate Earnings In Last Fiscal Year (b) ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance At Last Fiscal Year End (c) ($)	
Michael J. Kowalski	$ —	$ —	$ (1,361)	$ —	$ 342,523	
Patrick F. McGuiness	$ 9,000	$ —	$ 131,191	$ 6,608	$ 831,838	
James N. Fernandez	$ 50,886	$ —	$ 393,628	$ 23,731	$ 2,466,576	
Frederic Cumenal	$ 42,500	$ 39,532	$ 80,863	$ —	$ 595,926	(d)
Jon M. King	$ —	$ —	$ —	$ —	$ —	
Pamela H. Cloud	$ —	$ —	$ —	$ —	$ —	

PROXY STATEMENT

Note to Nonqualified Deferred Compensation Table

(a) This column includes amounts that are also included in the amounts shown in the columns headed "Salary" or "Non-Equity Incentive Plan Compensation" in the Summary Compensation Table.

(b) Amounts shown in this column are not reported as compensation in the Summary Compensation Table because the Company's Executive Deferral Plan does not pay above-market or preferential earnings on compensation that is deferred.

(c) Amounts shown in this column include amounts that were reported as compensation in the Summary Compensation Table for Fiscal 2013 and for prior fiscal years to the extent that such amounts were contributed by the executive but not to the extent that such amounts represent earnings. See Note (b) above.

(d) Under the terms of the Executive Deferral Plan, in March 2013, and as noted under "Registrant Contributions," Mr. Cumenal received an Excess DCRB contribution of $39,532 for Fiscal 2012. This contribution vests proportionately for Mr. Cumenal on March 10 of 2013, 2014, 2015, 2016 and 2017 respectively. See "Excess DCRB Feature of the Executive Deferral Plan" below.

Features of the Executive Deferral Plan

These are the key features of the Company's Executive Deferral Plan:

- Participation is open to directors and executive officers of the Company as well as other vice presidents and "director-level" employees of Tiffany;
- Directors of the Company may defer all of their cash compensation;

- Employees may defer up to 50% of their salary and up to 90% of their short-term cash incentive or bonus compensation;
- Other than the Excess Defined Contribution Retirement Benefits available to individuals who do not participate in the Company's defined benefit pension plan, the Company makes no contribution to the plan;
- The Company guarantees no specific return on contributions under the plan;
- Deferrals are placed in a trust that is subject to the claims of Tiffany's creditors;
- Deferred compensation is invested by the trustee in various mutual funds as directed by Tiffany, which follows the directions of participants;
- The value in the participant's account (and Tiffany's responsibility for payment) is measured by the return on the investments selected by the participant;
- Deferrals may be made to a Retirement Account and to accounts which will pay out on specified "in-service" dates;
- Participants must elect to make deferrals in advance of the period during which the deferred compensation is earned;
- Retirement Accounts pay out in 5, 10, 15 or 20 annual installments after retirement as elected in advance by the participant;
- Except in the case of previously elected "in-service" payout dates, participants are not allowed to withdraw funds while they remain employed other than for unforeseeable emergencies and then only with the permission of Tiffany's Board;
- Termination of services generally triggers a distribution of all account balances other than, in the case of retirement or disability, retirement balances; and
- Most participants, including all executive officers, will not receive any distribution from the plan until six months following termination of services.

Excess DCRB Feature of the Executive Deferral Plan

In 2010, the Executive Deferral Plan was amended to provide an excess retirement benefit to Eligible Employees of the company with the title of "Vice President" or above. If an Eligible Employee who is also a Vice President or above is entitled to a DCRB Contribution under the Tiffany & Co. Employee Profit Sharing and Retirement Savings Plan, and such DCRB Contribution is curtailed by reason of the limitations under Sections 401(a)(17) or 415 of the Code, the Eligible Employee shall have an Excess DCRB Contribution credited to his or her Deferred Benefit Accounts under the Executive Deferral Plan. This feature is intended to benefit those executives who were hired on or after January 1, 2006, and accordingly were precluded from participation in the Pension Plan and Excess Plan.

In March 2013, Mr. Cumenal was credited with an Excess DCRB contribution of $39,532 for Fiscal 2012, as noted in the "Registrant Contribution" column above.

POTENTIAL PAYMENTS ON TERMINATION OR CHANGE IN CONTROL

The following table shows payments, the value of accelerated vesting of equity compensation and the value of benefits that would have been provided or that would have accrued, to the named executive officers in the event that a change in control of the Company had occurred on January 31, 2014 and on the further assumption that the employment of the executive officer was involuntarily terminated without cause at that time:

Name	Early Vesting of Supplemental Plan (a)	Cash Severance Payment (b)	Welfare Benefits (c)	Early Vesting of Stock Options (d)	Early Vesting of Restricted Stock Units (e)	Total (f)
Michael J. Kowalski	$ —	$ 4,000,000	$ 32,745	$ 2,231,511	$ 8,325,655	$ 14,589,911
Patrick F. McGuiness	$ —	$ —	$ —	$ —	$ —	$ —
James N. Fernandez	$ —	$ 2,890,000	$ 43,387	$ 1,675,208	$ 5,974,706	$ 10,583,301
Frederic Cumenal	$ —	$ 2,946,552	$ 43,387	$ 1,504,462	$ 8,029,915	$ 12,524,316
Jon M. King	$ —	$ 2,516,000	$ 15,513	$ 1,032,698	$ 4,091,284	$ 7,655,495
Pamela H. Cloud	$ —	$ 1,545,000	$ 43,387	$ 473,331	$ 2,142,975	$ 4,204,693

Notes to Potential Payments on Termination or Change in Control Table

(a) Absent a change in control followed by termination of employment, the Supplemental Plan will vest only when the participant attains the in-service age of 55 years with ten years of service, or in-service age of 65 years.

(b) For the executive officers other than Mr. Cumenal, cash severance payments were determined by multiplying the sum of (i) actual salary and (ii) the target short-term incentive award or bonus, by two. Mr. Cumenal's cash severance payment is comprised of the sum of (i) actual salary multiplied by two, and (ii) $1,246,552, pursuant to the terms of his employment agreement.

(c) The amounts shown in this column represent two years of health-care coverage determined on the basis of the Company's "COBRA" rates for post-employment continuation coverage. Such rates are available to all participating employees who terminate from employment and were determined on the basis of the coverage elections made by the executive officer.

(d) The value of early vesting of stock options granted in January 2011, 2012 and 2013 was determined using $83.19, the closing value of the Company's common stock on January 31, 2014. In the event of a change in control that is not a Terminating Transaction, the unvested portion of such options will vest only upon the executive's involuntary termination from employment. For the purposes of this table, it is assumed that the change in control was a 35% share acquisition and not a Terminating Transaction. This column also assumes a 100% early vesting of the special promotion-related stock option grants awarded to Mr. Fernandez in June 2011 (40,000) and to Mr. Cumenal in September 2013 (36,523).

(e) The value of early vesting of performance-based restricted stock units granted in January 2012 and 2013 was determined using $83.19, the closing value of the Company's common stock on January 31, 2014. In the event of a change in control that is not a Terminating Transaction, only a portion of unvested performance-based restricted stock units will vest, pursuant to a schedule based on the applicable three-year performance period. For the purposes of this table, it is assumed that the change in control was a 35% share acquisition and not a Terminating Transaction. Accordingly this column assumes a 100% early vesting of the performance-based restricted stock units granted in January 2011; a 70% early vesting of performance-based restricted stock units granted in January 2012; and a 30% early vesting of performance-based restricted stock units granted in January 2013. This column also assumes a 100% early vesting of the special time-vesting restricted stock grants

awarded to Mr. Fernandez in June 2011 (11,000) and to Mr. Cumenal in March 2011 (27,228) and September 2013 (12,419).

In the event of a Terminating Transaction, all unvested performance-based restricted stock units granted in January 2011, 2012 and 2013, and all time-vesting restricted stock units granted in Fiscal 2011 and Fiscal 2013 will vest, and the value to each of the executives would have been as follows on January 31, 2013:

Michael J. Kowalski	$	12,345,396
James N. Fernandez	$	8,019,516
Frederic Cumenal	$	10,304,329
Jon M. King	$	6,072,870
Pamela H. Cloud	$	3,177,858

(f) This column is the total of columns (a) through (e) in the table above. It assumes that two events have occurred: a change in control and a termination of employment following such change in control.

Explanation of Potential Payments on Termination or Change in Control

Retention Agreements

The Company and Tiffany have entered into retention agreements with each of the executive officers. These agreements would provide a covered executive with compensation if he or she should incur an "involuntary termination" after a "change in control." An "involuntary termination" does not include a termination for cause, but does include a resignation for good reason.

When, if ever, a "change in control" occurs, the covered executives would have fixed terms of employment under their retention agreements for two years.

If the executive incurs an involuntary termination during his or her fixed term of employment under a retention agreement, compensation would be payable to the executive as follows:

- Two times the sum of the executive's salary and target short-term incentive award or bonus, as severance; and
- Two years of benefits continuation under Tiffany's health and welfare plans.

Vesting of Options, Restricted Stock Units on a Change in Control

Stock Option Grants

For grants awarded in 2009 or later, outstanding stock options will vest in full and become exercisable in the event of a "change in control" if it results in the dissolution of the Company, or the Company goes out of existence or comes under the substantial ownership (80%) of another person, and the acquiring party does not arrange to assume or replace the grant. These types of change in control events are referred to as "terminating transactions." (See "Definition of a Change in Control" below.)

For all other change in control events (see "Definition of a Change in Control" below), early vesting will occur in full but only if the named executive officer is involuntarily terminated from employment following the change in control. "Involuntary termination" does not include a termination for cause, but does include a resignation for good reason.

Performance-Based Restricted Stock Unit Grants

Terms of Awards Made from 2009 - 2013:

For grants awarded during calendar years 2009 through 2013, outstanding performance-based restricted stock units will vest in full and convert to shares in the event of a Terminating Transaction.

For all other change in control events (see "Definition of a Change in Control" below), performance-based restricted stock units will vest in full if the change in control event occurs in the last fiscal year of a three-year performance period, 70% if it occurs in the second fiscal year of a three-year performance period; and 30% if it occurs in the first fiscal year of a three-year performance period. In the event of the first type of change in control event described in the definition below (a 35% share acquisition), such proportionate vesting will occur only if the named executive officer is involuntarily terminated following the change in control event.

Terms of Awards Made in 2014:

In January 2014, the Committee modified the terms of award for performance-based restricted stock unit awards made in that month, from the terms used from 2009 through 2013, to provide for conversion of performance-based restricted stock units to time-vesting restricted stock units, in the event of a change in control, as follows:

(i) If a change in control occurs before the start of the three-year performance period (for the January 2014 grant, that would mean anytime before February 1, 2014), no conversion or vesting shall occur for the award in connection with the change in control;

(ii) If a change in control occurs in the first or second fiscal year of the three-year performance period, then 55% of the performance-based stock units awarded shall convert to time-vesting restricted stock units; and

(iii) If a change in control occurs in the last fiscal year of the three-year performance period, the percentage of the performance-based restricted stock units to convert to time-vesting restricted stock units will be based on the Company's cumulative performance during the first and second fiscal year of the performance period, as compared to the performance goals expressed in the original notice of grant; however, such performance goals (but for the ROA target, which will be disregarded under such circumstances) will be pro-rated for the cumulative two-year period (66.67%).

The time-vesting restricted stock units resulting as described above will vest on the earlier of (i) the original maturity date in the notice of grant (three business days following the public announcement of the Company's audited, consolidated financial results for the last fiscal year in the performance period, which for the January 2014 grant would be in March 2017), or (ii) if the executive officer is earlier involuntarily terminated without cause, on such termination date.

PROXY STATEMENT

Time-Vesting Restricted Stock Unit Grants

Outstanding time-vesting restricted stock units will vest in full and convert to shares in the event of a Terminating Transaction.

For all other change in control events (see "Definition of a Change in Control" below), time-vesting restricted stock units will vest in full if the change in control event occurs and if the named executive officer is involuntarily terminated following the change in control event.

Supplemental Retirement Benefits Vest on a Change in Control

Benefits under the Pension Plan and Excess Plan are vested for all named executive officers, other than Mr. Cumenal, who is not a participant. Benefits under the Supplemental Plan are vested for Mr. Kowalski, Mr. Fernandez and Mr. King. As of January 31, 2014, Ms. Cloud has not accrued benefits under the Supplemental Plan.

Definition of a Change in Control

For purposes of the Supplemental Plan, equity awards made in 2009 and thereafter, and the retention agreements, the term "change in control" means that one of the following events has occurred:

- Any person or group of persons acting in concert (a "person" being an individual or organization) acquires 35% or more in voting power or stock of the Company, or the right to obtain such voting power;
- A majority of the Board is, for any reason, not made up of individuals who were either on the Board on January 15, 2009, or, if they became members of the Board after that date, were approved by the directors;
- As a result of a corporate transaction such as a merger, the shareholders of Tiffany immediately prior to such transaction do not own more than 50% of Tiffany's outstanding shares; or
- All or substantially all assets of the Company or Tiffany are sold or disposed of to an unrelated party.

Certain change in control events will be considered "terminating transactions," provided the acquirer does not arrange to assume or replace the grant. Terminating Transactions include (i) the dissolution of the Company, or (ii) if the Company comes under the substantial ownership (80%) of another person. The definition of "change in control" for equity awards made prior to 2009 is somewhat, but not substantially, different.

Non-Competition Covenants Affected by Change in Control

In the event of a change in control, the duration of certain non-competition covenants could be reduced from as long as two years following termination of employment to as little as six months in the event a change in control were to occur. In the table above, we have not assigned any value to a potential reduction.

Early Retirement

Mr. Kowalski was eligible to take early retirement on January 31, 2014. His early retirement benefit under the Pension Plan, the Excess Plan and the Supplemental Plan would have been approximately $1,336,612 per year had he retired effective January 31, 2014, subject to applicable offsets by benefits payable under Social Security.

Mr. Fernandez was eligible to take early retirement on January 31, 2014. His early retirement benefit under the Pension Plan, the Excess Plan and the Supplemental Plan would have been approximately $669,066 per year had he retired effective January 31, 2014, subject to applicable offsets by benefits payable under Social Security.

Mr. King was eligible to take early retirement on January 31, 2014. His early retirement benefit under the Pension Plan, the Excess Plan and the Supplemental Plan would have been approximately $430,692 per year had he retired effective January 31, 2014, subject to applicable offsets by benefits payable under Social Security.

Death or Disability

If any of the named executive officers had died or become disabled on January 31, 2014, stock options then unvested would have vested. The value of such early vesting is shown in the columns labeled "Early Vesting of Stock Options" in the table at PS-71. If any of the named executive officers had died or become disabled on January 31, 2014, certain performance-based restricted stock units and time-vesting restricted stock units would have vested. The value of such early vesting would have been as follows for each of the named executive officers on January 31, 2014: Mr. Kowalski, $3,683,653; Mr. Fernandez, $3,046,418; Mr. Cumenal, $5,394,622; Mr. King, $1,821,861; and Ms. Cloud, $953,357.

DIRECTOR COMPENSATION TABLE
Fiscal 2013

Name	Fees Earned or Paid in Cash ($) (a)	Option Awards ($) (b) (c)	Stock Awards ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (d)	All Other Compensation ($)	Total ($)
Rose Marie Bravo	$ 75,000	$ 75,308	$ 72,103	$ 14,905	$ —	$ 237,316
Gary E. Costley	$ 95,000	$ 75,308	$ 72,103	N/A	$ —	$ 242,411
Lawrence K. Fish	$ 90,000	$ 75,308	$ 72,103	N/A	$ —	$ 237,411
Abby F. Kohnstamm	$ 75,000	$ 75,308	$ 72,103	N/A	$ —	$ 222,411
Charles K. Marquis	$ 90,000	$ 75,308	$ 72,103	$ —	$ —	$ 237,411
Peter W. May	$ 75,000	$ 75,308	$ 72,103	N/A	$ —	$ 222,411
William A. Shutzer	$ 90,000	$ 75,308	$ 72,103	$ —	$ —	$ 237,411
Robert S. Singer	$ 95,000	$ 75,308	$ 72,103	N/A	$ —	$ 242,411

Notes to Director Compensation Table

(a) Includes amounts deferred under the Executive Deferral Plan.

(b) Amounts shown represent the grant-date fair value for stock options granted for Fiscal 2013. In valuing option awards the Company made certain assumptions. For a discussion of those assumptions, please refer to Part II of the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2014. See Note N. "STOCK COMPENSATION PLANS," in Notes to Consolidated Financial Statements, under Item 8. Financial Statements and Supplementary Data.

(c) Supplementary Table: Outstanding Director Option Awards at Fiscal Year End

Name	Aggregate Number of Option Awards Outstanding at Fiscal Year End (number of underlying shares)
Rose Marie Bravo	26,818
Gary E. Costley	12,101
Lawrence K. Fish	18,241
Abby F. Kohnstamm	56,818
Charles K. Marquis	56,818
Peter W. May	36,818
William A. Shutzer	56,818
Robert S. Singer	5,764

(d) The actuarial valuation shown takes into account the current age of the director and is based on the following assumptions consistent with those used in preparing the Pension Plan financial statements: RP 2000 Male/Female Mortality Table Projected to the date of each future cash flow (i.e. a "fully generational" mortality projection); a change in discount rate 4.5% to 4.75% and

assumed retirement age of 65 (if the director is over age 65, the director is assumed to retire on January 31, 2014). For Messrs. Marquis and Shutzer, for Fiscal 2014, the change in pension value is a negative amount, ($26,257) and ($28,148) respectively, due to a combination of factors, primarily reflecting being over age 65 and also the impact of an increase in the discount rate assumption used to determine the change in value during the past year. This column does not include earnings under the Deferral Plan because the Deferral Plan does not pay above-market or preferential earnings on compensation that is deferred. Where an N/A appears, the director is not eligible for this benefit.

Discussion of Director Compensation Table

Directors who are not employees of the Company or its subsidiaries are paid or provided with the following for their service on the Board:

- An annual retainer of $75,000;
- An additional annual retainer of $20,000 each to the chairperson of the Audit and Compensation Committee, and $15,000 each to the chairperson of the Corporate Social Responsibility, Finance and Nominating/Corporate Governance Committee;
- Equity compensation, as discussed below; and
- A retirement benefit, also discussed below, for directors first elected prior to January 1, 1999.

Under Tiffany's Executive Deferral Plan, directors may defer up to one hundred percent (100%) of their cash compensation and invest the amounts they defer in various accounts and funds established under the plan. However, the Company does not guarantee any return on said investments. The following table provides data concerning director participation in this plan:

Name	Director Contribution In Last Fiscal Year ($)	Registrant Contribution In Last Fiscal Year ($)	Aggregate Earnings In Last Fiscal Year ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance At Last Fiscal Year End ($)
Gary E. Costley	$ —	$ —	$ 53,007	$ —	$ 249,943
Charles K. Marquis	$ —	$ —	$ 60,876	$ —	$ 606,774
William A. Shutzer	$ —	$ —	$ 206,372	$ —	$ 1,279,708

Tiffany also reimburses directors for expenses they incur in attending Board and committee meetings, including expenses for travel, food and lodging.

Each director receives annual equity compensation with a value of $125,000 on grant, half in the form of a ten-year term stock option (vested immediately) and half in the form of restricted stock units (payable after one year of service or on retirement, at the prior election of the director). All options have a strike price equal to fair market value on the date of grant. Directors joining the board between annual meetings will receive a pro-rated annual grant.

Directors first elected prior to January 1, 1999 who retire as non-employee directors with five or more years of Board service are also entitled to receive an annual retirement benefit equal to $38,000, payable at the later of age 65 or the retirement date. This benefit is payable quarterly and continues for a period of time equal to the director's length of service on the Board, including periods served as an employee director, or until death, if earlier. Directors Bravo, Marquis and Shutzer are the only directors entitled to participate in this benefit plan.

Messrs. Kowalski and Cumenal are employees of Tiffany and, therefore, receive no separate compensation for service as directors.

EQUITY COMPENSATION PLAN INFORMATION
(As of Fiscal Year 2013)

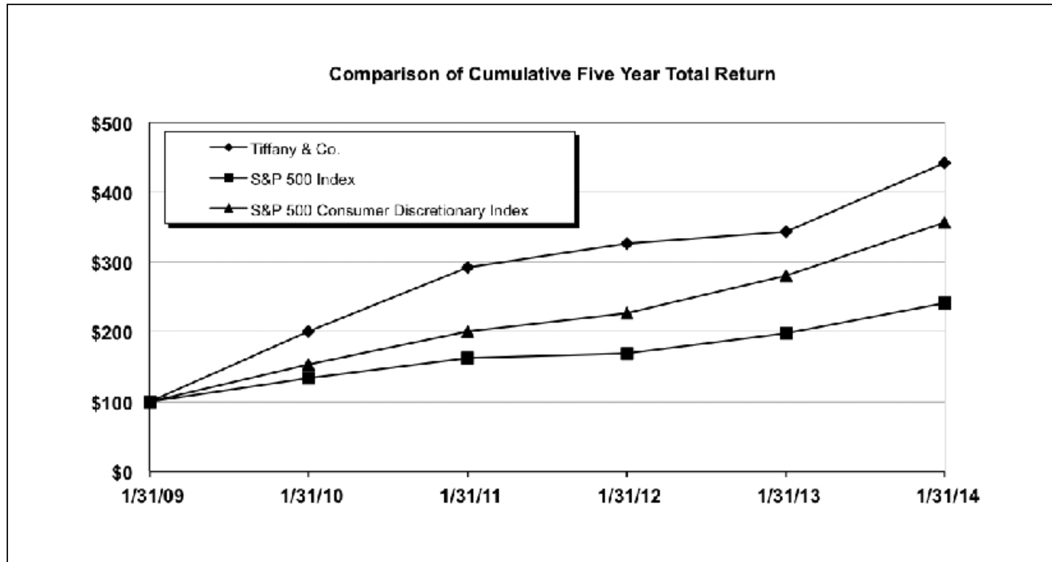
Plan category	Column A Number of securities to be issued upon exercise of outstanding options, warrants and rights	Column B Weighted average exercise price of outstanding options, warrants and rights	Column C Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column A)
Equity compensation plans approved by security holders	2,322,145 [a]	$ 55.63	2,852,420 [b]
Equity compensation plans not approved by security holders	—	—	—
Total	2,322,145 [a]	$ 55.63	2,852,420 [b]

(a) Shares indicated do not include 1,641,644 shares issuable under awards of stock units already made.

(b) Shares indicated are the aggregate of those available for grant under the Company's 2005 Employee Incentive Plan (the "Employee Plan") and the Company's 2008 Directors Equity Plan (the "Directors Plan"). All plans provide for the issuance of options and stock awards. However, under both plans the maximum number of shares that may be issued (13,500,000 under the Employee Plan and 1,000,000 under the Directors Plan) is subject to reduction by 1.58 shares for each share that is delivered on vesting of a stock award. Column C reflects this reduction assuming that all shares granted as stock awards will vest.

PERFORMANCE OF COMPANY STOCK

The following graph compares changes in the cumulative total shareholder return on Tiffany & Co.'s stock for the previous five fiscal years to returns for the same five-year period on (i) the Standard & Poor's 500 Stock Index and (ii) the Standard & Poor's 500 Consumer Discretionary Index. Cumulative shareholder return is defined as changes in the closing price of the stock on the New York Stock Exchange, plus the reinvestment of any dividends paid on the stock.



ASSUMES AN INVESTMENT OF $100 ON JANUARY 31, 2009 IN COMPANY STOCK AND IN EACH OF THE TWO INDICES. THE REINVESTMENT OF ANY SUBSEQUENT DIVIDENDS IS ALSO ASSUMED.

TOTAL RETURNS ARE BASED ON MARKET CAPITALIZATION; INDICES ARE WEIGHTED AT THE BEGINNING OF EACH PERIOD FOR WHICH A RETURN IS INDICATED.

DISCUSSION OF PROPOSALS PRESENTED BY THE BOARD

Item 1. Election of Directors

Each year, we elect directors at an Annual Meeting of Shareholders. At the 2014 Annual Meeting, ten directors will be elected. Each of them will serve until he or she is succeeded by another qualified director or until his or her earlier resignation or removal from office.

It is not anticipated that any of this year's nominees will be unable to serve as a director but, if that should occur before the Annual Meeting, the Board may either propose another nominee or reduce the number of directors to be elected. If another nominee is proposed, you or your proxy will have the right to vote for that person at the Annual Meeting.

Why the Nominees were Chosen to Serve. Each of the ten nominees for director was recommended for nomination by the Nominating/Corporate Governance Committee and nominated by the full Board to stand for election by the shareholders. The specific experience and qualifications that led the Nominating/Corporate Governance Committee to recommend each nominee is set forth in the brief biographies that follow, and all of the nominees have demonstrated through their service on the Board, their skills as insightful questioners and collaborative decision-makers and their ability to express differing viewpoints in a collegial and constructive fashion. Each of the nominees has many and diverse skill sets but those skills that most stand out are identified below at the end of each biography as "Key Skills."

Information concerning each of the nominees of the Board is set forth below:

Michael J. Kowalski

Mr. Kowalski, 62, is Chairman of the Board and Chief Executive Officer of Tiffany & Co. He succeeded William R. Chaney as Chairman at the end of Fiscal 2002 and as Chief Executive Officer in February 1999. Prior to his appointment as President in January 1996, he was an Executive Vice President of Tiffany & Co., a position he had held since March 1992. Mr. Kowalski also served as Tiffany & Co.'s Chief Operating Officer from January 1997 until his appointment as Chief Executive Officer. He became a director of Tiffany & Co. in January 1995. Mr. Kowalski also serves on the Board of The Bank of New York Mellon and is a member of its Audit Committee and Compensation Committee. The Bank of New York Mellon is Tiffany's principal banking relationship, serving as Administrative Agent and a lender under a Revolving Credit Facility, and as the trustee and an investment manager for Tiffany's employee pension plan. Mr. Kowalski holds a B.S. from the University of Pennsylvania's Wharton School and an M.B.A. from the Harvard Business School. He has been a director of the following public companies during the past five years: Fairmont Hotels & Resorts, Inc. Key Skills: merchandising, management, strategic planning and motivation.

Rose Marie Bravo

Ms. Bravo, CBE, 63, became a director of Tiffany & Co. in October 1997 when she was selected by the Board to fill a newly created directorship. Ms. Bravo previously served as Chief Executive Officer of Burberry Limited from 1997 until 2006 and as President of Saks Fifth Avenue from 1992 to 1997. Prior to Saks, Ms. Bravo held a series of merchandising jobs at Macy's, culminating in the Chairman & Chief Executive Officer role at I. Magnin, which was a division of R. H. Macy & Co. Ms. Bravo serves on the Board of Directors of Estee Lauder Companies Inc. and on the Compensation and its Stock Option Subcommittee of that Board. She also serves on the Board of Directors of Williams-Sonoma, Inc. and its Compensation Committee. Key Skills: brand management, merchandising and product development.

Gary E. Costley

Dr. Costley, 70, was first elected to the Board in May 2007. He served as Chairman and Chief Executive Officer of International Multifoods Corporation, a manufacturer and marketer of branded consumer food and food service products, from November 1997 until his retirement in June 2004. Dr. Costley was Dean of the Graduate School of Management at Wake Forest University from 1995 until 1997. Dr. Costley held numerous positions at the Kellogg Company from 1970 until June 1994 when he was President of Kellogg North America. He is a director of three other public companies: The Principal Financial Group, Covance Inc. and Prestige Brands Holdings, Inc. He has been a director of the following public companies during the past five years: Pharmacopeia and Accelysis. Key Skills: multi-divisional operations, global management, marketing and manufacturing.

Frederic Cumenal

Mr. Cumenal, 54, was appointed President of Tiffany & Co. in September 2013, and was simultaneously appointed to a newly-created seat on the Board of the Company. Prior to his appointment as President, he was an Executive Vice President of Tiffany & Co., with responsibility for the sales and distribution of Tiffany & Co. products globally. In his new role as President, Mr. Cumenal continues to have responsibility for all sales regions, with additional responsibility for the Design, Store Development, Merchandising and Marketing functions. Prior to joining Tiffany & Co. in March 2011, Mr. Cumenal spent fifteen years in senior leadership positions in LVMH Group's wine and spirits businesses, most recently as President and Chief Executive Officer of Moët & Chandon, S.A. Previously, Mr. Cumenal served as Chief Executive Officer of Domaine Chandon, and was Managing Director of Moët Hennessy Europe. Key Skills: international luxury brand management and development.

Lawrence K. Fish Mr. Fish, 69, retired as Chairman and Chief Executive Officer of Citizens Financial Group, Inc. ("Citizens") in 2007. He served in that role since 2005, and before that as Chairman, President and Chief Executive Officer of Citizens from 1992. Mr. Fish is a member of the Corporation and Executive Committee of Massachusetts Institute of Technology. He serves as Chairman of Houghton Mifflin Harcourt, and on the boards of Textron and National Bank Holdings. He also serves as a Trustee Emeritus of The Brookings Institution. Mr. Fish was first elected a director of the Company in May 2008. He has been a director of the following public companies during the past five years: Royal Bank of Scotland. Key Skills: risk analysis, finance, brand management and community banking.

Abby F. Kohnstamm Ms. Kohnstamm, 60, is Executive Vice President and Chief Marketing Officer at Pitney Bowes. In this role, she oversees all of Pitney Bowes marketing and communications worldwide, citizenship and philanthropy, as well as government and regulatory affairs. Before joining Pitney Bowes in June, 2013, Ms. Kohnstamm was the President and founder of Abby F. Kohnstamm & Associates, Inc., a marketing and consulting firm. Prior to establishing her company in January 2006, Ms. Kohnstamm served as Senior Vice President, Marketing (Chief Marketing Officer) of IBM Corporation from 1993 through 2005. In that capacity, she had overall responsibility for all aspects of marketing across IBM on a global basis. A few of Ms. Kohnstamm's major accomplishments at IBM included developing IBM's first professional marketing function and key marketing processes, as well as repositioning and relaunching the IBM brand from a weakened position to one of today's top global brands. Before joining IBM, Ms. Kohnstamm held a number of senior marketing positions at American Express from 1979 through 1993. She is also a member of the Board of Directors of the Roundabout Theatre Company and is a Trustee Emeritus of Tufts University after serving 10 years on the Board of Trustees. She became a director of Tiffany & Co. in July 2001. She has been a director of the following public companies during the past five years: The Progressive Corporation and World Fuel Services Corporation. She holds a B.A. from Tufts University, an M.A. in Education from New York University and an M.B.A. from New York University. Key Skills: brand management, global management, strategic planning and media management.

Charles K. Marquis Mr. Marquis, 71, is a Senior Advisor to Investcorp International, Inc. From 1974 through 1998, he was a partner in the law firm of Gibson, Dunn & Crutcher L.L.P., where he practiced securities and mergers and acquisitions law. He was elected a director of Tiffany & Co. in 1984. Key Skills: finance, risk analysis, crisis management and investor relations.

Peter W. May Mr. May, 71, is President and a founding partner of Trian Fund Management, L.P., a New York-based asset management firm. Mr. May also serves as non-executive Vice Chairman and a director of The Wendy's Company (formerly Wendy's/Arby's Group, Inc. and previously Triarc Companies, Inc. ("Triarc")) (NASDAQ GS:WEN). Mr. May served as a director of Deerfield Capital Corp. (NASDAQ CM:DFR) from December 2007 to June 2010. Mr. May also served as President and Chief Operating Officer of Triarc from April 1993 through June 2007. From 1983 to December 1988, Mr. May served as President and Chief Operating Officer and a director of Triangle Industries, Inc., which, through wholly-owned subsidiaries, was, at the time, a manufacturer of packaging products (through American National Can Company), copper electrical wire and cable and steel conduit and currency and coin handling products. Mr. May is the Chairman of the Board of Trustees of The Mount Sinai Medical Center in New York, a Trustee of the University of Chicago, a Trustee of Carnegie Hall and a Trustee of the New York Philharmonic, and a partner of the Partnership for New York City. Mr. May holds AB and MBA degrees from the University of Chicago and is a Certified Public Accountant (inactive). Mr. May was first elected a director of Tiffany & Co. in May 2008. Key Skills: multi-divisional operations, brand management, investor relations and finance.

William A. Shutzer Mr. Shutzer, 67, is a Senior Managing Director of Evercore Partners, a financial advisory and private equity firm. He previously served as a Managing Director of Lehman Brothers from 2000 through 2003, a Partner in Thomas Weisel Partners LLC, a merchant banking firm, from 1999 through 2000, as Executive Vice President of ING Baring Furman Selz LLC from 1998 through 1999, President of Furman Selz Inc. from 1995 through 1997 and as a Managing Director of Lehman Brothers and its predecessors from 1978 through 1994. He was elected a director of the Company in 1984. Mr. Shutzer is also a member of the Board of Directors of Mediabistro Inc. (formerly known as WebMedia Brands Inc.), ExamWorks Group, Inc. and Evercore Trust Company. He was a member of the Board of Directors of American Financial Group from 2003 to 2006. He has been a director of the following public companies during the past five years: CSK Auto (2002-2008) and Turbochef Technologies (2003-2009). Key Skills: finance, investor relations and strategic development.

Robert S. Singer Mr. Singer, 62, served as Chief Executive Officer of Barilla Holding S.p.A, a major Italian food company, from January 2006 to April 2009. From May 2004 to September 2005, Mr. Singer served as President and Chief Operating Officer of Abercrombie & Fitch Co., an American clothing retailer. Prior to joining Abercrombie, Mr. Singer served as Chief Financial Officer of Gucci Group NV, a leading luxury goods company, from September 1995 to April 2004. From 1987 to 1995, Mr. Singer was a Partner at Coopers & Lybrand. From April 2006 to April 2010, Mr. Singer was a director and the chairman of the compensation committee of Benetton S.p.A. From 2003 to 2006, Mr. Singer served on the Board of Directors of Fairmont Hotels & Resorts, Inc., and as Chairman of the audit committee from 2004 to 2006. Mr. Singer currently serves on the board of directors of several non-public companies. He has been a director of the following public companies during the past five years: Mead Johnson Nutrition since February 2009 and Coty Inc. since January 2010. Coty Inc. was privately held until June 2013 when it became a publicly traded company listed on the NYSE. Mr. Singer is a member of Coty Inc.'s Board of Directors and Chairman of its Audit Committee. Mr. Singer was first elected a director of Tiffany & Co. in May 2012. Key Skills: accounting, global retail, financial and general management of luxury good brands.

In the event that any of the current directors standing for reelection does not receive a majority of "for" votes of the votes cast for or against his or her candidacy, such person would continue to serve as a

director until he or she is succeeded by another qualified director or until his or her earlier resignation or removal from office. Each of the nominees for director has agreed to tender his or her resignation in the event that he or she does not receive such a majority. Under the Corporate Governance Principles adopted by the Board, the Nominating/Corporate Governance Committee will make a recommendation to the Board on whether to accept or reject the resignation or whether other action should be taken. Please refer to Section 1.i of the Corporate Governance Principles, which are attached as Appendix II hereto, for further information about the procedure that would be followed in the event of such an election result.

THE BOARD RECOMMENDS A VOTE "FOR" THE ELECTION OF ALL TEN NOMINEES FOR DIRECTOR.

Item 2. Appointment of the Independent Registered Public Accounting Firm

The Audit Committee has appointed and the Board has ratified the appointment of PricewaterhouseCoopers LLP ("PwC") as the independent registered public accounting firm to audit the Company's consolidated financial statements for Fiscal 2014. As a matter of good corporate governance, we are asking you to approve this selection.

PwC has served as the Company's independent registered public accounting firm since 1984.
A representative of PwC will be in attendance at the Annual Meeting to respond to appropriate questions raised by shareholders and will be afforded the opportunity to make a statement at the meeting, if he or she desires to do so.

The Board may review this matter if this appointment is not approved by the shareholders.

THE BOARD RECOMMENDS A VOTE "FOR" APPROVAL OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL 2014.

Item 3. Approval of the Compensation paid to the Named Executive Officers

Rule 14a-21(a) was adopted by the Securities and Exchange Commission ("SEC"). It was adopted under the Securities Exchange Act of 1934, as amended by the Dodd-Frank Act (the "Dodd-Frank Amendments"), and requires the Company to include in its proxy statement, at least once in every three years, a separate shareholder advisory vote to approve the compensation of the Company's named executive officers. Accordingly, we are presenting the following resolution for the vote of the shareholders at the 2014 Annual Meeting:

> RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K under the Securities Exchange Act of 1934 in this Proxy Statement, including the Compensation Discussion and Analysis, compensation tables and narrative discussion be and hereby is APPROVED.

The disclosed compensation paid to the Company's named executive officers (Messrs. Kowalski, McGuiness, Cumenal, Fernandez and King, and Mrs. Cloud) for which your approval is sought may be found at PS-26 through PS-74 inclusive of this Proxy Statement.

At the 2013 Annual Meeting, the Company included in its proxy statement a separate shareholder advisory vote to approve the compensation of the Company's named executive officers. The Company's Say on Pay proposal passed with 97.8% of the shareholder votes in favor of the Company's compensation program. Of the "against" votes, 53% were abstaining shares. The Committee considered shareholder approval of the compensation program when implementing changes for Fiscal 2014.

THE BOARD RECOMMENDS A VOTE "FOR" APPROVAL OF THE COMPENSATION PAID TO THE NAMED EXECUTIVE OFFICERS IN FISCAL 2013.

Item 4. Approval of the adoption of the 2014 Tiffany & Co. Employee Incentive Plan

On March 19, 2014, the Board adopted the Company's 2014 Employee Incentive Plan (the "2014 Incentive Plan") subject to shareholder approval at the 2014 Annual Meeting of Shareholders. If approved, the 2014 Incentive Plan will become effective on the date of the 2014 Annual Meeting of Shareholders (the "Effective Date") and will replace the Amended and Restated 2005 Tiffany & Co. Employee Incentive Plan (the "2005 Incentive Plan"), under which no further awards may be granted after the Effective Date. Awards made under the 2005 Incentive Plan from February 1, 2014 through the Effective Date, including awards made on March 19, 2014 totaling approximately 254,000 shares, will reduce the number of shares available under the 2014 Incentive Plan by one share for every share subject to an award granted. The 2008 Tiffany & Co. Directors Option Plan (the "2008 Directors Incentive Plan") will remain in full force and effect after the Effective Date.

The 2014 Incentive Plan is an important part of our pay-for-performance compensation strategy. The Board believes that it is in the best interests of the Company and our shareholders to approve the 2014 Incentive Plan. Based on the amount of awards granted in the past, as discussed in more detail below, the Board believes that the shares available for awards under the 2005 Incentive Plan will likely be insufficient to satisfy our equity compensation needs for 2015 and beyond and that the 2005 Incentive Plan should be replaced by the 2014 Incentive Plan, which authorizes up to 8.65 million shares for awards. If our shareholders do not approve the 2014 Incentive Plan, we may experience a shortfall of shares available for issuance for stock-based compensation awards that we believe may adversely affect our ability to attract, retain and reward employees who contribute to our long-term success.

Approval of this Item 4 will constitute approval of the 2014 Incentive Plan itself and approval of the material terms of the 2014 Incentive Plan relating to tax-deductible performance-based compensation under Section 162(m) of the Internal Revenue Code ("Code Section 162(m)"), including performance measures, permissible adjustments, and maximum individual limits, as discussed in more detail below.

In this section we have summarized the principal features of the 2014 Incentive Plan. This summary is not a complete description of the 2014 Incentive Plan and is qualified in its entirety by reference to the full text of the 2014 Incentive Plan, which is attached as Appendix III.

Purpose of the 2014 Incentive Plan

The purpose of the 2014 Incentive Plan is to encourage participants to acquire an increased proprietary interest in the long-term growth and financial success of the Company and to further link the interests of such individuals to the long-term interests of shareholders. The 2014 Incentive Plan provides the opportunity to attract, retain and reward employees, while further linking their interests to those of shareholders, under plan terms that are up-to-date and aligned with best market practices.

The 2014 Incentive Plan authorizes the Compensation Committee of the Board of Directors (for purposes of this Item, the "Committee") to make stock-based awards to employees of the Company's subsidiaries.

Current Awards Outstanding

Below is information regarding shares currently outstanding under the 2005 Incentive Plan and the 2008 Directors Incentive Plan, as well as stock options outstanding under the Company's 1998 Employee Incentive Plan and the 1998 Director Incentive Plan. No shares remain available for grant under the 1998 plans. The Company made its annual grants to executive officers in January 2014, and those awards are included in the data below:

Selected Data as of January 31, 2014:

Stock options outstanding	2,322,145
Weighted average exercise price	$ 55.63
Weighted average remaining term	6.62 years
Full value share awards outstanding (unvested)	1,621,340
Shares remaining for grant under the 2008 Director Plan	747,948

Under the 2005 Incentive Plan and the 2008 Directors Incentive Plan, stock-based awards are granted from a pool of available shares, with stock options counting as 1 share and restricted stock units (full value awards) counting as 1.58 shares.

The Company made its annual grants to non-executive employees, and new hire and promotion grants, in March 2014, in the total amount of approximately 254,000 shares, and these and other grants awarded under the 2005 Incentive Plan after January 31, 2014 will reduce the number of shares available under the 2014 Incentive Plan by one share for every share subject to an award granted.

For additional information regarding stock-based awards previously granted, see Note N. "STOCK COMPENSATION PLANS," in Annual Report on Form 10-K for fiscal year ended January 31, 2014.

Plan At-A-Glance

Plan Term	If approved, the 2014 Incentive Plan is effective on the date of the 2014 Annual Meeting of Shareholders and shall remain in effect as long as any awards under the plan are outstanding; however, no award may be granted more than 10 years after the effective date.
Eligible Participants	All 10,600 employees of the Company or its subsidiaries.
Total Shares Authorized	8,650,000
Award Types	Stock Options (Incentive and Non-Qualified) ("options")
	Restricted Stock, Restricted Stock Units, Stock Appreciation Rights ("SARs")
	Cash-Based Incentive Awards (all types, collectively, "awards").
Grant Limits	Options intended to be Incentive Stock Options, no more than 1 million shares under the plan in aggregate.
	Aggregate number of shares that may be granted to any individual in a fiscal year, pursuant to any and all award types (excluding awards that the Committee determines will not be designed to be Section 162(m) performance-based compensation), is 400,000 (except, in year of hire, aggregate limit is 800,000).
	Aggregate cash payout which may be made to any named executive officer in any fiscal year, from an Other Incentive Award (non-equity) granted in any single prior fiscal year (excluding awards that the Committee determines will not be designed to be Section 162(m) performance-based compensation), is $3,000,000.
Stock Option Exercise Period	Determined by the Committee, but no more than ten years from the date of grant.
Stock Option Exercise Price	Not less than fair market value on date of grant.

Key Features of the 2014 Incentive Plan

Limitation on Authorized Shares.

We are requesting approval of 8.65 million shares of common stock for awards under the 2014 Incentive Plan. Each award granted under the 2014 Incentive Plan will be counted against the share limit as one share of common stock for each share subject to the award. Awards granted under the 2005 Incentive Plan after January 31, 2014 will reduce the share limit by one share of common stock for each share subject to the award.

Our potential dilution, or "overhang," from outstanding awards and shares available for future awards under the 2014 Incentive Plan is approximately 9%. This overhang approximates the median of Tiffany's peer group (see "Peer Group" at Page PS-33). This percentage was calculated as follows:

New Shares Requested under 2014 Incentive Plan	8,650,000
Available Shares under 2008 Director Plan (reduced by 1.58 fungible ratio)	473,385
Overhang Shares (outstanding grants under 2005 Incentive Plan and 2008 Director Plan)	3,943,485
Total Share Allocation (TSA)	13,066,870
Dilution (TSA / Common Shares Outstanding as of 1/31/14 + TSA)	9%

Share Replenishment and the Effect of Forfeited, Canceled or Expired Awards.

Shares subject to an award under the 2014 Incentive Plan that are not delivered because of forfeiture, cancellation, expiration, failure to vest, cash settlement or non-issuance of shares, become available for further grant. For a SAR award that is settled in stock, no shares originally granted with respect to such SAR award (whether issued or unissued) will become available for further grant. Shares tendered in payment of the purchase price of a stock option award or tendered or withheld to pay taxes with respect to a stock option or SAR award, in either case under the 2014 Incentive Plan, do not become available for further grant. Shares tendered or withheld to pay taxes with respect to an award other than a stock option or SAR award under the 2014 Incentive Plan, become available for further grant. The above described treatment shall apply as well to shares subject to awards made under the 2005 Incentive Plan after January 31, 2014.

Burn Rate for Fiscal 2011, 2012 and 2013

Fiscal Year	Options	Full Value Time Based Awards Granted	Performance Awards Earned	Weighted Average Number of Common Shares outstanding	Unadjusted Burn Rate
2013	323,211	323,783	148,960	127,835,000	0.62%
2012	365,024	302,295	287,894	126,737,000	0.75%
2011	459,984	390,524	3,297	127,397,000	0.67%

The total number of shares available for grant under the 2014 Incentive Plan is calculated to last approximately 8 years, based solely on the average rate at which shares were granted over the past three fiscal years, and assuming that future awards under the 2014 Incentive Plan would be made at this average rate. However, the amount of shares granted in the past is not necessarily indicative of the amount that may be granted in the future. The amount of future grants is not currently known and will depend on various factors that cannot be predicted, including but not limited to the price of the Company's common stock on the future grant dates, the volatility of the stock and the types of awards that will be granted.

No Additional Shares from the 2005 Incentive Plan.

If the 2014 Incentive Plan is approved, any remaining shares under the 2005 Incentive Plan will not be available for grant after the Effective Date.

No Repricing or Grant of Discounted Stock Options.

The 2014 Incentive Plan expressly prohibits repricing of stock options or stock appreciation rights except in connection with certain changes in corporate structure. For purposes of the 2014 Incentive Plan, a "repricing" means a reduction in the exercise price of a stock option or stock appreciation right, the cancellation of a stock option or stock appreciation right in exchange for cash, other awards or stock options or stock appreciation rights with a lower exercise price. Additionally, the exercise price of a stock option or stock appreciation right may not be less than the fair market value of the Company's common stock on the date such award is granted.

Limitation on Payment of Dividends.

The 2014 Incentive Plan prohibits paying dividends on stock options or stock appreciation rights. Additionally, dividends and dividend equivalents may not be paid on any unvested awards that vest based on the achievement of performance goals but may be accumulated and paid only if and when the award vests.

Clawback Feature.

The 2014 Incentive Plan contains a clawback feature consistent with the Policy for Recovery of Erroneously Awarded Incentive Based Compensation adopted by the Company in Fiscal 2013. See "Clawback Policy" at PS-47.

Double-Trigger Equity Vesting upon a Change-in-Control.

The 2014 Incentive Plan provides for double-trigger equity vesting in the event of a change in control. This means that the Committee may permit awards to early vest in the event of a change in control, but only upon involuntary termination following such change in control (i.e. a "double trigger"). If outstanding awards under the 2014 Incentive Plan are replaced by the acquiror or related entity in a change in control of the Company, those replacement awards will not immediately vest on a "single trigger" basis (i.e. on a change in control), but would only accelerate if the participant is terminated involuntarily following the change in control.

Non-Transferability of Awards.

Stock options and SARS, and unvested stock and share-based awards (such as restricted stock units) granted under the 2014 Incentive Plan, are not transferable by the participant other than as provided by the Committee or by will, the laws of descent and distribution or pursuant to a "domestic relations order", as defined in the Code or Title I of the Employee Retirement Income Security Act or the rules thereunder. Nor may any of these awards be transferred or exchanged for consideration.

Administration of the 2014 Incentive Plan

The 2014 Incentive Plan will be administered by a committee selected by the Board. The Committee shall consist of two or more members of the Board, each of whom shall qualify as "outside directors" for purposes of Section 162(m) of the Internal Revenue Code and as "independent" for purposes of the New York Stock Exchange Listing standards. The Committee may delegate certain of its administrative responsibilities.

The Committee's authority to administer the 2014 Incentive Plan includes the right to:

- select from amongst eligible employees who shall receive awards;

- determine the types of awards and the number of shares covered by the awards;
- establish the terms, conditions, performance goals, restrictions, and other provisions of such awards and award agreements;
- cancel, amend, or suspend awards; and
- interpret the plan.

Eligible Employees

Employees (including executive officers and directors who are also the Company's employees) of the Company and any of its subsidiaries are eligible to participate in the 2014 Incentive Plan. Non-employee directors are not eligible to participate. On January 31, 2014, the Company had 10,600 employees (including executive officers) who would have been eligible to participate in the 2014 Incentive Plan if it had been in effect as of that date.

Awards Available

Options and SARs

The grant of a stock option entitles the holder to purchase a specified number of shares of the Company's Common Stock at an exercise specified at the time of grant (fair market value as of the grant date). Stock options may be granted in the form of non-qualified stock options ("NQSOs") or incentive options ("ISOs"). Grants of ISOs must fulfill the requirements applicable to an "incentive stock option" described in Section 422(b) of the Internal Revenue Code.

The grant of a stock appreciation right ("SAR") entitles the holder to receive the appreciation value, if any, for a specific number of shares of the Company's common stock over a specific time period. The Committee may provide the appreciation value in cash or in shares. The appreciation value is equal to all or a portion of the growth in the fair market value over an exercise price specified at the time of grant.

The 2014 Incentive Plan limits the discretion of the Committee with respect to stock options and SARs as follows:

- the term of a stock option or SAR may not exceed ten years,
- the per-share exercise price of each stock option or SAR may not be less than 100% of fair market value as of the grant date,
- the per-share exercise price may not be decreased after grant except for adjustments made to reflect stock splits and other corporate transactions (see "Adjustments" below), and
- neither a stock option nor an SAR may be surrendered for a new stock option or SAR with a lower exercise price.

The Committee may permit the payment of the stock option exercise price to be made as follows:

- in cash,
- by tender of the Company's shares of common stock, or
- by irrevocable authorization to a third party to sell shares received upon exercise of the option and to remit the exercise price.

Stock Awards

A stock award is the grant of shares of the Company's common stock or a right to receive such shares, their cash equivalent or a combination of both. Each stock award shall be subject to such conditions, restrictions and contingencies as the Committee shall determine. Historically,

the Committee has granted stock awards in the form of time-vesting restricted stock units or performance-based restricted stock units.

Cash Incentive Awards

Cash awards may be granted as determined by the Committee. Terms of cash awards must be set out by agreement, which may specify performance periods and goals. The Committee has the discretion to adjust pre-established Performance Goals under certain circumstances. The Committee reserves the right to issue bonuses and other incentive compensation outside of the 2014 Incentive Plan, with or without pre-established Performance Goals.

Performance Awards

A performance award may be in any form permitted under the 2014 Incentive Plan, subject to such terms as the Committee deems appropriate, including the requirement that the participant forfeit the award (or a portion thereof) if certain performance criteria are not met. The Committee has in the past granted performance awards in the form of performance-based restricted stock units, with vesting determined by achievement against performance goals over a three-year period. The Committee has also granted performance-based awards that are payable in cash, and such cash-incentive awards may be granted under the 2014 Incentive Plan, provided that the maximum amount of compensation that may be paid to any one participant in any fiscal year in respect of any single performance-based award granted in a single prior fiscal year, payable only in cash, is $3,000,000.

Vesting of performance-based awards is determined by achievements against a one-year performance goal. In setting performance goals for awards intended to qualify as "qualified performance-based compensation" for Section 162(m) of the Code, the 2014 Incentive Plan permits the Committee to use the following measures:

- change in fair market value of a share;
- the Company's consolidated net earnings;
- the Company's consolidated earnings per share on a diluted basis;
- the Company's consolidated net sales;
- net sales for any channel of distribution (as defined in Management's Discussion and Analysis of Financial Condition and Results of Operations);
- the Company's consolidated return on average assets;
- the Company's consolidated selling, general and administrative expenses;
- the Company's consolidated earnings from operations;
- the Company's consolidated earnings before income taxes;
- the Company's consolidated net cash provided by operating activities;
- the Company's gross revenue or gross revenue growth;
- the Company's gross profit or gross profit growth;
- the Company's net operating profit (before or after taxes);
- return on assets, capital, invested capital, equity or sales; and
- earnings before or after taxes, interest, depreciation and/or amortization.

Performance goals may include a threshold level of performance below which no award will be earned, a level of performance at which the target amount of an award will be earned and a level of performance that, if met, will result in a maximum pay-out of the award. The Committee may appropriately adjust any evaluation of performance under a performance goal to exclude any of the following events that occurs during a performance period: (i) asset write-downs, (ii) litigation or claim judgment or settlements, (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results, (iv) accruals for reorganization and restructuring programs, (v) extraordinary non-recurring items as

described in FASB ASC 225-20 and/or in management's discussion and analysis of financial condition and results of operations appearing in said Annual Report for the applicable year; (vi) acquisitions or divestitures, (vii) any other specific unusual or nonrecurring events, or objectively determinable category thereto, (viii) foreign exchange gains and losses, and (ix) a change in the Company's fiscal year.
The 2014 Incentive Plan is not the exclusive means available to the Company to provide incentive compensation to employees of the Company and its subsidiaries.

Adjustments

In the event of certain corporate changes, such as mergers, reorganizations, reclassifications, recapitalizations, stock splits, dividends (other than regular, quarterly dividends), or the like, the 2014 Incentive Plan provides for adjustments of the number and kinds of shares which may be delivered under the plan, or subject to outstanding awards under the plan. Such adjustments shall be made to for the purpose of preserving the benefits or potential benefits of the plan and the original awards under the plan.

Substitutions

The Committee may grant awards to employees of an entity acquired by the Company or one of its subsidiaries, or an entity in which the Company or one of its subsidiaries has acquired an interest. Shares associated with such substitute awards will not reduce the number of shares otherwise available for grants under the 2014 Incentive Plan.

Federal Income Tax Consequences

The following is a brief description of the material United States federal income tax consequences associated with awards under the 2014 Incentive Plan. It is based on existing United States laws and regulations, and there can be no assurance that those laws and regulations will not changes in the future. Tax consequences in other countries may vary. This information is not intended as tax advice to anyone, including participants in the 2014 Employee Incentive Plan.

Incentive Stock Options. A participant who is granted an incentive stock option recognizes no income upon grant or exercise of the option. However, the excess of the fair market value of the shares on the date of exercise over the option exercise price is an item includible in the participant's alternative minimum taxable income. The Internal Revenue Service may require the participant to pay an alternative minimum tax even though the participant receives no cash upon exercise of the incentive stock option that the participant can use pay such tax.

If a participant holds the shares acquired upon exercise of the incentive stock option for at least two years from the date of grant and at least one year following exercise (the "Statutory Holding Periods"), the IRS taxes the participant's gain, if any, upon a subsequent disposition of such common stock,(difference between the sale price and the exercise price) as capital gain. If a participant disposes of common stock acquired through the exercise of an incentive stock option before satisfying the Statutory Holding Periods (a "Disqualifying Disposition"), the participant may recognize both compensation income and capital gain in the year of disposition. The amount of the compensation income generally equals the excess of (1) the lesser of, the amount realized on disposition, or the fair market value of the common stock on the exercise date, over (2) the exercise price. This income is subject to income tax withholding. The balance of the gain that the participant realizes on such a disposition, if any, (the difference between sale price and fair market values of the shares on exercise date) is long-term or short-term capital gain depending on whether the common stock has been held for more than one year following exercise of the incentive stock option. If a Disqualifying Disposition occurs, the Company is entitled to a tax deduction corresponding to the amount of compensation income recognized by the employee.

Non-Qualified Stock Options. A participant who is granted a non-qualified stock option recognizes no income upon grant of the option. At the time of exercise, however, the participant recognizes compensation income equal to the difference between the exercise price and the fair market value

of the shares received on the date of exercise. This income is subject to income and employment tax withholding. The Company is generally entitled to an income tax deduction corresponding to the compensation income that the participant recognizes.

SARs. A participant who is granted an SAR recognizes no income upon grant of the SAR. At the time of exercise, however, the participant recognizes compensation income equal to any cash received and the fair market value of any shares received. This income is subject to income tax withholding. The Company is generally entitled to an income tax deduction corresponding to the ordinary income that the participant recognizes.

Restricted Stock Units. A participant will not recognize income at the time a restricted stock unit award is granted. Upon receipt of shares in settlement of a restricted stock unit award, a participant will recognize ordinary income equal to the fair market value of the stock received as of that date (less any amount he or she paid for the stock), and the Company will be allowed a corresponding federal income tax deduction at that time, subject to any applicable limitations under Code Section 162(m).

Performance Awards. A participant will not recognize income, at the time a performance award is granted (for example, when the performance goals are established). Upon receipt of stock or cash (or a combination thereof) in settlement of a performance award, the participant will recognize ordinary income equal to the fair market value of the stock and cash received, and the Company will be allowed a corresponding federal income tax deduction at that time, subject to any applicable limitations under Code Section 162(m).

Restricted Stock. Restricted stock is not taxable to a participant at time of grant, but instead is included in ordinary income (at its then fair market value) when the restrictions lapse. A participant may elect, however, to recognize income at the time of grant, in which case the fair market value of the restricted shares at the time of grant is included in ordinary income and there is no further income recognition when the restrictions lapse. If a participant makes such an election and thereafter forfeits the restricted shares, he or she will be entitled to no tax deduction, capital loss or other tax benefit. The Company is entitled to a tax deduction in an amount equal to the ordinary income recognized by the participant, subject to any applicable limitations under Code Section 162(m).

Code Section 409A. If an award is subject to Section 409A of the Internal Revenue Code (which relates to nonqualified deferred compensation plans), and if the requirements of Code Section 409A are not met, the taxable events as described above could apply earlier than described, and could result in the imposition of additional taxes and penalties. All awards that comply with the terms of the Incentive Plan, however, are intended to be exempt from the application of Code Section 409A or meet the requirements of Section 409A in order to avoid such early taxation and penalties.

Awards to Named Executive Officers and Other Employees

The 2014 Incentive Plan is new and no awards have been made under it.

THE BOARD RECOMMENDS A VOTE “FOR” APPROVAL OF THE ADOPTION OF THE 2014 TIFFANY & CO. EMPLOYEE INCENTIVE PLAN.

OTHER MATTERS

Shareholder Proposals for Inclusion in the Proxy Statement for the 2015 Annual Meeting

If you wish to submit a proposal to be included in the Proxy Statement for our 2015 Annual Meeting, we must receive it no later than December 11, 2014. Proposals should be sent to the Company at 727 Fifth Avenue, New York, New York 10022 addressed to the attention of Corporate Secretary (Legal Department).

Other Proposals

Our By-laws set forth certain procedures for shareholders of record who wish to nominate directors or propose other business to be considered at an annual meeting. In addition, we will have discretionary voting authority with respect to any such proposals to be considered at the 2015 Annual Meeting unless the proposal is submitted to us no earlier than January 22, 2015 and no later than February 21, 2015 and the shareholder otherwise satisfies the requirement of SEC Rule 14a-4.

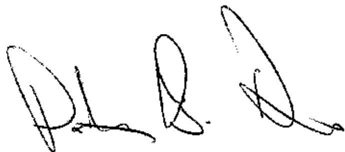
Householding

The SEC allows us to deliver a single proxy statement and annual report to an address shared by two or more of our shareholders. This delivery method, referred to as "householding," can result in significant cost savings for us. In order to take advantage of this opportunity, the Company and banks and brokerage firms that hold your shares have delivered only one proxy statement and annual report to multiple shareholders who share an address unless one or more of the shareholders has provided contrary instructions. The Company will deliver promptly, upon written or oral request, a separate copy of the proxy statement and annual report to a shareholder at a shared address to which a single copy of the documents was delivered. A shareholder who wishes to receive a separate copy of the proxy statement and annual report, now or in the future, may obtain one, without charge, by addressing a request to Annual Report Administrator, Tiffany & Co., 200 Fifth Avenue, 14th floor, New York, New York 10010 or by calling 212-230-5302. You may also obtain a copy of the proxy statement and annual report from the Company's website www.tiffany.com, by clicking "Investors" at the bottom of the page, and selecting "Financial Information" from the left-hand column. Shareholders of record sharing an address who are receiving multiple copies of proxy materials and annual reports and wish to receive a single copy of such materials in the future should submit their request by contacting us in the same manner. If you are the beneficial owner, but not the record holder, of the Company's shares and wish to receive only one copy of the proxy statement and annual report in the future, you will need to contact your broker, bank or other nominee to request that only a single copy of each document be mailed to all shareholders at the shared address in the future.

Reminder to Vote

Please be sure to either complete, sign and mail the enclosed proxy card in the return envelope provided or call in your instructions or vote by Internet as soon as you can so that your vote may be recorded and counted.

BY ORDER OF THE BOARD OF DIRECTORS



Patrick B. Dorsey
Secretary

New York, New York
April 10, 2014

NON-GAAP MEASURES

Internally, the Company monitors and measures its earnings performance excluding certain items listed below. The Company believes excluding such items presents the Company's results on a more comparable basis to the corresponding period in the prior year, thereby providing investors with an additional perspective to analyze the results of operations of the Company. The following table reconciles certain GAAP amounts to non-GAAP amounts:

(in thousands, except per share amounts)	GAAP	Arbitration award [a] increase/ (decrease)	Specific cost-reduction initiatives [b] (decrease)/ increase	Non-GAAP
Year Ended January 31, 2014				
Selling, general and administrative ("SG&A") expenses	$ 1,555,903	$ —	$ (9,379)	$ 1,546,524
Earnings from operations	304,329	480,211	9,379	793,919
As a % of sales	7.5%			19.7%
Other income, net	13,191	(7,489)	—	5,702
Provision for income taxes	73,497	179,319	3,594	256,410
Effective tax rate	28.8%			34.8%
Net earnings	181,369	293,403	5,785	480,557
As a % of sales	4.5%			11.9%
Diluted earnings per share	1.41	2.28	0.04	3.73

a. Amounts associated with the award issued in arbitration between the Swatch Group Ltd. and the Company. See "Item 8. Financial Statements and Supplementary Data - Note K - Commitments and Contingencies" in our Annual Report on Form 10-K, filed with the SEC on April 1, 2014 for further information.

b. Expenses associated with specific cost-reduction initiatives which included severance related to staffing reductions and subleasing of certain office space for which only a portion of the Company's future rent obligations will be recovered.

TIFFANY & CO.
(A DELAWARE CORPORATION)

CORPORATE GOVERNANCE PRINCIPLES

(as adopted by the full Board of Directors on January 15, 2004, amended March 15, 2007, further amended and restated September 16, 2010, further amended and restated on March 17, 2011 and further amended and restated on March 20, 2014)

1. *Director Qualification Standards*; *Size of the Board; Audit Committee Service*.

a. A majority of the directors shall meet the independence requirements set forth in Section 303A.01 and .02 of the New York Stock Exchange Corporate Governance Rules. A director shall not be deemed to have met such independence requirements unless the Board has affirmatively determined that it be so. In making its determination of independence, the Board shall broadly consider all relevant facts and circumstances and assess the materiality of each director's relationship(s) with the Corporation and/or its subsidiaries. If a director is determined by the Board to be independent, all relationships, if any, that such director has with the Corporation and/or its subsidiaries which were determined by the Board to be immaterial to independence shall be disclosed in the Corporation's annual proxy statement.

b. A director shall be younger than age 74 when elected or appointed and a director shall not be recommended for re-election by the stockholders if such director will be age 74 or older on the date of the annual meeting or other election in question, provided that the Board of Directors may, by specific resolution, waive the provisions of this sentence with respect to an individual director whose continued service is deemed uniquely important to the Corporation.

c. A director need not be a stockholder to qualify as a director, but shall be encouraged to become a stockholder by virtue of the Corporation's policies and plans with respect to stock options and stock ownership for directors and otherwise.

d. Consistent with 1.a. above, candidates for director shall be selected on the basis of their business experience and expertise, with a view to supplementing the business experience and expertise of management and adding further substance and insight into board discussions and oversight of management. The Nominating/Corporate Governance Committee is responsible for identifying individuals qualified to become directors, and for recommending to the Board director nominees for the next annual meeting of the stockholders.

e. From time to time, the Nominating/Corporate Governance Committee will recommend to the Board the number of directors constituting the entire Board. Based upon that recommendation, the current nature of the Corporation's business, and the talents and business experience of the existing roster of directors, the Board believes that ten directors is an appropriate number at this time.

f. The Board shall be responsible for determining the qualification of an individual to serve on the Audit Committee as a designated "audit committee financial expert," as required by applicable rules of the SEC under Section 407 of the Sarbanes-Oxley Act. In addition, to serve on the Audit Committee, a director must meet the standards for independence set forth in

Section 301 of the Sarbanes-Oxley Act. To those ends, the Nominating/Corporate Governance Committee will coordinate with the Board in screening any new candidate for audit committee financial expert or who will serve on the Audit Committee and in evaluating whether to re-nominate any existing director who may serve in the capacity of audit committee financial expert or who may serve on the Audit Committee. If an Audit Committee member simultaneously serves on the audit committees of more than three public companies, then, in the case of each such Audit Committee member, the Board must determine that such simultaneous service would not impair the ability of such member to effectively serve on the Corporation's Audit Committee and disclose such determination in the Corporation's annual proxy statement.

g. Any director who changes his or her employer or otherwise has a significant change in job responsibilities, or who accepts or intends to accept a directorship with another public company (or with any other organization that would require a significant time commitment) that he or she did not hold when such director was most recently elected to the Board, shall (1) advise the secretary of the Corporation of such change or directorship and (2) submit to the Nominating/Corporate Governance Committee, in care of the secretary, a signed letter, addressed to such Committee, resigning as a director of the Corporation effective upon acceptance of such resignation by such Committee but void *ab initio* if not accepted by such Committee within ten (10) days of receipt by the secretary. The secretary of the Corporation shall promptly advise the members of the Nominating/Corporate Governance Committee of such advice and receipt of such letter. The Nominating/Corporate Governance Committee shall promptly meet and consider, in light of the circumstances, the continued appropriateness of such director's membership on the Board and each committee of the Board on which such director participates. In some instances, taking into account all relevant factors and circumstances, it may be appropriate for the Nominating/Corporate Governance Committee to accept such resignation, to recommend to the Board that the director cease participation on one or more committees, or to recommend to the Board that such director not be re-nominated to the Board.

h. Subject to 1.b above, directors of the Corporation are not subject to term limits. However, the Nominating/Corporate Governance Committee will consider each director's continued service on the Board each year and recommend whether each director should be re-nominated to the Board. Each director will be given an opportunity to confirm his or her desire to continue as a member of the Board.

i. The Corporation has amended its By-Laws to provide for majority voting in the election of directors. In uncontested elections, directors are elected by a majority of the votes cast, which means that the number of shares voted "for" a director must exceed the number of shares voted "against" that director. The Nominating/Corporate Governance Committee (or comparable committee of the Board) shall establish procedures for any director who is not elected to tender his or her resignation. The Nominating/Corporate Governance Committee will make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken. The Board will act on the Nominating/Corporate Governance Committee's recommendation within 90 days following certification of the election results. In determining whether or not to recommend that the Board of Directors accept any resignation offer, the Nominating/Corporate Governance Committee shall be entitled to consider all factors believed relevant by such Committee's members. Unless applicable to all directors, the director (s) whose resignation is under consideration is expected to recuse himself or herself from the Board vote. Thereafter, the Board will promptly disclose its decision regarding the director's resignation offer (including the reason(s) for rejecting the resignation offer, if applicable) in a Form 8-K furnished to the Securities and Exchange Commission. If the Board accepts a director's resignation pursuant to this process, the Nominating/Corporate Governance Committee shall recommend to the Board whether to fill such vacancy or reduce the size of the Board. If, for any reason, the Board of Directors is not elected at an annual meeting, they may be elected

thereafter at a special meeting of the stockholders called for that purpose in the manner provided in the By-laws.

j. Including service on the Board of Directors of the Corporation, no director shall serve on the board of directors (or any similar governing body) of more than six public companies.

2. *Attendance and Participation at Board and Committee Meetings*.

a. Directors shall be expected to attend six regularly scheduled board meetings in person, if practicable, or by telephone, if attendance in person is impractical. Directors should attempt to organize their schedules in advance so that attendance at all regularly scheduled board meetings will be practicable.

b. For committees on which they serve, directors shall be expected to attend regularly scheduled meetings in person, if practicable, or by telephone, if attendance in person is impractical or if telephone participation is the expected means of participation. For committees on which they serve, directors should attempt to organize their schedules in advance so that attendance at all regularly scheduled committee meetings will be practicable.

c. Directors shall attempt to make time to attend, in person or by telephone, specially scheduled meetings of the Board or those committees on which they serve.

d. Directors shall, if practicable, review in advance all meeting materials provided by management, the other directors or consultants to the Board.

e. Directors shall comply with the policies and procedures of the Board with respect to business conduct, ethics, confidential information and ownership of, and trading in, the Corporation's securities.

f. Nothing stated herein shall be deemed to limit the duties of directors under applicable law.

3. *Director Access to Management and Independent Advisors*.

a. Executive officers of the Corporation and its subsidiaries shall make themselves available, and shall arrange for the availability of other members of management, employees and consultants, so that each director shall have full and complete access with respect to the business, finances and accounting of the Corporation and its subsidiaries.

b. The chief financial officer and the chief legal officer of the Corporation will regularly attend Board meetings (other than those portions of Board meetings that are reserved for independent or non-management directors or those portions in which the independent or non-management directors meet privately with the chief executive officer) and the Board encourages the chief executive officer to invite other executive officers and non-executive officers to Board meetings from time to time in order to provide additional insight into items being discussed and so that the Board may meet and evaluate persons with potential for advancement.

c. If the charter of any Board committee on which a director serves provides for access to independent advisors, any executive officer of the Corporation is authorized to arrange for the payment of the reasonable fees of such advisors at the request of such a committee acting by resolution or unanimous written consent.

4. *Director Compensation.*

a. Directors shall be compensated in a manner and at a level sufficient to encourage exceptionally well-qualified candidates to accept service upon the Board and to retain existing directors. The Board believes that a meaningful portion of a director's compensation should be provided in, or otherwise based upon appreciation in the market value of, the Corporation's Common Stock. Compensation of the Directors shall be determined by the Nominating/Corporate Governance Committee.

b. In determining the form and amount of director compensation, the Nominating/ Corporate Governance Committee shall retain an independent advisor to provide such Committee with advice, which shall include reference to data drawn from public company filings with respect to the fees and emoluments paid to outside directors by comparable public companies.

c. Contributions to charities with which an independent or non-management director is affiliated will not be used as compensation to such a director and management will use special efforts to avoid any appearance of impropriety in connection with such contributions, if any.

d. Management will advise the Board should the Corporation or any subsidiary wish to enter into any direct financial arrangement with any director for consulting or advisory services, or into any arrangement with any entity affiliated with such director by which the director may be indirectly benefited, and no such arrangement shall be consummated without specific authorization from the Board.

5. *Director Orientation and Continuing Education.*

a. Each executive officer of the Corporation shall meet with each new director and provide an orientation into the business, finance and accounting of the Corporation.

b. Each director shall be reimbursed for reasonable expenses incurred in pursuing continuing education with respect to his/her role and responsibilities to the stockholders and under law as a director.

6. *Management Succession.*

a. The Board, assisted by the Corporate Nominating/Corporate Governance Committee, shall select, evaluate the performance of, retain or replace the chief executive officer and make such plans as are prudent for the succession of the executive officers. Such actions will be taken with (i) a view to the effectiveness and execution of strategies propounded by and decisions taken by the chief executive officer with respect to the Corporation's long-term strategic plan and long-term financial returns and (ii) applicable legal and ethical considerations.

b. In furtherance of the foregoing responsibilities, and in contemplation of the retirement, or an exigency that requires the replacement, of the chief executive officer, the Board shall, in conjunction with the chief executive officer, oversee the selection and evaluate the performance of the other executive officers.

7. *Annual Performance Evaluation of the Board.*

a. The Nominating/Corporate Governance Committee is responsible to assist the Board in the Board's oversight of the Board's own performance in the area of corporate governance.

b. Annually, each director will participate in an assessment of the Board's performance. The results of such self-assessment will be provided to each director.

8. *Matters for Board Review, Evaluation and/or Approval*.

a. The Board is responsible under the law of the State of Delaware to review and approve significant actions by the Corporation including major transactions (such as acquisitions and financings), declaration of dividends, issuance of securities and appointment of officers of the Corporation.

b. The Board is responsible, either through its committees, or as guided by its committees, for those matters which are set forth in the respective charters of the Audit, Nominating/Corporate Governance , Compensation and Corporate Social Responsibility Committees or as otherwise set forth in the corporate governance rules of the New York Stock Exchange.

c. The following matters, among others, will be the subject of Board deliberation on such occasions as the Board may determine necessary or desirable but as least as often as required by applicable law or by the corporate governance rules of the New York Stock Exchange:

i. the Board will review and if acceptable approve the Corporation's operating plan for each fiscal year, as developed and recommended by management;

ii. the directors will review actual performance against the operating plan;

iii. the Board will review and if acceptable approve the Corporation's multi-year strategic plan, as developed and recommended by management;

iv. the charters of all Board Committees will be reviewed and, if necessary, modified, by the Board;

v. the delegation of authority to officers and employees for day-to-day operating matters of the Corporation and its subsidiaries will be reviewed and if acceptable approved by the Board; and

vi. the Corporation's policies with respect to the payment of dividends and the repurchase of the Corporation's securities will be reviewed and if acceptable approved by the Board.

9. *Management's Responsibilities.*

Management is responsible to operate the Corporation with the objective of achieving the Corporation's operating and strategic plans and building value for stockholders on a long-term basis. In executing those responsibilities management is expected to act in accordance with the policies and standards established by the Board (including these principles), as well as in accordance with applicable law and for the purpose of maintaining the value of the trademarks and business reputation of the Corporation's subsidiaries. Specifically, the chief executive officer and the other executive officers are responsible for:

a. producing, under the oversight of the Board and the Audit Committee, financial statements for the Corporation and its consolidated subsidiaries that fairly present the financial condition, results of operation, cash flows and related risks in accordance with generally accepted accounting principles, for making timely and complete disclosure to investors, and for

keeping the Board and the appropriate committees of the Board informed on a timely basis as to all matters of significance;

b. developing and presenting the strategic plan, proposing amendments to the plan as conditions and opportunities dictate and for implementing the plan as approved by the Board;

c. developing and presenting the annual operating plans and budgets and for implementing those plans and budgets as approved by the Board;

d. creating an organizational structure appropriate to the achievement of the strategic and operating plans and recruiting, selecting and developing the necessary managerial talent;

e. creating a working environment conducive to integrity, business ethics and compliance with applicable legal and Corporate policy requirements;

f. developing, implementing and monitoring an effective system of internal controls and procedures to provide reasonable assurance that: the Corporation's transactions are properly authorized; the Corporation's assets are safeguarded against unauthorized or improper use; and the Corporation's transactions are properly recorded and reported. Such internal controls and procedures also shall be designed to permit preparation of financial statements for the Corporation and its consolidated subsidiaries in conformity with generally accepted accounting principles and any other legally required criteria applicable to such statements; and

g. establishing, maintaining and evaluating the Corporation's disclosure controls and procedures. The term "disclosure controls and procedures" means controls and other procedures of the Corporation that are designed to ensure that information required to be disclosed by the Corporation in the reports filed by it under the Securities Exchange Act of 1934 (the "Act") is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Corporation in the reports it files under the Act is accumulated and communicated to the Corporation's management, including its principal executive and financial officers, to allow timely decisions regarding required disclosure. To assist in carrying out this responsibility, management has established a Disclosure Control Committee, whose membership is responsible to the Audit Committee, to the chief executive officer and to the chief financial officer, and includes the following officers or employees of the Corporation: the president, the chief legal officer, the head of finance, the chief information officer, the controller, the head of internal audit & financial controls, the investor relations officer and the treasurer.

10. *Meeting Procedures*.

a. The Board shall determine whether the offices of chairman of the board and chief executive officer shall be held by one person or by separate persons, and whether the person holding the office of chairman of the board shall be "independent" or not. An "independent" director meets the requirements for "independence" as referenced in item 1.a above. "Non-management" directors include those who are independent and those who, while not independent, are not currently employees of the Corporation or one of its subsidiaries.

b. The chairman of the board will establish the agenda for each Board meeting but the chairman of the board will include in such agenda any item submitted by the presiding independent director (see item 11.c below). Each Board member is free to suggest the inclusion

of items on the agenda for any meeting and the chairman of the board will consider them for inclusion.

c. Management shall be responsible to distribute information and data necessary to the Board's understanding of all matters to be considered and acted upon by the Board; such materials shall be distributed in writing to the Board sufficiently in advance so as to provide reasonably sufficient time for review and evaluation. To that end, management has provided each director with access to a secure website where confidential and sensitive materials may be viewed. In circumstances where practical considerations do not permit advance circulation of written materials, reasonable steps shall be taken to allow more time for discussion and consideration, such as extending the duration of a meeting or circulating unanimous written consent forms, which may be considered and returned at a later time.

d. The chairman of the board shall preside over meetings of the Board.

e. If the chairman of the board is not independent, the independent directors may select from among themselves a "presiding independent director"; failing such selection, the chairman of the Nominating/Corporate Governance Committee shall be the presiding independent director. The presiding independent director shall be identified as such in the Corporation's annual proxy statement to facilitate communications by stockholders and employees with the non-management directors.

f. The non-management directors shall meet separately from the other directors in regularly scheduled executive session, without the presence of management directors and executive officers of the Corporation. The presiding independent director shall preside over such meetings.

g. At least once per year the independent directors shall meet separately from the other directors in a scheduled executive session, without the presence of management directors, non-management directors who are not independent and executive officers of the Corporation. The presiding independent director shall preside over such meetings.

11. *Committees*.

a. The Board shall have an Audit Committee, a Compensation Committee and a Nominating/Corporate Governance Committee which shall have the respective responsibilities described in the charters of each committee. The membership of each such committee shall consist only of independent directors.

b. The Board may, from time to time, appoint one or more additional committees, such as a Dividend Committee and a Corporate Social Responsibility Committee.

c. The chairman of each Board committee, in consultation with the appropriate members of management and staff, will develop the committee's agenda. Management will assure that, as a general rule, information and data necessary to the committee's understanding of the matters within the committee's authority and the matters to be considered and acted upon by a committee are distributed to each member of such committee sufficiently in advance of each such meeting or action taken by written consent to provide a reasonable time for review and evaluation.

d. At each regularly scheduled Board meeting, the chairman of each committee or his or her delegate shall report the matters considered and acted upon by such committee at each meeting or by written consent since the preceding regularly scheduled Board meeting.

e. The secretary of the Corporation, or any assistant secretary of the Corporation, shall be available to act as secretary of any committee and shall, if invited, attend meetings of the committee and prepare minutes of the meeting for approval and adoption by the committee.

12. *Reliance*.

Any director of the Corporation shall, in the performance of such person's duties as a member of the Board or any committee of the Board, be fully protected in relying in good faith upon the records of the Corporation or upon such information, opinions, reports or statements presented by any of the Corporation's officers or employees, or committees of the Board, or by any other person as to matters the director reasonably believes are within such other person's professional or expert competence.

13. *Reference to Corporation's Subsidiaries*.

Where the context so requires, reference herein to the Corporation includes reference to the Corporation and/or any direct or indirect subsidiary of the Corporation whose financial results are consolidated with those of the Corporation for financial reporting purposes and reference to a subsidiary of the Corporation shall be reference to such a subsidiary.

TIFFANY & CO.
2014 EMPLOYEE INCENTIVE PLAN

Section 1
General

1.1 *Purpose.* The 2014 Tiffany & Co. Employee Incentive Plan (the "Plan") has been established by Tiffany & Co., a Delaware corporation, (the "Company") to (i) attract and retain employees; (ii) motivate Participants to achieve the Company's operating and strategic goals by means of appropriate incentives; (iii) provide incentive compensation opportunities that are competitive with those of other companies competing with the Company and its Related Companies for employees; and (iv) further link Participants' interests with those of the Company's other stockholders through compensation that is based on the Company's Common Stock, thereby promoting the long-term financial interests of the Company and its Related Companies, including the growth in value of the Company's stockholders' equity and the enhancement of long-term returns to the Company's stockholders.

1.2 *Participation*. Subject to the terms and conditions of the Plan, the Committee shall, from time to time, determine and designate from among Eligible Individuals those persons who will be granted one or more Awards under the Plan. Eligible Individuals who are granted Awards become "Participants" in the Plan. In the discretion of the Committee, a Participant may be granted any Award permitted under the provisions of the Plan, and more than one Award may be granted to a Participant. Awards need not be identical but shall be subject to the terms and conditions specified in the Plan. Subject to Subsection 2.3 of the Plan, Awards may be granted as alternatives to or in replacement for awards outstanding under any plan or arrangement of the Company or a Related Company or a plan or arrangement of a business or entity, all or a portion of which is acquired by the Company or a Related Company.

1.3 *Operation, Administration, and Definitions*. The operation and administration of the Plan, including the Awards made under the Plan, shall be subject to the provisions of Section 4 (relating to operation and administration). Initially capitalized terms used in the Plan shall be defined as set forth in the Plan (including in the definitional provisions of Section 7 of the Plan).

1.4 *Amendment to Prior Plan*. If this Plan becomes effective on approval by the Company's stockholders, as provided for in Subsection 4.1 below, the Company's 2005 Employee Incentive Plan (the "2005 Plan") shall be deemed amended so that no further Awards shall be made under the 2005 Plan on or after the Effective Date of this Plan, although the 2005 Plan shall remain in effect with respect to Awards made under the 2005 Plan prior to the Effective Date of this Plan.

Section 2
Options and SARs

2.1 *Definitions*.

(a) The grant of an "Option" entitles the Participant to purchase Shares at an Exercise Price established by the Committee. Options granted under this Section 2 may be either Incentive Stock Options or Non-Qualified Stock Options, as determined in the discretion of the Committee pursuant to Subsection 2.2. An "Incentive Stock Option" is an Option that is intended to satisfy the requirements applicable to an "incentive stock option" described in Section 422(b) of the Code. A "Non-Qualified Stock Option" is an Option that is not intended to be an

"incentive stock option" as that term is described in Section 422(b) of the Code. No Incentive Stock Option shall be granted to a Ten Percent Shareholder unless the Exercise Price of that Incentive Stock Option is at least 110% of the Fair Market Value of the Shares as of the Grant Date and the Incentive Stock Option is not exercisable after the expiration of five years from the Grant Date.

(b) The grant of a stock appreciation right (an "SAR") entitles the Participant to receive, in cash or Shares, value equal to all or a portion of the excess of: (a) Fair Market Value of a specified number of Shares at the time of exercise, over (b) an Exercise Price established by the Committee pursuant to Subsection 2.2.

2.2 *Exercise Price*. The per-Share "Exercise Price" of each Option and SAR granted under this Section 2 shall be established by the Committee or shall be determined by a formula established by the Committee at the time the Option or SAR is granted; except that the Exercise Price shall not be less than 100% of the Fair Market Value of a Share as of the Pricing Date. For purposes of the preceding sentence, the "Pricing Date" shall be the date on which the Option or SAR is granted unless the Option or SAR is granted on a date on which the principal exchange on which the Shares are then listed or admitted to trading is closed for trading, in which case the "Pricing Date" shall be the most recent date on which such exchange was open for trading prior to such grant date.

2.3 *No Repricing.* Except as provided in Subsection 4.2(c) (which addresses certain permissible adjustments in the event of a merger, reorganization, reclassification, dividend or other circumstances described therein), the Exercise Price of any Option or SAR may not be decreased after the grant of the Award. Neither an Option nor an SAR may be surrendered or cancelled as consideration in exchange for a new Award of an Option or an SAR with a lower Exercise Price, a Stock Award, or cash.

2. 4 *Exercise*. Options and SARs shall be exercisable in accordance with such terms and conditions and during such periods as may be established by the Committee provided that no Option or SAR shall be exercisable after, and each Option and SAR shall become void no later than, the tenth (10th) anniversary date of the date of grant of such Option or SAR.

2. 5 *Payment of Option Exercise Price*. The payment of the Exercise Price of an Option granted under this Section 2 shall be subject to the following:

(a) The Exercise Price may be paid by ordinary check or such other form of tender as the Committee may specify.

(b) If permitted by the Committee, the Exercise Price for Shares purchased upon the exercise of an Option may be paid in part or in full by tendering Shares (by either actual delivery of Shares or by attestation, with such Shares valued at Fair Market Value as of the date of exercise).

(c) The Committee may permit a Participant to elect to pay the Exercise Price upon the exercise of an Option by irrevocably authorizing a third party to sell Shares acquired upon exercise of the Option (or a sufficient portion of such Shares) and remit to the Company a sufficient portion of the sale proceeds to pay the entire Exercise Price and any tax withholding resulting from such exercise.

Section 3
Other Stock Awards

3.1 *Definition*. A “Stock Award” is a grant of Shares or of a right to receive Shares (or their cash equivalent or a combination of both).

3.2 *Restrictions on Stock Awards*. Each Stock Award shall be subject to such conditions, restrictions and contingencies as the Committee shall determine. These may include continuous service and/or the achievement of Performance Goals.

Section 4
Operation and Administration

4.1 *Effective Date and Duration*. The Plan shall be effective on the date of its approval by the stockholders of the Company at the Company’s 2014 annual meeting (the “Effective Date”) and shall remain in effect as long as any Awards under the Plan are outstanding; provided, however, that, no Award may be granted or otherwise made under the Plan more than ten (10) years after the Effective Date.

4.2 *Shares Subject to Plan*.

(a) (i) Subject to the following provisions of this Subsection 4.2, the maximum number of Shares authorized for Awards under the Plan shall be 8.65 million Shares, provided that such maximum shall be reduced by one (1) Share for every one (1) Share granted under the 2005 Plan after January 31, 2014 and prior to the date of the Company’s 2014 annual meeting. Such maximum shall also be reduced by one (1) Share for every one (1) Share subject to Awards granted under the Plan.

(ii) To the extent an Award, or after January 31, 2014 an award under the 2005 Plan, is forfeited, canceled, expires, fails to vest, or Shares underlying such Award are not delivered because the Award is settled in cash or otherwise terminates without the issuance of Shares, the Shares underlying such Award shall, to the extent of such forfeiture, cancellation, expiration, failure to vest, cash settlement or non-issuance, be added to the Shares available for Awards under the Plan. With respect to SARS or, after January 31, 2014, stock appreciation rights under the 2005 Plan, that are, in each case, settled in stock, no Shares granted with respect to these Awards (including unissued Shares) shall be added to the Shares available for Awards under the Plan.

(iii) If the Exercise Price and/or tax withholding obligation for any Option or any SAR granted under the Plan is satisfied by tendering Shares to the Company (by either actual delivery or attestation) or by the withholding of Shares by the Company, the number of Shares so tendered or withheld shall not be added to the maximum number of Shares available for Awards under the Plan. The Company shall not add to the Shares available for Awards under the Plan any Shares reacquired, through open market purchases or otherwise, with the cash proceeds from the exercise of Options. If the tax withholding obligation for any Award other than an Option or any SAR granted under the Plan, or after January 31, 2014 an award under the 2005 Plan other than a stock option or stock appreciation right, is satisfied by tendering Shares to the Company (by either actual delivery or attestation) or by the withholding of Shares by the Company, the number of

Shares so tendered or withheld shall be added to the maximum number of Shares available for Awards under the Plan.

(iv) Shares delivered under the Plan in settlement, assumption or substitution of outstanding awards (or obligations to grant future awards) under the plans or arrangements of another entity shall not reduce the maximum number of Shares available for delivery under the Plan, to the extent that such settlement, assumption or substitution occurs as a result of the Company or a Related Company acquiring another entity (or an interest in another entity).

(b) Subject to adjustment under paragraph 4.2(c), the following additional maximum limitations are imposed under the Plan: (i) the aggregate maximum number of Shares that may be issued under Options intended to be Incentive Stock Options shall be One Million (1,000,000) shares; and (ii), unless the Committee expressly states that an Award to a Named Executive Employee shall not be designed to comply with the Performance Based Exception, in which case such Award shall not be counted against the limits below, the following limitations shall apply: (A) in any fiscal year of the Company, the aggregate number of shares that may be granted to any Participant pursuant to any and all Awards (including Options, SARS and Stock Awards) shall not exceed Four Hundred Thousand (400,000), except for during the first fiscal year of hire for a Participant, during which such aggregate limit shall be Eight Hundred Thousand (800,000); and (B) in any fiscal year of the Company, the maximum aggregate cash payout with respect to Other Incentive Awards granted in any fiscal year of the Company pursuant to Section 8 of the Plan which may be made to any Named Executive Employee shall be Three Million Dollars ($3,000,000).

(c) If the number of outstanding Shares are increased or decreased, or are changed into or exchanged for cash, property or a different number or kind of shares or securities, or if cash, property, Shares or other securities are distributed in respect of such outstanding Shares, in each case as a result of one or more mergers, reorganizations, reclassifications, recapitalizations, stock splits, reverse stock splits, stock dividends, dividends (other than regular, quarterly dividends), or other distributions, spin-offs or the like, or if substantially all of the property and assets of the Company and its Related Companies on a consolidated basis are sold, then, unless the terms of the transaction shall provide otherwise, appropriate adjustments shall be made in the number and/or type of Shares or securities for which Awards may thereafter be granted under the Plan and for which Awards then outstanding under the Plan may thereafter be exercised. Any such adjustments in outstanding Awards shall be made without changing the aggregate Exercise Price applicable to the unexercised portions of outstanding Options or SARs. The Committee shall make such adjustments to preserve the benefits or potential benefits of the Plan and the Awards; such adjustments may include, but shall not be limited to, adjustment of: (i) the number and kind of shares which may be delivered under the Plan; (ii) the number and kind of shares subject to outstanding Awards; (iii) the Exercise Price of outstanding Options and SARs; (iv) the limits specified in Subsections 4.2(a)(i) and 4.2(b) above; and (v) any other adjustments that the Committee determines to be equitable. No right to purchase or receive fractional shares shall result from any adjustment in Options, SARs or Stock Awards pursuant to this paragraph 4.2(c). In case of any such adjustment, Shares subject to the Option, SAR or Stock Award shall be rounded up to the nearest whole Share.

4.3 *Limit on Distribution*. Distribution of Shares or other amounts under the Plan shall be subject to the following:

(a) Notwithstanding any other provision of the Plan, the Company shall have no obligation to deliver any Shares under the Plan or make any other distribution of benefits under the Plan unless such delivery or distribution would comply with all applicable laws (including, without limitation, the requirements of the Securities Act of 1933, as amended) and the applicable requirements of any securities exchange or similar entity, and the Committee may impose such restrictions on any Shares acquired pursuant to the Plan as the Committee may deem advisable, including, without limitation, restrictions under applicable federal securities laws, under the requirements of any securities exchange or market upon which such Shares are then listed and/or traded, and under any blue sky or state securities laws applicable to such Shares. In the event that the Committee determines in its discretion that the registration, listing or qualification of the Shares issuable under the Plan on any securities exchange or under any applicable law or governmental regulation is necessary as a condition to the issuance of such Shares under an Option, SAR, or Stock Award, such Option, SAR, or Stock Award shall not be exercisable or exercised, settled or converted, in whole or in part unless and until such registration, listing and qualification, and any necessary consents or approvals have been unconditionally obtained.

(b) Distribution of Shares under the Plan may be effected on a non-certificated basis, to the extent not prohibited by applicable law or the applicable rule of any securities exchange.

4.4 *Tax Withholding*. Before distribution of Shares under the Plan, the Company may require the recipient to remit to the Company an amount sufficient to satisfy any federal, state or local tax withholding requirements or, in the discretion of the Committee, the Company may withhold from the Shares to be delivered and/or otherwise issued, Shares sufficient to satisfy the minimum level of tax withholding requirements. Whenever under the Plan payments are to be made in cash, such payments may be net of an amount sufficient to satisfy any federal, state or local tax withholding requirements. Neither the Company nor any Related Company shall be liable to a Participant or any other person as to any tax consequence expected, but not realized, by any Participant or other person due to the receipt or exercise of any Award hereunder.

4.5 *Reserved Rights*. The Plan does not limit the right of the Company to use available Shares, including authorized but un-issued shares and treasury shares, as the form of payment for compensation, grants or rights earned or due under any other compensation plans or arrangements of the Company or a Related Company, or any compensation plans or arrangements of an entity being acquired by the Company or a Related Company, or an entity in which the Company or a Related Company is acquiring an interest.

4.6 *Dividends and Dividend Equivalents*. No Stock Option or SAR will provide the Participant with the right to receive dividends or dividend equivalent payments. A Stock Award may provide the Participant with the right to receive dividends or dividend equivalent payments with respect to Shares which may be either paid currently or credited to an account for the Participant, and which may be settled in cash or Shares as determined by the Committee. Any such settlements, and any such crediting of dividends or dividend equivalents or reinvestment in Shares may be subject to such conditions, restrictions and contingencies as the Committee shall establish, including reinvestment of such credited amounts in Share equivalents. Notwithstanding the foregoing, dividends and dividend equivalents with respect to a Stock Award that vests based on the achievement of Performance Goals (in whole or in part) shall not be paid

or credited as described above, except that, in the Committee's discretion, dividend or dividend equivalents may be accumulated with respect to such performance-based Stock Awards if subject to risk of forfeiture to the same extent as the underlying performance-based Stock Award with respect to which such dividends and dividend equivalents have been accumulated.

4.7 *Settlements; Deferred Delivery*. Awards may be settled through cash payments or the delivery of Shares, or combinations thereof, all subject to such conditions, restrictions and contingencies as the Committee shall determine. The Committee may establish provisions for the deferred delivery of Shares upon receipt of a Stock Award with the deferral evidenced by use of "Stock Units" equal in number to the number of Shares whose delivery is so deferred. A "Stock Unit" is a bookkeeping entry representing an amount equivalent to the Fair Market Value of one Share. Stock Units represent an unfunded and unsecured obligation of the Company except as otherwise provided by the Committee. Settlement of Stock Units upon expiration of the deferral period shall be made in Shares or otherwise as determined by the Committee. The amount of Shares, or other settlement medium, to be so distributed may be increased by an interest factor or by dividend equivalents at the Committee's discretion and to the extent permitted under the Plan. Until a Stock Unit is settled, the number of Shares represented by a Stock Unit shall be subject to adjustment pursuant to paragraph 4.2(c). Unless otherwise specified by the Committee, any deferred delivery of Shares pursuant to an Award shall be settled by the delivery of Shares no later than the 60th day following the date the person to whom such deferred delivery must be made ceases to be an employee of the Company or a Related Company.

4.8 *Transferability*. Unless otherwise provided by the Committee, any Option and SAR granted under the Plan, and, until vested, any Stock Award or other Shares-based Award granted under the Plan, shall by its terms be nontransferable by the Participant otherwise than by will, the laws of descent and distribution or pursuant to a "domestic relations order", as defined in the Code or Title I of the Employee Retirement Income Security Act or the rules thereunder, and in no event in exchange for consideration, and shall be exercisable by, or become vested in, during the Participant's lifetime, only by the Participant.

4.9 *Form and Time of Elections*. Unless otherwise specified herein, each election required or permitted to be made by any Participant or other person entitled to benefits under the Plan, and any permitted modification, or revocation thereof, shall be in writing filed with the secretary of the Company at such times, in such form, and subject to such restrictions and limitations, not inconsistent with the terms of the Plan, as the Committee shall require.

4.10 *Award Agreements with Company; Vesting and Acceleration of Vesting of Awards.* At the time of an Award to a participant under the Plan, the Committee may require a Participant to enter into an agreement with the Company (an "Award Agreement") in a form specified by the Committee, agreeing to the terms and conditions of the Plan and to such additional terms and conditions, not inconsistent with the Plan, as the Committee may, in its sole discretion, prescribe, including, but not limited to, conditions to the vesting or exercisability of an Award, such as continued service to the Company or a Related Company for a specified period of time. The Committee may prescribe within the Award Agreement such conditions sufficient to accelerate exercisability or vesting of an Option, SAR or Stock Award, either automatically or upon the occurrence of specified events including death, disability, or involuntary termination The Committee may only prescribe a change in control as grounds to accelerate vesting if followed by an involuntary termination of employment, or, in the event Awards are not assumed or converted into new awards upon a change in control.

4.11 *Limitation of Implied Rights*.

(a) Neither a Participant nor any other person shall, by reason of the Plan or any Award Agreement, acquire any right in or title to any assets, funds or property of the Company or any Related Company whatsoever, including, without limitation, any specific funds, assets, or other property which the Company or any Related Company, in its sole discretion, may set aside in anticipation of a liability under the Plan. A Participant shall have only a contractual right to the Shares or amounts, if any, payable under the Plan, unsecured by the assets of the Company or of any Related Company. Nothing contained in the Plan or any Award Agreement shall constitute a guarantee that the assets of such companies shall be sufficient to pay any benefits to any person.

(b) Neither the Plan nor any Award Agreement shall constitute a contract of employment, and selection as a Participant will not give any employee the right to be retained in the employ of the Company or any Related Company, nor any right or claim to any benefit under the Plan, unless such right or claim has specifically accrued under the terms of the Plan or an Award. Except as otherwise provided in the Plan, no Award under the Plan shall confer upon the holder thereof any right as a stockholder of the Company prior to the date on which the individual fulfills all conditions for receipt of such rights.

4.12 *Evidence.* Evidence required of anyone under the Plan may be by certificate, affidavit, document or other information which an officer of the Company acting on it considers pertinent and reliable, and signed, made or presented by the proper party or parties.

4.13 *Action by Company or Related Company*. Any action required or permitted to be taken by the Company or any Related Company shall be by resolution of its board of directors, or by action of one or more members of such board (including a committee of such board) who are duly authorized to act for such board, or (except to the extent prohibited by applicable law or applicable rules of any securities exchange) by a duly authorized officer of the Company or such Related Company.

4.14 *Gender and Number*. Where the context admits, words in any gender shall include any other gender, words in the singular shall include the plural and the plural shall include the singular.

4.15 *Liability for Cash Payments*. Each Related Company shall be liable for payment of cash due under the Plan with respect to any Participant to the extent that such benefits are attributable to the services rendered for that Related Company by such Participant. Any disputes relating to liability of a Related Company for cash payments shall be resolved by the Committee.

4.16 *Non-exclusivity of the Plan*. Neither the adoption of the Plan by the Board of Directors of the Company nor the submission of the Plan to the stockholders of the Company for approval shall be construed as creating any limitations on the power of such Board of Directors or a committee of such Board to adopt such other incentive arrangements as it or they may deem desirable, including without limitation, the granting of restricted stock, stock options or cash bonuses otherwise than under the Plan, and such arrangements may be generally applicable or applicable only in specific cases.

4.17 *Incentive Stock Option Designation.* If an Option is designated by the Committee as an Incentive Stock Option, the Company shall have no liability to Participant or any other person if such Option fails to qualify as an Incentive Stock Option at any time or if it

determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code and the terms of such Option do not satisfy the requirements of Section 409A of the Code.

4.18 *Clawback Provisions*. Each Award hereunder, which has been issued and delivered to or for the account of Participant, shall be subject to deductions and clawback as may be required under any applicable law, government regulation or securities exchange listing requirement, or any policy adopted by the Company.

Section 5
Committee

5.1 *Administration*. The authority to control and manage the operation and administration of the Plan shall be vested in a committee (the "Committee") in accordance with this Section 5.

5.2 *Selection of Committee*. The Committee shall be selected by the Board and shall consist of two or more members of the Board, each of whom shall qualify as "outside directors" for purposes of Section 162(m) of the Code and as "independent" for purposes of The New York Stock Exchange Listing standards.

5.3 *Powers of Committee*. The authority to manage and control the operation and administration of the Plan shall be vested in the Committee, subject to the following:

(a) Subject to the provisions of the Plan, the Committee will have the authority and discretion to select from amongst Eligible Individuals those persons who shall receive Awards, to determine who is an Eligible Individual, to determine the time or time of receipt, to determine the types of Awards and the number of Shares covered by the Awards, to establish the terms, conditions, Performance Goals, restrictions, and other provisions of such Awards and Award Agreements, and (subject to the restrictions imposed by Section 6) to cancel, amend or suspend Awards. In making such Award determinations, the Committee may take into account the nature of services rendered by the Eligible Individual, the Eligible Individual's present and potential contribution to the Company's or a Related Company's success and such other factors as the Committee deems relevant.

(b) Subject to the provisions of the Plan, the Committee will have the authority and discretion to determine the extent to which Awards under the Plan will be structured to conform to the requirements of the Performance-Based Exception and to take such action, establish such procedures, and impose such restrictions at the time Awards are granted as the Committee determines to be necessary or appropriate to conform to such requirements.

(c) The Committee will have the authority and discretion to establish terms and conditions of Awards as the Committee determines to be necessary or appropriate to conform to applicable requirements or practices of jurisdictions outside the United States.

(d) The Committee will have the authority and discretion to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, to determine the terms and provisions of any Award Agreements, and to make all other determinations that may be necessary or advisable for the administration of the Plan.

(e) Any interpretation of the Plan by the Committee and any decision made by the Committee under the Plan are final and binding.

(f) In controlling and managing the operation and administration of the Plan, the Committee shall act by a majority of its then members, by meeting or by writing filed without a meeting. The Committee shall maintain adequate records concerning the Plan and concerning its proceedings and acts in such form and detail as the Committee may decide.

5.4 *Delegation by Committee*. Except to the extent prohibited by applicable law or the applicable rules of a securities exchange, the Committee may allocate all or any portion of its powers and responsibilities to any one or more of its members and may delegate all or part of its responsibilities and powers to any person or persons selected by it. Any such allocation or delegation may be revoked by the Committee at any time.

5.5 *Information to be Furnished to Committee*. The Company and Related Companies shall furnish the Committee with such data and information as may be requested by the Committee in order to discharge its duties. The records of the Company and Related Companies as to an Eligible Individual's or a Participant's employment, consulting services, termination of employment or services, leave of absence, reemployment and compensation shall be conclusive on all persons unless determined to be incorrect by the Committee. Participants and other persons entitled to benefits under the Plan must furnish the Committee such evidence, data or information as the Committee considers necessary or desirable to carry out the terms of the Plan.

Section 6
Amendment and Termination

6.1 *Board's Right to Amend or Terminate*. Subject to the limitations set forth in this Section 6, the Board may, at any time, amend or terminate the Plan.

6.2 *Amendments Requiring Stockholder Approval*. Other than as provided in Subsection 4.2 (c) (relating to certain adjustments to shares), the approval of the Company's stockholders shall be required for any amendment which: (i) increases the maximum number of Shares that may be delivered to Participants under the Plan set forth in Subsection 4.2(a); (ii) increases the maximum limitation contained in Subsection 4.2(b); (iii) decreases the exercise price of any Option or SAR below the minimum provided in Subsection 2.2; (iv) modifies or eliminates the provisions stated in Subsection 2.3; (v) increases the maximum term of any Option or SAR set forth in Subsection 2.4; (vi) provides any Performance Measure other than those listed in Subsection 9.1; or (vii) modifies or eliminates the provisions stated in Subsection 1.4. Whenever the approval of the Company's stockholders is required pursuant to this Subsection 6.2, such approval shall be sufficient if obtained by a majority vote of those stockholders present or represented and actually voting on the matter at a meeting of stockholders duly called, at which meeting a majority of the outstanding shares actually vote on such matter.

Section 7
Defined Terms

For the purposes of the Plan, the terms listed below shall be defined as follows:

Award. The term "Award" shall mean, individually and collectively, any award or benefit granted to any Participant under the Plan, including, without limitation, the grant of Options, SARs, Stock Awards and Other Incentive Awards.

Award Agreement. The term "Award Agreement" is defined in Subsection 4.10.

Board. The term "Board" shall mean the Board of Directors of the Company.

Code. The term "Code" shall mean the Internal Revenue Code of 1986, as amended. A reference to any provision of the Code shall include reference to any successor provision of the Code or of any law that is enacted to replace the Code.

Eligible Individual. The term "Eligible Individual" shall mean any employee of the Company or a Related Company. For purposes of the Plan, the status of the Chairman of the Board of Directors as an employee shall be determined by the Committee.

Fair Market Value. For purposes of determining the "Fair Market Value" of a Share, the following rules shall apply:

(i) If the Shares are at the time listed or admitted to trading on any securities exchange, then the Fair Market Value shall be the mean between the lowest and the highest reported sales prices of the Shares on the date in question on the principal exchange on which the Shares are then listed or admitted to trading. If no reported sale of Shares takes place on the date in question on the principal exchange, then the reported closing asked price of the Shares on such date on the principal exchange shall be determinative of Fair Market Value.

(ii) If the Shares are not at the time listed or admitted to trading on a securities exchange, the Fair Market Value shall be the mean between the lowest reported bid price and the highest reported asked price of the Shares on the date in question in the over-the-counter market, as such prices are reported in a publication of general circulation selected by the Committee and regularly reporting the market price of the Shares in such market.

(iii) If the Shares are not listed or admitted to trading on any securities exchange or traded in the over-the-counter market, the Fair Market Value shall be as determined by the Committee, acting in good faith.

Named Executive Employee. The term "Named Executive Employee" means a Participant who, as of the date of vesting and/or payout of an Award, as applicable, is one of the group of covered employees, as defined in the regulations promulgated under Code Section 162(m), or any successor statute.

Other Incentive Award. The term "Other Incentive Award" means a cash award as described in Section 8 below.

Participant. The term "Participant" means an Eligible Individual who has been granted an Award under the Plan. For purposes of the administration of Awards, the term Participant shall also include a former employee or any person (including an estate) who is a beneficiary of a former employee and any person (including any estate) to whom an Award has been assigned or transferred as permitted by the Committee.

Performance-Based Exception. The term "Performance-Based Exception" means the performance-based exception from the tax deductibility limitations of Code Section 162(m).

Performance Goals. The term "Performance Goals" means one or more objective targets measured by the Performance Measure, the attainment of which may determine the degree of payout and/or vesting with respect to Awards.

Performance Period. The term "Performance Period" means the time period during which Performance Goals must be achieved with respect to an Award, as determined by the Committee, but which period shall not be shorter than one of the Company's fiscal years.

Performance Measure. The term "Performance Measure" refers to the performance measures discussed in Section 9 of the Plan.

Related Companies. The term "Related Company" means

(i) any corporation, partnership, joint venture or other entity during any period in which such corporation, partnership, joint venture or other entity owns, directly or indirectly, at least fifty percent (50%) of the voting power of all classes of voting shares of the Company (or any corporation, partnership, joint venture or other entity which is a successor to the Company);

(ii) any corporation, partnership, joint venture or other entity during any period in which the Company (or any corporation, partnership, joint venture or other entity which is a successor to the Company or any entity that is a Related Company by reason of clause (i) next above) owns, directly or indirectly, at least a fifty percent (50%) voting or profits interest; or

(iii) any business venture in which the Company has a significant interest, as determined in the discretion of the Committee.

Shares. The term "Shares" shall mean shares of the Common Stock of the Company, $.01 par value, as presently constituted, subject to adjustment as provided in paragraph 4.2(c) above.

Ten Percent Shareholder. The term "Ten Percent Shareholder" means a person who owns (or is deemed to own pursuant to Section 425(d) of the Code) Shares possessing more than 10% of the total combined voting power of all classes of stock of the Company.

Section 8
Other Incentive Awards

8.1 *Grant of Other Incentive Awards*. Subject to the terms and provisions of the Plan, Other Incentive Awards may be granted to Eligible Individuals, in such amount, upon such terms, and at any time and from time to time as shall be determined by the Committee.

8.2 *Other Incentive Award Agreement*. Each Other Incentive Award shall be evidenced by an Award Agreement that shall specify the amount of the Other Incentive Award or the means by which it will be calculated, the terms and conditions applicable to such Award, the applicable Performance Period and Performance Goals, if any, and such other provisions as the Committee shall determine, in all cases subject to the terms and provisions of the Plan.

8.3 *Nontransferability*. Except as otherwise provided in the applicable Award Agreement, Other Incentive Awards may not be sold, transferred, pledged, assigned or otherwise

alienated or hypothecated, other than by will, the laws of descent and distribution or pursuant to a "domestic relations order", as defined in the Code or Title I of the Employee Retirement Income Security Act or the rules thereunder, and in no event shall a transfer be made for consideration.

8.4 *Form and Timing of Payment of Other Incentive Awards.* Payment of Other Incentive Awards shall be made in cash and at such times as established by the Committee subject to the terms of the Plan.

Section 9
Performance-Based Measures

9.1 *Performance Measures*. The Performance Measures used to determine the attainment of Performance Goals with respect to Other Incentive Awards and Stock Awards to Named Executive Employees which are designed to qualify for the Performance-Based Exception shall be (A) a change in the Fair Market Value of a Share or (B) any one or more of the following, as reported in the Company's Annual Report to Stockholders which is included in the Company's Annual Report on Form 10-K or which may be mathematically derived from financial results reported in such Annual Report, including Annual Reports made for prior years:

(a) the Company's consolidated net earnings;
(b) the Company's consolidated earnings per share on a diluted basis;
(c) the Company's consolidated net sales;
(d) net sales for any channel of distribution (as defined in Management's Discussion and Analysis of Financial Condition and Results of Operations);
(e) the Company's consolidated return on average assets;
(f) the Company's consolidated selling, general and administrative expenses;
(g) the Company's consolidated earnings from operations;
(h) the Company's consolidated earnings before income taxes;
(i) the Company's consolidated net cash provided by operating activities;
(j) the Company's gross revenue or gross revenue growth;
(k) the Company's gross profit or gross profit growth;
(l) the Company's net operating profit (before or after taxes);
(m) return on assets, capital, invested capital, equity or sales; and
(n) earnings before or after taxes, interest, depreciation and/or amortization.

The Committee may appropriately adjust any evaluation of performance under a Performance Goal to exclude any of the following events that occurs during a Performance Period: (i) asset write-downs, (ii) litigation or claim judgment or settlements, (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results, (iv) accruals for reorganization and restructuring programs, (v) extraordinary non-recurring items as described in FASB ASC-225-20 and/or in management's discussion and analysis of financial condition and results of operations appearing in said Annual Report for the applicable year; (vi) acquisitions or divestitures, (vii) any other specific unusual or nonrecurring events, or objectively determinable category thereto, (viii) foreign exchange gains and losses, and (ix) a change in the Company's fiscal year.

9.2 *Discretion to Adjust Awards/Performance Goals*. The Committee retains the discretion to adjust the determination of the degree of attainment of the pre-established Performance Goals for Awards; provided, however, that Awards which are designed to qualify for

the Performance-Based Exception, and which are held by Named Executive Employees, may not be subjected to an adjustment which would yield an increased payout, although the Committee may retain the discretion to make an adjustment which would yield a decreased payout. In the event that applicable tax and/or securities laws change to permit the Committee discretion to alter the governing Performance Measure for Awards designed to qualify for the Performance-Based Exception and held by Named Executive Employees without obtaining stockholder approval of such change, the Committee shall have sole discretion to make such change without obtaining stockholder approval. In addition, in the event that the Committee determines that it is advisable to grant Awards which will not qualify for the Performance-Based Exception, the Committee may make such grants without satisfying the requirements of Code Section 162(m).

Section 10
Successors

All obligations of the Company under the Plan with respect to Awards shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the business and/or assets of the Company and its Related Companies, on a consolidated basis.

CORPORATE INFORMATION

BOARD OF DIRECTORS

MICHAEL J. KOWALSKI
Chairman of the Board and Chief Executive Officer,
Tiffany & Co.
(1995) 5 and 6

ROSE MARIE BRAVO, CBE
Chief Executive Officer (Retired),
Burberry Limited
(1997) 2 and 3

DR. GARY E. COSTLEY
Chairman and Chief Executive Officer (Retired),
International Multifoods Corporation
(2007) 2*, 3 and 5

FREDERIC CUMENAL
President,
Tiffany & Co.
(2013)

LAWRENCE K. FISH
Chairman and Chief Executive Officer (Retired),
Citizens Financial Group, Inc.
(2008) 1, 4 and 5*

ABBY F. KOHNSTAMM
Executive Vice President and Chief Marketing Officer,
Pitney Bowes
(2001) 1, 2, 3 and 5

CHARLES K. MARQUIS
Senior Advisor,
Investcorp International, Inc.
(1984) 1, 2 and 3*

PETER W. MAY
President and Founding Partner,
Trian Fund Management, L.P.
(2008) 2 and 4

WILLIAM A. SHUTZER
Senior Managing Director,
Evercore Partners
(1984) 4*

ROBERT S. SINGER
Former Chief Executive Officer,
Barilla Holding SpA
(2012) 1*, 2 and 4

(Year joined Board)
Member of (* indicates Committee Chair):
(1) Audit Committee
(2) Compensation Committee and Stock Option Subcommittee
(3) Nominating/Corporate Governance Committee
(4) Finance Committee
(5) Corporate Social Responsibility Committee
(6) Dividend Committee

EXECUTIVE OFFICERS OF TIFFANY & CO.

MICHAEL J. KOWALSKI
Chairman of the Board and
Chief Executive Officer

FREDERIC CUMENAL
President

JAMES N. FERNANDEZ
Executive Vice President and Chief Operating Officer
Chief Financial Officer (through April 1, 2014)

BETH O. CANAVAN
Executive Vice President

JON M. KING
Executive Vice President

RALPH NICOLETTI
Executive Vice President
Chief Financial Officer (as of April 2, 2014)

VICTORIA BERGER-GROSS
Senior Vice President – Global Human Resources

PAMELA H. CLOUD
Senior Vice President – Merchandising

PATRICK B. DORSEY
Senior Vice President – General Counsel and Secretary

ANDREW W. HART
Senior Vice President –
Manufacturing, Diamonds and Gemstones

CAROLINE D. NAGGIAR
Senior Vice President and Chief Marketing Officer

JOHN S. PETTERSON
Senior Vice President –
Global Operations and Customer Services

SHAREHOLDER INFORMATION

Company Headquarters

Tiffany & Co.
727 Fifth Avenue, New York, New York 10022
212-755-8000

Stock Exchange Listing

New York Stock Exchange, symbol TIF

Annual Meeting of Shareholders

Thursday, May 22, 2014, 9:30 a.m.
W New York – Union Square hotel, 201 Park Avenue South (at 17th Street), New York, New York

Website and Information Line

Tiffany's financial results, other information and reports filed with the Securities and Exchange Commission are available on our website at http://investor.tiffany.com. Certain information is also available on our Shareholder Information Line at 800-TIF-0110.

Investor and Financial Media Contact

Investors, securities analysts and the financial media should contact Mark L. Aaron, Vice President – Investor Relations, by calling 212-230-5301 or by e-mailing mark.aaron@tiffany.com.

Transfer Agent and Registrar

Please direct your communications regarding individual stock records, address changes or dividend payments to: Computershare, PO Box 30170, College Station, TX 77842-3170 (by regular mail) or 211 Quality Circle, Suite 210, College Station, TX 77845 (by overnight delivery); 888-778-1307 or 201-680-6578; or www.computershare.com/investor.

Direct Stock Purchases and Dividend Reinvestment

The Computershare CIP Program allows investors to purchase Tiffany & Co. Common Stock directly, rather than through a stockbroker, and become a registered shareholder of the Company. The program's features also include dividend reinvestment. Computershare Trust Company, N.A. administers the program, which provides Tiffany & Co. shares through market purchases. For additional information, please contact Computershare at 888-778-1307 or 201-680-6578 or www.computershare.com/investor.

Store Locations

For a worldwide listing of TIFFANY & CO. stores, please visit www.tiffany.com.

Catalogs

Tiffany catalogs are automatically mailed to registered shareholders. To request a catalog, please call 800-526-0649.

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP, 300 Madison Avenue, New York, New York 10017

Dividend Payments

Quarterly dividends on Tiffany & Co. Common Stock, subject to declaration by the Company's Board of Directors, are typically paid in January, April, July and October.

Stock Price and Dividend Information

	2013	2012	2011	2010	2009
Stock price at end of fiscal year	$ 83.19	$ 65.75	$ 63.80	$ 58.13	$ 40.61

	Price Ranges of Tiffany & Co. Common Stock						Cash Dividends Per Share	
	2013			2012			2013	2012
Quarter	High	Low	Close	High	Low	Close		
First	$74.20	$61.42	$73.68	$74.20	$63.29	$68.46	$0.32	$0.29
Second	81.25	70.70	$79.51	69.41	49.72	54.93	0.34	0.32
Third	83.33	73.63	$79.17	65.92	52.76	63.22	0.34	0.32
Fourth	93.64	78.15	$83.19	66.78	55.83	65.75	0.34	0.32

On March 24, 2014, the closing price of Tiffany & Co. Common Stock was $87.23 and there were 15,645 holders of record of the Company's Common Stock.

Certifications

Michael J. Kowalski and James N. Fernandez have provided certifications to the Securities and Exchange Commission as required by Section 302 of the Sarbanes-Oxley Act of 2002. These certifications are included as Exhibits 31.1, 31.2, 32.1 and 32.2 of the Company's Form 10-K for the year ended January 31, 2014.

As required by the New York Stock Exchange ("NYSE"), on June 17, 2013, Michael J. Kowalski submitted his annual certification to the NYSE that stated he was not aware of any violation by the Company of the NYSE corporate governance listing standards.

Trademarks

THE NAMES TIFFANY, TIFFANY & CO., T&CO., THE COLOR TIFFANY BLUE, THE TIFFANY BLUE BOX, LUCIDA, THE TIFFANY MARK, ATLAS, SELECTIONS, RUBEDO AND OTHERS ARE TRADEMARKS OF TIFFANY (NJ) LLC, TIFFANY AND COMPANY AND THEIR AFFILIATES.

© 2014 TIFFANY & CO.

(This page intentionally left blank.)

FROM TOP: *Sunburst pendant, Tiffany Celebration® rings, Tiffany Keys with yellow diamonds, Tiffany Soleste® rings, Tiffany 1837™ cuff in Rubedo® metal. Paloma Picasso® Olive Leaf pendant and a bangle from the 2013 Blue Book Collection.*

FSC
www.fsc.org
MIX
Paper from
responsible sources
FSC® C101537