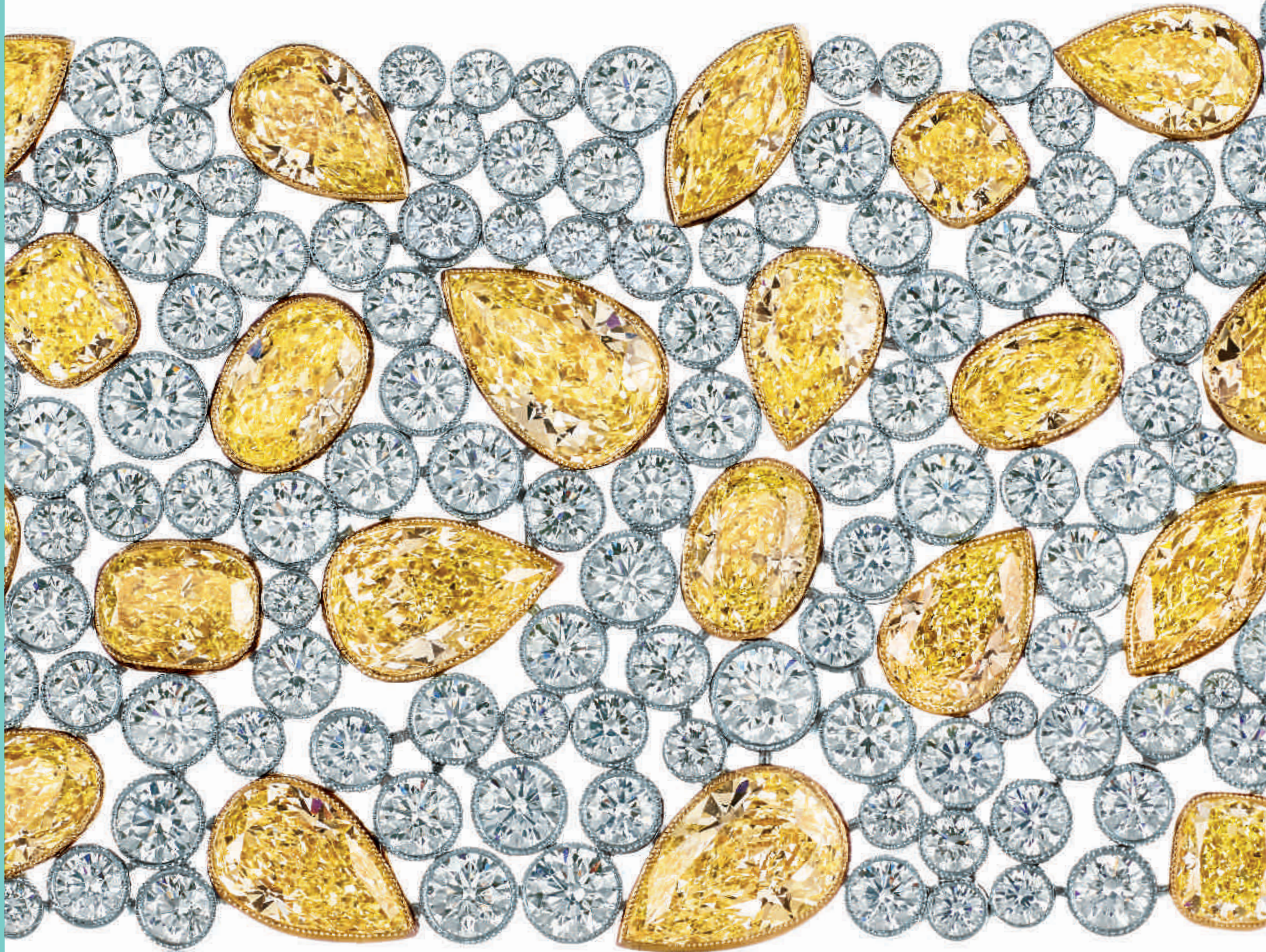


TIFFANY & CO.

ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED JANUARY 31, 2016
NOTICE OF 2016 ANNUAL MEETING AND PROXY STATEMENT

COVER: *Tiffany yellow and white diamond bracelet.* CLOCKWISE, FROM TOP: *Return to Tiffany® multi-heart tag bracelet, Tiffany T square bracelet and the Tiffany® Setting engagement ring.*

TIFFANY & CO.

727 FIFTH AVENUE
NEW YORK NEW YORK 10022

212 755 8000

April 8, 2016

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of Tiffany & Co. on Thursday, May 26, 2016 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-10. When you arrive at the meeting, you will be asked to provide your registration confirmation and photo identification. We appreciate your cooperation.

Your participation in the affairs of Tiffany & Co. is important. Therefore, please vote your shares regardless of whether or not you plan to attend the meeting. 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.

Our management team in 2015 focused on Tiffany's objective to enhance our position as one of the world's most important luxury brands. We believe that achieving such positioning is key to effectively attracting and delighting our customers, as well as driving strong long-term financial performance.

During the past year we added excitement to our product assortment across a range of materials and price points. We introduced new interpretations to our TIFFANY VICTORIA®, TIFFANY BOW, TIFFANY INFINITY and RETURN TO TIFFANY™ collections, we debuted a statement jewelry collection focused on THE ART OF THE SEA, and we launched new collections of watches highlighted by our TIFFANY CT60® and TIFFANY EAST WEST® collections. These designs were well-received by our customers, and we are committed to further innovation.

Our marketing communications were expanded across various media—print, digital and social—in select placements to reach a greater number of customers within our targeted global audience.

We expanded Tiffany's worldwide presence in 2015 with the net addition of 12 stores, the relocation of nine existing stores and renovations of a number of locations. Our store real estate strategy continues to be focused on optimizing our distribution base.

Highlighting Tiffany's relevance to our customers and providing them with extraordinary experiences—both in-store and online—are important elements of our key objective.

We continued to make substantial investments in information systems, with a focus on developing a global customer relationship management system and a new inventory management system.

We further strengthened our management ranks with key additions of experienced executives.

And we managed our resources efficiently to maintain a strong financial position.

While making progress in these areas, we faced numerous macro challenges that affected our financial results. The strength of the U.S. dollar against almost all key foreign currencies affected us in several ways: negatively affecting the translation of our non-U.S. sales into U.S. dollars, pressuring spending by foreign tourists primarily in the U.S., and having some negative effect on gross margin. The world also faced uncertain and/or challenging economic, political and market conditions that we believe restrained consumer spending.

All things considered, Tiffany's financial results for the fiscal year ended January 31, 2016 did not meet the expectations management held at the start of the year. On a constant-exchange-rate basis that excludes the translation effect of the strong U.S. dollar, worldwide net sales rose 2%, and comparable store sales were equal to the prior year, with varying performance by region. Reported in U.S. dollars, worldwide net sales declined 3% to $4.1 billion in the year.

Gross margin rose in the year, but the increase was more than offset by sales deleveraging of selling, general and administrative expenses.

Net earnings, as reported, of $3.59 per diluted share in 2015 were 4% below prior year. Excluding charges in both years, net earnings of $3.83 per diluted share in 2015 were 9% lower than $4.20 per diluted share in the prior year.

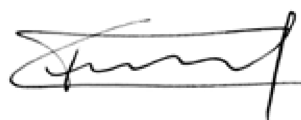
Despite the lack of earnings growth, we were successful in improving cash flow by more efficiently managing inventory. In fact, we exceeded management's initial free-cash-flow expectation by generating more than $500 million in the year.

A portion of that cash was reinvested in the expansion of our business and the enhancement of operational capabilities. In addition, our Board of Directors increased the quarterly cash dividend by 5%, which represented the 14th increase in the past 13 years. We also spent $220 million to repurchase 2.8 million shares of our Common Stock, and the Board authorized a new share repurchase program.

While the past year was challenging, and we expect some pressures to persist in 2016, we believe that Tiffany's long-term prospects are bright. Through multi-dimensional long-term strategies, we will continue to pursue those significant opportunities to grow Tiffany's sales, profitability and productivity.

As customers increasingly seek extraordinary jewelry designs of the finest quality and craftsmanship, delivered in a compelling environment with exemplary service, we believe that Tiffany is becoming increasingly well-positioned globally to serve and delight them. We look forward to updating you on our Company's progress.

Sincerely,



Michael J. Kowalski
Chairman of the Board

Frederic Cumenal
Chief Executive Officer

FINANCIAL HIGHLIGHTS

(in millions, except percentages, per share amounts and stores)	2015	2014
Net sales	$ 4,104.9	$ 4,249.9
(Decrease) increase from prior year	(3)%	5%
On a constant-exchange-rate basis: *		
Net sales increase from prior year *	2 %	7%
Comparable store sales increase from prior year *	— %	4%
Net earnings	$ 463.9	$ 484.2
(Decrease) increase from prior year	(4)%	167%
As a percentage of net sales	11 %	11%
Per diluted share	$ 3.59	$ 3.73
Net earnings, as adjusted *	$ 493.8	$ 545.1
(Decrease) increase from prior year	(9)%	13%
As a percentage of net sales *	12 %	13%
Per diluted share *	$ 3.83	$ 4.20
Weighted-average number of diluted common shares	129.1	129.9
Free cash inflow *	$ 560.9	$ 367.7
Total debt-to-equity ratio	38 %	39%
Cash dividends paid per share	$ 1.58	$ 1.48
Company-operated TIFFANY & CO. stores	307	295

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 2015 and 2014 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 2015

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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, 2016

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, 2015, the aggregate market value of the registrant's voting and non-voting stock held by non-affiliates of the registrant was approximately $12,261,388,517 using the closing sales price on this day of $95.70. See Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

As of March 23, 2016, the registrant had outstanding 126,039,812 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 8, 2016 (Part III).

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The statements in this Annual Report on Form 10-K, including documents incorporated herein by reference, that refer to plans and expectations for future periods are forward-looking statements that involve a number of risks and uncertainties. Words such as 'expects,' 'intends,' 'anticipates,' 'forecasts,' 'plans,' 'believes,' 'continues,' 'may,' 'will,' and variations of such words and similar expressions are intended to identify such forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements we make regarding the Company's objectives, expectations and beliefs with respect to store openings and closings, product introductions, sales, sales growth, retail prices, gross margin, expenses, operating margin, interest expense and financing costs, effective income tax rate, net earnings and net earnings per share, inventories, capital expenditures, cash flow, liquidity, currency translation and growth opportunities. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control, which could cause the Company's actual results to differ materially from those indicated in these forward-looking statements. Such factors include, but are not limited to, risks from global economic conditions, decreases in consumer confidence, the Company's significant operations outside of the United States, regional instability and conflict that could disrupt tourist travel and local consumer spending, weakening foreign currencies, changes in the Company's product or geographic sales mix and changes in costs or reduced supply availability of diamonds and precious metals. Please also see the Company's risk factors, as they may be amended from time to time, set forth in the Company's filings with the Securities and Exchange Commission, including in this Annual Report, particularly under "Item 1A. Risk Factors" for a discussion of these and other factors that could cause actual results to differ materially. The Company undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances, except as required by applicable law or regulation.

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 REPORTABLE SEGMENTS

The Company's segment information for the fiscal years ended January 31, 2016, 2015 and 2014 is reported in "Item 8. Financial Statements and Supplementary Data - Note P - 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; sophisticated style and romance; excellent customer service; an elegant store and online environment; upscale store locations; "classic" product positioning; and distinctive and high-quality packaging materials (most significantly, the TIFFANY & CO. blue box). 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, marketing 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 any 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 product, marketing or distribution initiatives.

REPORTABLE SEGMENTS

Americas

Sales in the Americas were 47% of worldwide net sales in 2015, while sales in the U.S. represented 88% of net sales in the Americas.

Retail Sales. Retail sales in the Americas are transacted in 124 Company-operated TIFFANY & CO. stores in (number of stores at January 31, 2016 included in parentheses): the U.S. (95), Canada (12), Mexico (11), Brazil (5) and Chile (1). 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. Such sales represent approximately 1% of worldwide net sales.

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 24% of worldwide net sales in 2015, 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 81 Company-operated TIFFANY & CO. stores in (number of stores at January 31, 2016 included in parentheses): China (30), Korea (14), Hong Kong (9), Taiwan (8), Australia (7), Singapore (6), Macau (4), Malaysia (2) and Thailand (1). Included within these totals are 29 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 approximately 2% of worldwide net sales.

Japan

Sales in Japan represented 13% of worldwide net sales in 2015.

Retail Sales. Retail sales in Japan are transacted in 56 Company-operated TIFFANY & CO. stores. Included within this total are 51 stores located within department stores, generating approximately 70% 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, 2016 included in parentheses): Isetan Mitsukoshi Ltd. (13), J. Front Retailing Co., Ltd. (Daimaru and Matsuzakaya department stores) (9), Takashimaya Co., Ltd. (9) and Seven & i Holding Co., Ltd. (Sogo and Seibu department stores) (5). The Company also operates 15 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. Such sales represent less than 1% of worldwide net sales.

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 2015, while sales in the United Kingdom ("U.K.") represented approximately 40% of European net sales.

Retail Sales. Retail sales in Europe are transacted in 41 Company-operated TIFFANY & CO. stores in (number of stores at January 31, 2016 included in parentheses): the U.K. (10), Germany (7), Italy (7), France (5), Spain (3), Switzerland (3), Austria (1), Belgium (1), the Czech Republic (1), Ireland (1), the Netherlands (1) and Russia (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.

Other

Other consists of all non-reportable segments, including: (i) retail sales and wholesale distribution in the Emerging Markets region (which represented approximately 75% of Other net sales in 2015); (ii) wholesale sales of diamonds; and (iii) licensing agreements.

Emerging Markets region. Retail sales are transacted in five Company-operated TIFFANY & CO. stores in the United Arab Emirates ("U.A.E."). Additionally, selected TIFFANY & CO. merchandise is sold to independent distributors for resale in certain emerging markets (primarily in the Middle East). 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 the Company's needs; 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 Agreement. The Company receives earnings from a licensing agreement with Luxottica Group for the distribution of TIFFANY & CO. brand eyewear. The earnings received from this licensing agreement represented less than 1% of worldwide net sales in 2015.

In 2015, the Company entered into a licensing agreement with Coty Inc. regarding the development, production and distribution of a new line of TIFFANY & CO. brand fragrances. The Company did not receive any earnings from this agreement in 2015, and does not expect to receive any such earnings in 2016.

Retail Distribution Base

Management regularly evaluates opportunities to optimize its retail store base. This includes evaluating potential markets for new TIFFANY & CO. stores, as well as the renovation, relocation, or, in certain instances, closure of existing stores. Considerations include the characteristics of the markets 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 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 2005:

	Americas						
Year:	U.S.	Canada & Latin America	Asia-Pacific	Japan	Europe	Emerging Markets	Total
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
2014	95	27	73	56	39	5	295
2015	95	29	81	56	41	5	307

As part of the Company's real estate strategy, management plans to increase gross retail square footage by approximately 2%, net through the addition of new stores, relocations, renovations and closings in 2016. For a summary of the Company's existing retail square footage, see "Item 2. Properties".

As noted above, the Company currently operates e-commerce enabled websites in 13 countries as well as informational websites in several additional countries. Sales transacted on those websites accounted for 6% of worldwide net sales in 2015, 2014 and 2013. The Company invests in ongoing website enhancements and is evaluating opportunities to expand its e-commerce sites to additional countries in the future. In addition, management believes that these websites serve a role as marketing tools to attract customers to the Company's stores.

Products

The Company's principal product category is jewelry, which represented 93%, 92%, and 92% of worldwide net sales in 2015, 2014 and 2013. 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% of worldwide net sales in 2015, 2014 and 2013. The remaining approximately 1% of worldwide net sales were attributable to wholesale sales of diamonds and earnings received from a third-party licensing agreement.

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

2015	% 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%	25%	19%	17%	22%
Engagement jewelry & wedding bands [b]	23%	35%	43%	25%	29%
Fashion jewelry [c]	43%	38%	31%	54%	42%
2014					
Statement, fine & solitaire jewelry [a]	23%	24%	20%	17%	22%
Engagement jewelry & wedding bands [b]	23%	38%	46%	24%	30%
Fashion jewelry [c]	44%	37%	27%	56%	41%
2013					
Statement, fine & solitaire jewelry [a]	23%	27%	20%	19%	23%
Engagement jewelry & wedding bands [b]	23%	36%	47%	25%	30%
Fashion jewelry [c]	44%	36%	26%	53%	40%

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 15% of sales in 2015. The average price of merchandise sold in 2015, 2014 and 2013 in this category was approximately $5,700, $5,400 and $5,300 for total reportable segments.

b) This category includes engagement rings (approximately 60% of the category) and wedding bands. 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 9% of sales in 2015. The average price of merchandise sold in 2015, 2014 and 2013 in this category was approximately $3,300, $3,600 and $3,600 for total reportable segments.

c) This category generally consists of non-gemstone jewelry, divided approximately equally between sterling silver and gold jewelry, although small gemstones are used as accents in some pieces. The average price of merchandise sold in 2015, 2014 and 2013 in this category was approximately $355, $335 and $300 for total reportable segments.

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 2015, 2014 and 2013, the Company spent $302.0 million, $284.0 million and $253.2 million, representing 7.4%, 6.7% and 6.3% of worldwide net sales in those respective years, on advertising, marketing and 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 charitable sponsorships, grants and merchandise donations. The Company also periodically 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®, the TIFFANY BLUE BOX design, TIFFANY BLUE® 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 rights in its principal trademarks, 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 pursues infringers through leads generated internally and through a network of investigators, legal counsel, law enforcement and customs authorities worldwide. The Company responds to such infringing activity by taking various actions, including sending cease and desist letters, cooperating with law enforcement in criminal prosecutions, 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, in some countries, third parties have registered the name TIFFANY in connection with certain product categories (including, in the U.S., the category of bedding and, in certain foreign countries, the categories of food, cosmetics, clothing, paper goods 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 8%, 8% and 9% of the Company's worldwide net sales in 2015, 2014 and 2013.

Tiffany is party to an Amended and Restated Agreement (the "Peretti Agreement") with Ms. Peretti, which largely reflects the long-standing rights and marketing and royalty obligations of the parties. Pursuant to the Peretti Agreement, Ms. Peretti grants 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 $8.0 million and to take certain actions to protect Ms. Peretti's intellectual property, including to maintain trademark registrations reasonably necessary to sell the licensed products in the markets in which the licensed products are sold by Tiffany.

The Peretti Agreement has a term that expires in 2032 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).

PRODUCT SUPPLY CHAIN

The Company manufactures jewelry in New York, Rhode Island, Kentucky and Thailand, polishes jewelry in the Dominican Republic and crafts silver hollowware in Rhode Island. The Company processes, cuts and polishes diamonds at other facilities outside the U.S. In total, these internal manufacturing facilities produce approximately 60% of the 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, product cost, access to or mastery of various jewelry-making skills and technology, support for alternative capacity and the cost of capital investments. To supply its internal manufacturing facilities, the Company sources precious metals, rough diamonds (which it processes in its own facilities), polished diamonds and other gemstones.

Supply of Diamonds. The vast majority of diamonds acquired by the Company originate from Botswana, Canada, Namibia, Russia, Sierra Leone and South Africa. The Company regularly purchases parcels of rough diamonds for polishing and further processing. The Company has diamond processing operations in Belgium, Botswana, Cambodia, Mauritius and Vietnam that prepare, cut and/or polish rough diamonds for its use. The Company's operation in Botswana allows it to access rough diamond allocations reserved for

local manufacturers. The Company conducts that operation through a subsidiary in which local third-parties own minority, non-controlling interests. The Company maintains a relationship and has an arrangement with these local third-parties; however, if circumstances warrant, the Company could seek to replace its existing local partners or operate without local partners.

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 $100.0 million of rough diamonds in 2016. However, 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.

It is occasionally necessary to knowingly purchase mixed assortments of rough diamonds that contain a limited quantity of rough diamonds that cannot be cut and polished to meet the Company's quality standards or assortment needs. Rough diamonds so purchased, as well as a small percentage of such diamonds that have been polished, are sold to third parties when they are found not to be suitable for the Company's needs. Management's objective from such sales, included in the Other non-reportable segment, is to recoup its original costs, thereby earning minimal, if any, gross margin on those transactions. As a result, these sales have had, and are expected to continue to have, the effect of modestly reducing the Company's overall gross margins.

In recent years, approximately 70% - 80% (by dollar value) of the polished diamonds used in jewelry have been produced from rough diamonds that the Company has purchased. The balance of the Company's needs for polished diamonds is purchased from polishers or polished-diamond dealers generally through purchase orders for fixed quantities. 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. It is the Company's intention to continue to supply the majority of its needs for diamonds by purchasing and polishing rough diamonds.

Products containing one or more diamonds of varying sizes, including diamonds used as accents, side-stones and center-stones, accounted for 59%, 58% and 58% of worldwide net sales in 2015, 2014 and 2013. Products containing one or more diamonds of one carat or larger accounted for 14%, 14% and 15% 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 diamonds produced in conflict regions 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 and Angola 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 or Angolan-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 or Angolan mines.

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.

In addition, the supply and prices of rough and polished diamonds in the principal world markets have been and continue to be influenced by the Diamond Trading Company ("DTC"), an affiliate of the De Beers Group. Although the DTC's historical ability to control worldwide production has diminished due to its lower share of worldwide production and changing policies in diamond-producing countries, the DTC continues to supply a meaningful portion of the world market for rough, gem-quality diamonds and continues to impact diamond supply through its marketing and advertising initiatives. A significant portion of the diamonds that the Company purchased in 2015 had their source with the DTC.

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 colorless diamonds, in high color and clarity ranges. Management does not foresee a shortage of diamonds in these quality ranges 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.

Synthetic and Treated Diamonds. Synthetic diamonds (diamonds manufactured but not naturally occurring) and treated diamonds (naturally occurring diamonds subject to treatment processes, such as irradiation) are produced in growing quantities. Although significant questions remain as to the ability of producers to produce synthetic and/or treated diamonds economically within a full range of sizes and natural diamond colors, and as to consumer acceptance of these diamonds, such diamonds are becoming a larger factor in the market. Should synthetic and/or treated 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 such 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 has maintained 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 from several suppliers for use in its internal manufacturing operations and for use by third-party manufacturers contracted to supply Tiffany merchandise. The silver, gold and platinum sourced directly by the Company principally comes from two sources: in-ground, large-scale deposits of metals, primarily in the U.S., that meet the Company's standards for responsible mining and metals from recycled sources. 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.

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 55 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 merchandise vendor agreements with nearly all of its finished goods vendors. The merchandise vendor 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 generally enters into purchase orders for fixed quantities of merchandise with its 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 Company actively seeks alternative sources for its best-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. For many years prior to 2007, the Company had 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 at the request of the parties. The arbitration award stated that the effective date of termination was March 1, 2013. See "Item 3. Legal Proceedings" for additional information regarding the arbitration proceeding and the subsequent annulment action. 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.

In April 2015, management introduced new TIFFANY & CO. brand watches, which have been designed, produced, marketed and distributed through certain of the Company's Swiss subsidiaries. In support of this introduction, the Company has relationships with approximately 30 component and subassembly vendors to manufacture watches. The terms of the Company's contractual relationships with these vendors are substantially similar to those described under "Finished Jewelry" above. Sales of these new TIFFANY & CO. brand watches represented approximately 1% of worldwide net sales in 2015. While management anticipates an increase in these sales in 2016, it does not expect this new watch business to increase the Company's profitability in 2016, as the Company expects to continue to invest significant resources in marketing to continue to build customer awareness and further establish product differentiation.

The effective development and growth of this watch business involves risks and uncertainties. Under the Agreement, the Swatch Group retained the right to sell watches marked with the TIFFANY & CO. trademark for a period of time subsequent to the termination of the Agreement and had no obligation to reacquire any inventory sold to retailers during this period. As such, the continued presence in the retail market of those TIFFANY & CO. brand watches produced under the Agreement may negatively impact the Company’s sales and marketing efforts for its new collection of watches.

COMPETITION

The global jewelry industry is competitively fragmented. The Company encounters significant competition in all product categories. 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, 2016, the Company employed an aggregate of approximately 12,200 full-time and part-time persons. Of those employees, approximately 5,400 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 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 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 and earnings.

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 sales and earnings because of its cost base and inventory investment.

Certain competitors may react to such conditions 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 continuing to do so. Any slowdown in the Chinese economy could have a negative impact on the sales and profitability of stores in Greater China as well as stores in other markets that serve Chinese tourists.

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 an adverse effect on annual earnings and would result in higher inventories in the short-term.

(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 has provided 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;
- challenges inherent in oversight of foreign operations, systems and controls; for example, in the fourth quarter of 2015, management identified inaccuracies in our Japan segment relating to the timing of recognizing sales and related costs, as well as inventory, at period-ends. Management determined these inaccuracies did not materially affect our annual or quarterly financial statements, including the reported financial information for our Japan segment. Management is continuing to review the processes and personnel involved and related remediation;
- 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.

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) Weakening foreign currencies would negatively affect the Company's sales and profitability.

The Company operates retail stores in more than 20 countries outside of the U.S. and, as a result, is exposed to market risk from fluctuations in foreign currency exchange rates, including, among others, the Japanese Yen, Euro and British Pound. In 2015, sales in countries outside of the U.S. in aggregate represented more than half of the Company's net sales and earnings from operations. A continued weakening of foreign currencies against the U.S. dollar would require the Company to raise its retail prices in order to maintain its worldwide relative pricing structure, 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 continued weakening of foreign currencies would result in reduced sales and profitability. In addition, a continued weakening in foreign currency exchange rates may negatively affect spending by foreign tourists in the various regions where the Company operates retail stores which would adversely affect its net sales and profitability.

The reported 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 continues to strengthen against foreign currencies, the translation of these foreign currency-denominated transactions would decrease consolidated net sales and profitability. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations." for a discussion of such impacts.

(v) 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 may negatively affect spending by foreign tourists and local consumers in the various regions where the Company operates retail stores which would adversely affect its sales and earnings. For example, management believes that a significant reduction in tourist travel and spending in France and other markets within Europe in the fourth quarter of 2015 were a result of the tragic terrorist attacks that occurred in Paris, France during that quarter.

(vi) 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 geographic 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.

(vii) Increases 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. A significant increase in the costs or change in the 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 precious metals 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. Additionally, should synthetic diamonds (diamonds manufactured but not naturally occurring) and/or treated diamonds (naturally occurring diamonds subject to treatment processes, such as irradiation) be offered in significant quantities and gain consumer acceptance, the supply of and prices for natural diamonds may be affected.

(viii) 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.

(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 could be jeopardized.

In Japan, many of the TIFFANY & CO. stores are located in department stores generating approximately 70% of the net sales in Japan, or 9% of worldwide net sales, in 2015. The Company also has TIFFANY & CO. stores located in department stores in other markets. Should one or more 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, and their respective abilities to continue as leading department store operators, have been and will continue to affect the Company's business in Japan and the other markets.

(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 could 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 and luxury 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 could 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 therefrom, 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) A significant data security or 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. The Company’s efforts to protect personal and Company information may also be adversely impacted by data security or privacy breaches that occur at its third-party vendors. The Company cannot control these vendors and therefore cannot guarantee that a data security or privacy breach of their systems will not occur in the future. 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. The Company may also incur additional costs in the future related to the implementation of additional security measures to protect against new or enhanced data security and privacy threats, to comply with state, federal and international laws that may be enacted to address those threats or to investigate or address potential or actual data security or privacy breaches.

(xiii) Any material disruption of, or a failure to successfully implement or make changes to, information systems could negatively impact the Company's business.

The Company is increasingly dependent on its information systems to operate its business, including in designing, manufacturing, marketing and distributing its products, as well as processing transactions, managing inventory and accounting for and reporting its results. Given the complexity of the Company’s global business, it is critical that the Company maintain the uninterrupted operation of its information systems. Despite the Company’s preventative efforts, its information systems may be vulnerable to damage, disruption or shutdown due to power outages, computer and telecommunications failures, computer viruses, security breaches or natural disasters. Damage, disruption or shutdown of the Company’s information systems may require a significant investment to fix or replace them, and the Company could suffer interruptions in its operations in the interim.

In addition, 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 damage, disruption or shutdown of the Company's information systems, or the failure to successfully implement new or upgraded systems, such as those referenced above, could have a direct 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, which could result in reduced sales and profitability.

(xiv) 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.

(xv) The loss or a prolonged disruption in the operation of the Company's internal manufacturing facilities could adversely affect its business and operations.

The Company's internal manufacturing facilities produce approximately 60% of the merchandise sold by the Company. Any prolonged disruption to their operations would require the Company to seek alternate sources of production and could have a negative effect on inventory availability and sales until such sources are established.

(xvi) There is no assurance that the Company will be able to effectively and successfully develop its new watch business.

In April 2015, management introduced new TIFFANY & CO. brand watches, which have been designed, produced, marketed and distributed through certain of the Company's Swiss subsidiaries. The effective development and growth of a watch business has required and will continue to require additional resources and involves risks and uncertainties, including: (i) significant ongoing expenditures; (ii) the need to employ highly specialized and experienced personnel; (iii) new regulatory requirements; (iv) dependence on relatively small supply partners; (v) production and distribution inefficiencies; and (vi) the need to efficiently integrate operations with the Company’s existing business models. Sales of these new TIFFANY & CO. brand watches represented approximately 1% of worldwide net sales in 2015. While management anticipates an increase in these sales in 2016, it does not expect this new watch business to increase the Company's profitability in 2016. As with any new business, the Company is competing with businesses with stronger market positions and has invested and will continue 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 grow its new watch business or that such business will be successful in growing the Company's revenues or enhancing its profitability.

(xvii) 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. Mining operations are inherently risky, and often occur in regions subject to additional political, social and environmental risks, such as the resurgence of the Ebola virus in 2014 in certain regions of Africa. Given these risks, there is no assurance that the diamond mining and exploration companies subject to these arrangements will be able to meet their obligations to the Company under their financing agreements or related diamond supply agreements. If a diamond mining or exploration company defaults under its financing agreement, the Company would be required to evaluate whether it should take a period charge in respect of all or a portion of the financing, which would affect the Company's earnings. Additionally, the circumstances leading to a default under a diamond financing agreement could also result in the Company losing access to the mine's output under the related supply agreements.

In 2015, the Company recorded $37.9 million of impairment charges, and related valuation allowances, associated with a $43.8 million financing arrangement with Koidu Limited (previously Koidu Holdings S.A.). Management will continue to evaluate the collectability of the financing arrangement, and it is possible that such ongoing evaluation may result in additional changes to management's assessment of collectability. While such changes in management's assessment would not have a material adverse effect on the Company's financial position or cash flows, it is possible that such a change in assessment could affect the Company's earnings in the period in which such a change were to occur.

(xviii) The price of the Company’s common stock may periodically rise or fall based on the Company's achievement of earnings forecasts and investors' expectations.

The Company's strategic planning process is designed to maximize its long-term strength, growth, and profitability, and not to achieve an earnings target in any particular fiscal period. Management believes that this longer-term focus is in the best interests of the Company and its stockholders. At the same time, however, the Company recognizes that, from time to time, it may be helpful to provide investors with guidance as to management's annual earnings forecast. If, or when, the Company announces actual results that differ from those that have been forecast by management or others, the market price of the Company's common stock could be adversely affected.

The Company periodically returns value to its stockholders through common stock share repurchases and payment of quarterly cash dividends. The market price of the Company's common stock could be adversely affected if the Company’s share repurchase activity and/or cash dividend rate differs from investors' expectations.

(xix) If the Company is unable to effectively anticipate and respond to changes in consumer preferences and shopping patterns, the Company's sales and profitability could be adversely affected.

The Company's continued success depends on its ability to anticipate and respond in a timely and cost-effective manner to changes in consumer preferences for jewelry and other luxury goods, attitudes towards the global jewelry industry as a whole, as well as the manner and locations in which consumers purchase such goods. The Company recognizes that consumer tastes cannot be predicted with certainty and are subject to change, which is compounded by the expanding use of digital and social media by consumers and the speed by which information and opinions are shared. In addition, approximately 75% of the Company's stores are located within luxury department stores and shopping malls and benefit from the ability of those locations to generate consumer traffic. A substantial decline in department store and/or mall traffic may negatively impact the Company's ability to maintain or increase its sales in existing stores, as well as its ability to open new stores. If the Company is unable to anticipate and respond in a

timely and cost-effective manner to changes in consumer preferences and shopping patterns, the Company’s sales and profitability could be adversely impacted.

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, 2016:

	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	123	674,100	1,000 - 17,600	5,500
Asia-Pacific	81	215,600	400 - 12,800	2,700
Japan:				
Tokyo Ginza	1	12,000	12,000	12,000
Other stores	55	142,400	1,500 - 7,500	2,600
Europe:				
London Old Bond Street	1	22,400	22,400	22,400
Other stores	40	129,400	600 - 9,600	3,200
Emerging Markets	5	7,900	400 - 3,600	1,600
Total	307	1,249,300	400 - 45,500	4,100

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. 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 also the focal point for marketing and public relations efforts. Sales in this store represent less than 10% of worldwide net sales.

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 and Lexington, Kentucky, and leases jewelry manufacturing facilities in Pelham, New York and Bangkok, Thailand as well as a jewelry polishing facility in the Dominican Republic. Lease expiration dates range from 2017 to 2023. The owned and leased facilities total approximately 230,000 square feet.

The Company leases a facility in Belgium and owns facilities in Botswana, Cambodia, Mauritius and Vietnam (although the land in Cambodia and Vietnam is leased) that prepare, cut and/or polish rough diamonds for use by Tiffany. These facilities total approximately 280,000 square feet and the lease expiration dates range from 2021 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 73.0 million (or approximately $72.0 million at January 31, 2016) (based on its alleged wasted investment) to CHF 3.8 billion (or approximately $3.7 billion at January 31, 2016) (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 120.0 million (or approximately $118.0 million at January 31, 2016) (based on its wasted investment) to approximately

CHF 540.0 million (or approximately $533.0 million at January 31, 2016) (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. The Arbitration Award stated that the effective date of termination was March 1, 2013. Pursuant to the Arbitration Award, the Tiffany Parties were ordered to pay the Swatch Parties damages of CHF 402.7 million (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.

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 $480.2 million, which included the damages, interest, and other costs associated with the ruling and which was classified as Arbitration award expense in the consolidated statement of earnings.

On March 31, 2014, the Tiffany Parties took action in the District Court of Amsterdam 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 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.

A three-judge panel presided over the annulment hearing on January 19, 2015, and, on March 4, 2015, issued a decision in favor of the Tiffany Parties. Under this decision, the Arbitration Award is set aside. However, the Swatch Parties have taken action in the Dutch courts to appeal the District Court's decision, and the Arbitration Award may ultimately be upheld by the courts of the Netherlands. Registrant’s management expects that the annulment action will not be ultimately resolved until, at the earliest, Registrant's fiscal year ending January 31, 2017.

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 have not been determined at this time. Management also anticipates that the Tiffany Parties would seek the return of the amounts paid by them under the Arbitration Award in court proceedings.

In any litigation regarding the claims and counterclaims that formed the basis of the arbitration, 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.

Although the District Court has issued a decision in favor of the Tiffany Parties, an amount will only be recorded for any return of amounts paid under the Arbitration Award when the District’s Court decision is final (i.e., after all rights of appeal have been exhausted) and return of these amounts is deemed probable

and collection is reasonably assured. As such, the Company has not recorded any amounts in its consolidated financial statements related to the District Court's decision.

Additionally, management has not established any accrual in the Company's consolidated financial statements for the year ended January 31, 2016 related to the annulment process or any potential subsequent litigation because it does not believe that the final annulment of the Arbitration Award and a 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.

In April 2015, management introduced new TIFFANY & CO. brand watches, which have been designed, produced, marketed and distributed through certain of the Company's Swiss subsidiaries. The effective development and growth of this watch business has required and will continue to require additional resources and involves 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 all such 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.

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, 823,651 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.

Performance of Company Stock

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 2015 were:

	High	Low
First Quarter	$ 90.83	$ 82.64
Second Quarter	$ 96.33	$ 84.83
Third Quarter	$ 96.43	$ 74.28
Fourth Quarter	$ 84.19	$ 59.73

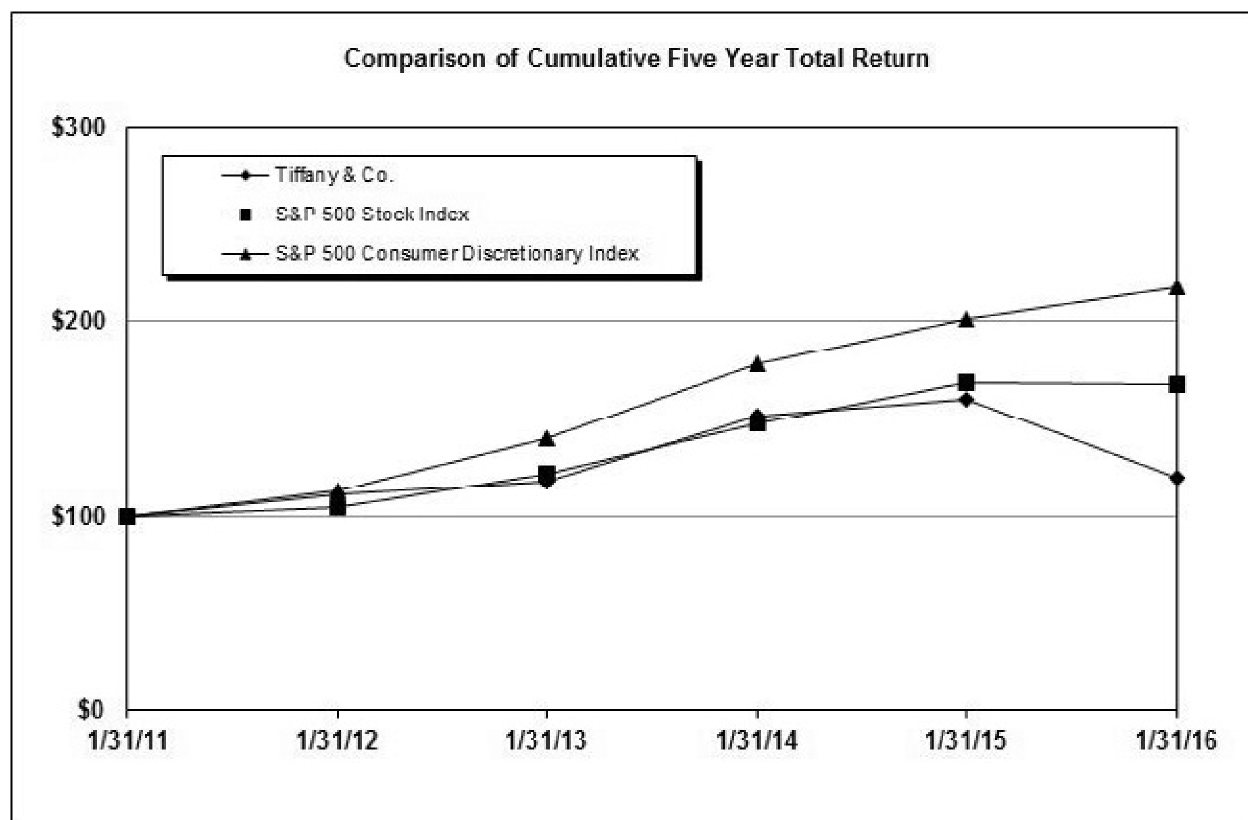
On March 23, 2016, the high and low selling prices quoted on such exchange were $72.62 and $71.80. On March 23, 2016, there were 14,640 holders of record of the Registrant's Common Stock.

In consolidated trading, the high and low selling prices per share for shares of such Common Stock for 2014 were:

	High	Low
First Quarter	$ 94.88	$ 80.38
Second Quarter	$ 103.38	$ 85.75
Third Quarter	$ 105.66	$ 85.69
Fourth Quarter	$ 110.60	$ 85.15

The following graph compares changes in the cumulative total shareholder return on the Company'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. The graph assumes an investment of $100 on January 31, 2011 in the Company's common stock and in each of the two indices as well as the reinvestment of any subsequent dividends.

Total returns are based on market capitalization; indices are weighted at the beginning of each period for which a return is indicated. The stock performance shown in the graph is not intended to forecast or be indicative of future performance.



	1/31/11	1/31/12	1/31/13	1/31/14	1/31/15	1/31/16
Tiffany & Co.	$ 100.00	$ 111.62	$ 117.47	$ 151.22	$ 159.91	$ 120.09
S&P 500 Stock Index	100.00	104.22	121.71	147.89	168.93	167.81
S&P 500 Consumer Discretionary Index	100.00	113.15	139.92	178.22	201.41	217.06

Dividends

It is the Company's policy to pay a quarterly dividend on its Common Stock, subject to declaration by its Board of Directors. In 2014, a dividend of $0.34 per share of Common Stock was paid on April 10, 2014. On May 22, 2014, the Company announced a 12% increase in its regular quarterly dividend rate to a new rate of $0.38 per share of Common Stock which was paid on July 10, 2014, October 10, 2014 and January 12, 2015.

In 2015, a dividend of $0.38 per share of Common Stock was paid on April 10, 2015. On May 28, 2015, the Company announced a 5% increase in its regular quarterly dividend rate to a new rate of $0.40 per share of Common Stock which was paid on July 10, 2015, October 13, 2015 and January 11, 2016.

Issuer Purchases of Equity Securities

In March 2014, the Company's Board of Directors approved a share repurchase program ("2014 Program") which authorized the Company to repurchase up to $300.0 million of its Common Stock through open market transactions. The program had an expiration date of March 31, 2017, but was terminated in January 2016 in connection with the authorization of a new program with increased repurchase capacity (as described in more detail below). Approximately $58.6 million remained available for repurchase under the 2014 Program at the time of its termination.

In January 2016, the Company's Board of Directors approved a new share repurchase program ("2016 Program") which authorizes the Company to repurchase up to $500.0 million of its Common Stock through open market transactions, block trades or privately negotiated transactions and terminated the 2014 Program. Purchases under the 2014 Program were, and purchases under the 2016 Program have been, executed under a written plan for trading securities as specified under Rule 10b5-1 promulgated under the Securities and Exchange Act of 1934, as amended, the terms of which are within the Company's discretion, subject to applicable securities laws, and are based on market conditions and the Company's liquidity needs. The 2016 Program will expire on January 31, 2019. Approximately $494.0 million remained available for repurchase under the 2016 Program at January 31, 2016.

The following table contains the Company's purchases of equity securities in the fourth quarter of 2015:

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 *(in millions)*
November 1, 2015 to November 30, 2015	362,224	$ 77.72	362,224	$ 128.6
December 1, 2015 to December 31, 2015	459,573	$ 76.17	459,573	$ 93.6
January 1, 2016 to January 31, 2016 [a]	605,919	$ 67.68	605,919	$ 494.0
TOTAL	1,427,716	$ 72.96	1,427,716	$ 494.0

a Shares were repurchased under the 2014 Program through January 21, 2016. Beginning on January 22, 2016, shares were repurchased under the 2016 Program.

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 2011-2015, which ended on January 31 of the following calendar year:

(in millions, except per share amounts, percentages, ratios, stores and employees)	2015 [a]	2014 [b]	2013 [c]	2012	2011 [d]
EARNINGS DATA					
Net sales	$ 4,104.9	$ 4,249.9	$ 4,031.1	$ 3,794.2	$ 3,642.9
Gross profit	2,491.3	2,537.2	2,340.4	2,163.3	2,151.2
Selling, general & administrative expenses	1,731.2	1,645.8	1,555.9	1,466.1	1,442.7
Net earnings	463.9	484.2	181.4	416.2	439.2
Net earnings per diluted share	3.59	3.73	1.41	3.25	3.40
Weighted-average number of diluted common shares	129.1	129.9	128.9	127.9	129.1
BALANCE SHEET AND CASH FLOW DATA					
Total assets	$ 5,129.7	$ 5,180.6	$ 4,752.4	$ 4,630.9	$ 4,159.0
Cash and cash equivalents	843.6	730.0	345.8	504.8	434.0
Inventories, net	2,225.0	2,362.1	2,326.6	2,234.3	2,073.2
Short-term borrowings and long-term debt (including current portion)	1,103.9	1,116.5	1,003.5	959.3	712.1
Stockholders' equity	2,929.5	2,850.7	2,734.0	2,611.3	2,348.9
Working capital *	2,778.6	2,850.8	2,431.1	2,485.5	2,180.0
Cash flows from operating activities	813.6	615.1	154.7	328.3	210.6
Capital expenditures	252.7	247.4	221.4	219.5	239.4
Stockholders' equity per share	23.10	22.04	21.31	20.57	18.54
Cash dividends paid per share	1.58	1.48	1.34	1.25	1.12
RATIO ANALYSIS AND OTHER DATA					
As a percentage of net sales:					
Gross profit	60.7%	59.7%	58.1%	57.0%	59.0%
Selling, general & administrative expenses	42.2%	38.7%	38.6%	38.6%	39.6%
Earnings from operations	18.5%	21.0%	7.5%	18.4%	19.4%
Net earnings	11.3%	11.4%	4.5%	11.0%	12.1%
Capital expenditures	6.2%	5.8%	5.5%	5.8%	6.6%
Return on average assets	9.0%	9.7%	3.9%	9.5%	11.1%
Return on average stockholders' equity	16.1%	17.3%	6.8%	16.8%	19.4%
Total debt-to-equity ratio	37.7%	39.2%	36.7%	36.7%	30.3%
Dividends as a percentage of net earnings	43.8%	39.5%	93.9%	38.1%	32.5%
Company-operated TIFFANY & CO. stores	307	295	289	275	247
Number of employees	12,200	12,000	10,600	9,900	9,800

* The Company adopted ASU No. 2015-17 – *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes* retrospectively as of January 31, 2016. Accordingly, current deferred taxes were reclassified to noncurrent in each of the years presented. See "Item 8. Financial Statements and Supplementary Data - Note B - Summary of Significant Accounting Policies" for additional information.

NOTES TO SELECTED FINANCIAL DATA

a. Financial information and ratios for 2015 include the following amounts, totaling $46.7 million of net pre-tax expense ($29.9 million net after tax expense, or $0.24 per diluted share):

- $37.9 million of net pre-tax expense ($24.3 million net after tax expense, or $0.19 per diluted share) associated with impairment charges related to a financing arrangement with Koidu Limited. See "Item 8. Financial Statements and Supplementary Data - Note J - Commitments and Contingencies" for additional information; and
- $8.8 million of net pre-tax expense ($5.6 million net after tax expense, or $0.05 per diluted share) 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 2014 include $93.8 million of net pre-tax expense ($60.9 million net after tax expense, or $0.47 per diluted share) associated with the redemption of $400.0 million in aggregate principal amount of certain senior notes prior to their scheduled maturities. See "Item 8. Financial Statements and Supplementary Data - Note G - Debt" for additional information.

c. Financial information and ratios for 2013 include the following amounts, totaling $482.1 million of net pre-tax expense ($299.2 million net after-tax expense, or $2.32 per diluted share):

- $480.2 million pre-tax expense associated with the Swatch arbitration award and $7.5 million pre-tax income associated with a foreign currency transaction gain on this expense. See "Item 8. Financial Statements and Supplementary Data - Note J - Commitments and Contingencies" for additional information regarding the arbitration proceeding; and
- $9.4 million 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.

d. Financial information and ratios for 2011 include $42.7 million of net pre-tax expense ($26.0 million net after-tax expense, or $0.20 per diluted share) 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.

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 Tiffany and, indirectly, of the Company. Management intends to continue to invest in marketing and public relations programs designed to build awareness of the Brand, its heritage and its products, as well as to enhance the Brand's association among consumers with quality and luxury. Management monitors these efforts and the strength of the Brand through market research.

- To maintain an active product development program.

  The Company's product development strategy is to introduce new design collections periodically and expand certain existing collections annually, both of which are intended to appeal to the Company's existing customer base as well as to new customers. The Company is also investing in the watch category, which it deems appropriate for the Brand and which presents an incremental long-term growth opportunity.

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

  To ensure a superior shopping experience, the Company employs highly-qualified sales and customer service professionals, focuses on enhancing sales and product training programs, and is investing in enhancing its information systems for customer relationship management. The Company also focuses on 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 expand and optimize its global distribution base.

  Management intends to continue to expand and optimize its global store base by evaluating potential markets for new TIFFANY & CO. stores, as well as through the renovation, relocation, or, in certain cases, the closure of existing stores. Management will also continue to evaluate opportunities for the growth of 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 number of potential worldwide locations remaining that meet financial and Brand requirements.

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

  The Company has developed substantial product supply infrastructure related to the procurement and processing of diamonds and to the manufacturing of jewelry. This infrastructure is intended to ensure adequate product supply and favorable product costs while maintaining the Company's

quality standards. The Company will continue to supplement its internal capabilities through its network of external suppliers.

Through the efforts above, management is committed to the following long-term financial objectives:

- To achieve improved operating margins.

  Management's long-term objective is to improve operating margin through gross margin improvement, which includes controlling product input costs, realizing greater efficiencies in its product supply chain and adjusting retail prices when appropriate. Additionally, management is focused on enhancing profitability by controlling selling, general and administrative expenses, including by enhancing its global procurement capabilities, thereby generating sales leverage on fixed costs. These efforts are intended to generate a higher rate of operating earnings growth relative to sales growth.

- To increase store productivity.

  Management is committed to growing sales per square foot by increasing consumer traffic and by enhancing the store environment and customer experience, increasing the percentage of store visitors who make a purchase.

- To improve asset productivity and cash flow.

  Management's long-term objective is to maintain inventory growth at a rate less than sales growth, with greater focus on efficiencies in product sourcing and manufacturing as well as optimizing store inventory levels, all of which is intended to contribute to improvements in cash flow and return on assets.

- To maintain a capital structure that provides financial strength and flexibility to pursue strategic initiatives and allows for the return of excess capital to shareholders.

2015 SUMMARY

- On a constant-exchange-rate basis (see "Non-GAAP Measures" below), worldwide net sales increased 2% due to growth in Europe, Japan and Asia-Pacific, while sales in the Americas decreased modestly from the prior year; comparable store sales were approximately equal to the prior year. The increase in sales was attributed to price increases and a shift in sales mix toward higher-priced products while there were unit declines across most categories and regions.

- As reported, worldwide net sales decreased 3% to $4.1 billion due to lower sales in all regions and product categories, which management attributed in part to the negative effect of currency translation and, in the Americas, to lower foreign tourist spending.

- The Company added a net of 12 TIFFANY & CO. stores (opening 11 in Asia-Pacific, three in the Americas and two in Europe, while closing three in Asia-Pacific and one in the Americas).

- The Company expanded its offerings within several existing jewelry collections and introduced its new TIFFANY & CO. brand watch collections.

- Excluding certain expenses in 2015 and 2014 (see "Non-GAAP Measures" below), earnings from operations as a percentage of net sales ("operating margin") decreased 1.3 percentage points due to higher SG&A expenses and the resulting sales deleveraging of SG&A expenses, which was only

partly offset by a higher gross margin. As reported, operating margin decreased 2.5 percentage points.

- Net earnings decreased 9% in 2015 excluding certain expenses recorded in 2015 and 2014 (see "Non-GAAP Measures" below). As reported, net earnings of $463.9 million, or $3.59 per diluted share, were 4% below the prior year.

- Inventories, net decreased 6% as reported, or 4% when excluding the translation effect of the strengthening U.S. dollar.

- Free cash flow (see "Non-GAAP Measures" below) was an inflow of $560.9 million in 2015, compared with $367.7 million in 2014.

- The Company returned cash to shareholders by continuing to pay regular quarterly dividends (which were increased 5% during the year to $0.40 per quarter, or an annualized rate of $1.60 per share) and spending $220.4 million to repurchase 2.8 million shares of its Common Stock.

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. These non-GAAP financial measures presented here may not be comparable to similarly-titled measures used by other companies.

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:

	2015			2014		
	GAAP Reported	Translation Effect	Constant-Exchange-Rate Basis	GAAP Reported	Translation Effect	Constant-Exchange-Rate Basis
Net Sales:						
Worldwide	(3)%	(5)%	2%	5%	(2)%	7%
Americas	(4)	(2)	(2)	6	—	6
Asia-Pacific	(2)	(5)	3	9	(1)	10
Japan	(2)	(12)	10	(4)	(8)	4
Europe	(1)	(13)	12	8	—	8
Other	(13)	—	(13)	18	—	18
Comparable Store Sales:						
Worldwide	(6)%	(6)%	—%	2%	(2)%	4%
Americas	(6)	(2)	(4)	5	(1)	6
Asia-Pacific	(5)	(5)	—	3	(1)	4
Japan	(7)	(12)	5	(7)	(8)	1
Europe	(5)	(14)	9	(1)	—	(1)
Other	(15)	—	(15)	8	—	8

Comparable Store Sales. Comparable store sales include only sales transacted in Company-operated stores open for more than 12 months. Sales for relocated stores are included in comparable store sales if the relocation occurs within the same geographical market. Sales for a new store are not included in comparable store sales if that store resulted from a relocation 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.

Statements 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 millions, except per share amounts)	GAAP	Impairment charges [a]	Specific cost-reduction initiatives [b]	Non-GAAP
Year Ended January 31, 2016				
Selling, general and administrative expenses	$ 1,731.2	$ (37.9)	$ (8.8)	$ 1,684.5
As a % of sales	42.2%			41.0%
Earnings from operations	760.1	37.9	8.8	806.8
As a % of sales	18.5%			19.7%
Net earnings	463.9	24.3	5.6	493.8
Diluted earnings per share	3.59	0.19	0.05	3.83

[a] Expenses associated with impairment charges related to a financing arrangement with Koidu Limited (see "Financing Arrangements with Diamond Mining and Exploration Companies").

[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 millions, except per share amounts)	GAAP	Debt extinguishment [c]	Non-GAAP
Year Ended January 31, 2015			
Loss on extinguishment of debt	$ 93.8	$ (93.8)	$ —
Provision for income taxes	253.4	32.8	286.2
Net earnings	484.2	60.9	545.1
Diluted earnings per share	3.73	0.47	4.20

[c] Expenses associated with the redemption of $400.0 million in aggregate principal amount of certain senior notes prior to their scheduled maturities (see "Loss on Extinguishment of Debt").

FORM 10-K

(in millions, except per share amounts)	GAAP	Arbitration award [d]	Specific cost-reduction initiatives [e]	Non-GAAP
Year Ended January 31, 2014				
Selling, general and administrative expenses	$ 1,555.9	$ —	$ (9.4)	$ 1,546.5
Earnings from operations	304.3	480.2	9.4	793.9
As a % of sales	7.5%			19.7%
Other expense (income), net	(13.2)	7.5	—	(5.7)
Provision for income taxes	73.5	179.3	3.6	256.4
Effective tax rate	28.8%			34.8%
Net earnings	181.4	293.4	5.8	480.6
As a % of sales	4.5%			11.9%
Diluted earnings per share	1.41	2.28	0.04	3.73

[d] 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 J - Commitments and Contingencies" for further information.

[e] 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.

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 purposes 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 millions)	2016	2015
Net cash provided by operating activities	$ 813.6	$ 615.1
Less: Capital expenditures	(252.7)	(247.4)
Free cash inflow	$ 560.9	$ 367.7

Net Sales

Net sales by segment were as follows:

(in millions)	2015	2014	2013	2015 vs 2014 % Change	2014 vs 2013 % Change
Americas	$ 1,947.0	$ 2,033.5	$ 1,926.9	(4)%	6%
Asia-Pacific	1,003.1	1,025.2	944.7	(2)	9
Japan	541.3	554.3	578.6	(2)	(4)
Europe	505.7	513.3	476.2	(1)	8
Other	107.8	123.6	104.7	(13)	18
	$ 4,104.9	$ 4,249.9	$ 4,031.1	(3)%	5%

Americas includes sales in 124 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 47% of worldwide net sales in 2015 and 48% in both 2014 and 2013, while sales in the U.S. represented 88% of net sales in the Americas in 2015, 2014 and 2013.

Asia-Pacific includes sales in 81 Company-operated TIFFANY & CO. stores, as well as sales of TIFFANY & CO. products in certain markets through Internet and wholesale operations. Asia-Pacific represented 24%, 24% and 23% of worldwide net sales in 2015, 2014 and 2013. Sales in Greater China represented more than half of Asia-Pacific's net sales in those same periods.

Japan includes sales in 56 Company-operated TIFFANY & CO. stores, as well as sales of TIFFANY & CO. products through business-to-business, Internet and wholesale operations. Japan represented 13%, 13% and 14% of worldwide net sales in 2015, 2014 and 2013.

Europe includes sales in 41 Company-operated TIFFANY & CO. stores, as well as sales of TIFFANY & CO. products in certain markets through the Internet. Europe represented 12% of worldwide net sales in 2015, 2014 and 2013. Sales in the United Kingdom ("U.K.") represent approximately 40% of European net sales.

Other consists of all non-reportable segments, including the Emerging Markets region, which consists of retail sales in five TIFFANY & CO. stores in the U.A.E. and wholesale sales of TIFFANY & CO. merchandise to independent distributors for resale in certain emerging markets (primarily in the Middle East). 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 a third-party licensing agreement.

Net Sales — 2015 compared with 2014. In 2015, worldwide net sales decreased $145.0 million, or 3%, due to lower sales in all regions. The strengthening of the U.S. dollar versus other currencies had the translation effect of reducing worldwide net sales growth by 5%, with net sales on a constant-exchange-rate basis increasing 2% (due to growth in Europe, Japan and Asia-Pacific, while sales in the Americas decreased modestly from the prior year).

In 2015, by product category, as reported in U.S. dollars on a GAAP basis, the engagement jewelry & wedding bands category decreased $74.9 million, or 6% (reflecting decreases in both solitaire diamond rings and wedding bands); the fashion jewelry category decreased $39.1 million, or 2% (reflecting a decline in sales of entry-level price point jewelry, largely in silver, partly offset by growth in gold jewelry

sales); and the statement, fine & solitaire jewelry category decreased $19.4 million, or 2% (reflecting lower sales of fine jewelry partly offset by higher statement jewelry sales).

Changes in net sales by reportable segment were as follows:

(in millions)	Comparable Store Sales	Non-comparable Store Sales	Wholesale/Other	Total
Americas	$ (103.5)	$ 12.9	$ 4.1	$ (86.5)
Asia-Pacific	(46.0)	32.7	(8.8)	(22.1)
Japan	(36.4)	9.6	13.8	(13.0)
Europe	(24.0)	11.7	4.7	(7.6)

Americas. In 2015, total sales decreased $86.5 million, or 4%, while on a constant-exchange-rate basis, total sales decreased 2% and comparable store sales decreased 4%. Management attributed the decrease in total sales and comparable store sales on a constant-exchange-rate basis to lower foreign tourist spending in the U.S. (which management believes was the result of a strong U.S. dollar) as well as to lower sales to U.S. customers. There was strong sales growth in Canada and Latin America.

Changes in jewelry sales (which represent 89% of America's total sales) relative to the prior year were as follows:

	Average Price per Unit Sold, as reported	Currency Translation	Average Price per Unit Sold, constant-exchange-rate basis	Number of Units Sold
Change in Jewelry Sales	6%	(2)%	8%	(11)%

The decrease in the number of jewelry units sold reflected decreases across all categories, especially in entry-level price point silver jewelry. On a constant-exchange-rate basis, management attributed the increase in the average price per jewelry unit sold to price increases and a shift in sales mix toward higher-priced products within the fashion jewelry category and toward statement jewelry.

Asia-Pacific. In 2015, total sales decreased $22.1 million, or 2%, while on a constant-exchange-rate basis, total sales increased 3%. The increase in total sales on a constant-exchange-rate basis was primarily due to sales growth in China and Australia partly offset by declines in Hong Kong; comparable store sales were unchanged.

Changes in jewelry sales (which represent 98% of Asia-Pacific's total sales) relative to the prior year were as follows:

	Average Price per Unit Sold, as reported	Currency Translation	Average Price per Unit Sold, constant-exchange-rate basis	Number of Units Sold
Change in Jewelry Sales	4%	(5)%	9%	(6)%

The decrease in the number of jewelry units sold occurred in entry-level price point silver jewelry and fine jewelry. On a constant-exchange-rate basis, management attributed the increase in the average price per jewelry unit sold to price increases and a shift in sales mix toward higher-priced products within the fashion jewelry category and toward statement jewelry.

Japan. In 2015, total sales decreased $13.0 million, or 2%, while on a constant-exchange-rate basis, total sales increased 10% and comparable store sales increased 5%. Management attributed the increase in total sales and comparable store sales on a constant-exchange-rate basis primarily to higher spending by foreign tourists.

Changes in jewelry sales (which represent 93% of Japan's total sales) relative to the prior year were as follows:

	Average Price per Unit Sold, as reported	Currency Translation	Average Price per Unit Sold, constant-exchange-rate basis	Number of Units Sold
Change in Jewelry Sales	(2)%	(12)%	10%	—%

On a constant-exchange-rate basis, management attributed the increase in the average price per jewelry unit sold to price increases and a shift in sales mix toward higher-priced products.

Europe. In 2015, total sales decreased $7.6 million, or 1%, while on a constant-exchange-rate basis, total sales increased 12% and comparable store sales increased 9%. The increase in total sales and comparable store sales on a constant-exchange-rate basis was due to growth across the region, which management attributed to higher spending by foreign tourists and, to a lesser extent, higher sales to local customers.

Changes in jewelry sales (which represent 96% of Europe's total sales) relative to the prior year were as follows:

	Average Price per Unit Sold, as reported	Currency Translation	Average Price per Unit Sold, constant-exchange-rate basis	Number of Units Sold
Change in Jewelry Sales	—%	(14)%	14%	(2)%

The decrease in the number of jewelry units sold was attributed to soft demand for silver jewelry. On a constant-exchange-rate basis, management attributed the increase in average price per jewelry unit sold to price increases and a shift in sales mix toward higher-priced products.

Other. In 2015, total sales decreased $15.8 million, or 13%, partly due to a $9.2 million, or 11%, sales decline in the Emerging Markets region that largely reflected lower comparable store sales. The remainder of the decrease was related to lower wholesale sales of diamonds.

Net Sales — 2014 compared with 2013. In 2014, worldwide net sales increased $218.8 million, or 5%, due to growth in most regions. The strengthening of the U.S. dollar versus other currencies had the translation effect of reducing worldwide net sales growth by 2%, with net sales on a constant-exchange-rate basis increasing 7% (due to growth in all regions).

In 2014, by product category, as reported in U.S. dollars on a GAAP basis, the fashion jewelry category increased $137.0 million, or 8% (reflecting growth in gold jewelry); the engagement jewelry & wedding bands category increased $62.9 million, or 5% (reflecting growth in solitaire diamond rings and wedding bands); and the statement, fine & solitaire jewelry category increased $13.4 million, or 1%.

Americas. In 2014, total sales increased $106.6 million, or 6%, due to an 11% increase in the average price per jewelry unit sold, which management attributed to price increases and a shift in sales mix

toward higher-priced products. A 5% decline in the number of jewelry units sold was entirely due to soft demand for entry-level price point silver jewelry. Included in the $106.6 million increase is an $80.9 million, or 5%, increase in comparable store sales due to geographically broad-based growth across most of the region and a $27.8 million increase in non-comparable store sales. On a constant-exchange-rate basis, both total sales and comparable store sales increased 6%.

Asia-Pacific. In 2014, total sales increased $80.5 million, or 9%, due to a 5% increase in the average price per jewelry unit sold as well as a 4% increase in the number of jewelry units sold. Management attributed the increase in the average price to price increases and a shift in sales mix toward higher-priced products. The increase in the number of jewelry units sold reflected growth in all product categories. The $80.5 million increase reflected a $39.7 million increase in non-comparable store sales, a $24.0 million, or 3%, increase in comparable store sales and a $17.4 million increase in wholesale sales of TIFFANY & CO. merchandise to independent distributors. On a constant-exchange-rate basis, total sales increased 10% and comparable store sales increased 4% due to growth in most markets.

Japan. In 2014, total sales decreased $24.3 million, or 4%, and comparable store sales decreased $35.2 million, or 7%, due to the negative effects of currency translation. On a constant-exchange-rate basis, total sales increased 4% due to a 9% increase in the average price per jewelry unit sold partly offset by a 5% decrease in the number of jewelry units sold across all categories. Management attributed the increase in average price to price increases and a shift in sales mix toward higher-priced products within the fashion jewelry category. Comparable store sales on a constant-exchange-rate basis increased 1%. The overall sales performance reflected significant sales growth in the first quarter prior to an increase in the consumption tax in April 2014, offset by softness in sales in the remaining quarters.

Europe. In 2014, total sales increased $37.1 million, or 8%, due to a 4% increase in both the number of jewelry units sold and in the average price per jewelry unit sold. Management attributed the increase in the number of jewelry units sold to fashion jewelry, and the increase in average price to price increases and a shift in sales mix toward higher-priced products within the fashion jewelry category. The $37.1 million increase was driven by a $43.0 million increase in non-comparable store sales. On a constant-exchange-rate basis, total sales increased 8% due to strength in continental Europe and comparable store sales decreased 1%.

Other. In 2014, total sales increased $18.9 million, or 18%, primarily due to a $10.9 million, or 14%, sales increase in the Emerging Markets region that partly reflected comparable store sales growth. The remainder of the increase was primarily related to higher wholesale sales of diamonds.

<u>Store Data</u>. In 2015, the Company opened 16 stores and closed four: opening three in the Americas (in the U.S., Canada and Chile), 11 in Asia-Pacific (five in China, two in Macau and one each in Korea, Singapore, Taiwan and Thailand) and two in Europe (in Spain and Switzerland) while closing one store in the Americas and three stores in Asia-Pacific. In addition, the Company relocated nine existing stores.

In 2014, the Company added a net of 6 stores: three in the Americas (two in the U.S. and one in Mexico), two in Japan, one in Asia-Pacific (in Australia) and two in Europe (in France and Russia) while closing two stores in the Americas.

Sales per gross square foot generated by all company-operated stores were approximately $2,900 in 2015, $3,100 in 2014 and $3,100 in 2013. The decline in 2015 reflected growth in retail square footage exceeding sales growth (which was negatively affected by currency translation).

Gross Margin

(dollars in millions)	2015	2014	2013
Gross profit	$ 2,491.3	$ 2,537.2	$ 2,340.4
Gross profit as a percentage of net sales	60.7%	59.7%	58.1%

Gross margin (gross profit as a percentage of net sales) increased 1.0 percentage point in 2015 reflecting favorable product input costs that were partly offset by a shift in sales mix to higher-priced, lower-margin products. In addition, the benefit from retail price increases was partly offset by the negative effect from the strong U.S. dollar.

Gross margin increased 1.6 percentage points in 2014 largely benefiting from favorable product input costs and price increases, and, to some extent, a shift in sales mix to higher-margin products, especially in the fashion jewelry category.

Management periodically reviews and adjusts its retail prices when appropriate to address product input cost increases, specific market conditions and changes in foreign currencies/U.S. dollar relationships. Its long-term strategy is to continue that approach, although significant increases in product input costs or weakening foreign currencies can affect gross margin negatively over the short-term until management makes necessary price adjustments. 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 H - Hedging Instruments"). Management increased retail prices in both 2015 and 2014 across all geographic regions and product categories.

Selling, General and Administrative Expenses

(dollars in millions)	2015	2014	2013
As reported:			
SG&A expenses	$ 1,731.2	$ 1,645.8	$ 1,555.9
SG&A expenses as a percentage of net sales	42.2%	38.7%	38.6%
Excluding items in "Non-GAAP Measures":			
SG&A expenses	$ 1,684.5	$ 1,645.8	$ 1,546.5
SG&A expenses as a percentage of net sales	41.0%	38.7%	38.4%

SG&A expenses increased $85.4 million, or 5%, in 2015 and $89.8 million, or 6%, in 2014. SG&A expenses in those years are not comparable due to the inclusion of loan impairment charges in 2015 and the inclusion of certain expenses associated with specific cost-reduction initiatives in 2015 and 2013. See "Non-GAAP Measures" for further details.

SG&A expenses in 2015 (excluding the 2015 items noted in "Non-GAAP Measures") increased $38.7 million, or 2%, largely reflecting (i) increased marketing expenses of $18.0 million, (ii) increased store occupancy and depreciation expenses of $16.5 million (related to new and existing stores) and (iii) decreased labor costs of $7.1 million (primarily lower variable labor costs for incentive compensation and sales commissions partly offset by increased costs for U.S. pension and postretirement benefit plans). The strengthening of the U.S. dollar had the effect of decreasing SG&A expense growth by 4%, and therefore, excluding this effect, SG&A expenses would have increased 6%.

SG&A expenses in 2014 (excluding the 2013 items noted in "Non-GAAP Measures") increased $99.2 million, or 6%, largely reflecting (i) increased marketing expenses of $30.5 million, (ii) increased fixed

labor costs of $26.0 million (primarily increased store-related labor costs) and (iii) increased store occupancy and depreciation expenses of $22.6 million (related to new and existing stores). There was no significant translation effect on expense growth from changes in foreign currencies.

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) typically represent approximately 15 - 20% of total SG&A expenses.

Arbitration Award Expense

In the fourth quarter of 2013, the Company recorded a charge of $480.2 million, 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 J - Commitments and Contingencies" for additional information.

Earnings from Operations

(dollars in millions)	2015	2014	2013
As reported:			
Earnings from operations	$ 760.1	$ 891.4	$ 304.3
Operating margin	18.5%	21.0%	7.5%
Percentage point change from prior year	(2.5)	13.5	(10.9)
Excluding other operating expenses:			
Earnings from operations	$ 806.8	$ 891.4	$ 793.9
Operating margin	19.7%	21.0%	19.7%
Percentage point change from prior year	(1.3)	1.3	1.3

The change in 2015, excluding other operating expenses in 2015, reflected higher SG&A expenses and the resulting sales deleveraging of SG&A expenses, which was only partly offset by higher gross margin. The change in 2014, excluding other operating expenses in 2013, was due to an increase in gross margin.

Results by segment are as follows:

(in millions)		2015	% of Net Sales		2014	% of Net Sales		2013	% of Net Sales
Earnings (losses) from operations*:									
Americas	$	390.8	20.1 %	$	435.5	21.4 %	$	374.3	19.4 %
Asia-Pacific		264.4	26.4		281.6	27.5		244.1	25.8
Japan		199.9	36.9		196.0	35.4		215.6	37.3
Europe		97.4	19.3		110.5	21.5		102.4	21.5
Other		6.4	6.0		4.9	4.0		(1.8)	(1.8)
		958.9			1,028.5			934.6	
Unallocated corporate expenses		(152.1)	(3.7)%		(137.1)	(3.2)%		(140.7)	(3.5)%
Earnings from operations before other operating expenses		806.8	19.7 %		891.4	21.0 %		793.9	19.7 %
Other operating expenses		(46.7)			—			(489.6)	
Earnings from operations	$	760.1	18.5 %	$	891.4	21.0 %	$	304.3	7.5 %

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

On a segment basis, the ratio of earnings (losses) from operations to each segment's net sales in 2015 compared with 2014 was as follows:

- Americas – the ratio decreased 1.3 percentage points due to a decrease in net sales resulting in sales deleveraging of operating expenses partly offset by an improvement in gross margin;
- Asia-Pacific – the ratio decreased 1.1 percentage points due to increased store-related operating expenses and marketing spending partly offset by an improvement in gross margin;
- Japan – the ratio increased 1.5 percentage points due to leveraging of operating expenses (as operating expenses decreased at a higher rate than sales) partly offset by a decrease in gross margin attributable to currency translation;
- Europe – the ratio decreased 2.2 percentage points resulting from increased store-related operating expenses and marketing spending, partly offset by an improvement in gross margin; and
- Other – the ratio increased 2.0 percentage points primarily due to an improvement in gross margin offset by the deleveraging of operating expenses both of which were affected by the decrease in wholesale sales of diamonds. To a lesser extent, contributing to the increase is the improvement in the performance of retail operations in the Emerging Markets region.

On a segment basis, the ratio of earnings (losses) from operations to each segment's net sales in 2014 compared with 2013 was as follows:

- Americas – the ratio increased 2.0 percentage points resulting from an improvement in gross margin;
- Asia-Pacific – the ratio increased 1.7 percentage points primarily due to an improvement in gross margin partly offset by increased spending for new and existing stores;

- Japan – the ratio decreased 1.9 percentage points due to a decrease in gross margin (primarily resulting from a reduced benefit from the Company's ongoing program to utilize Yen forward contracts for a portion of forecasted merchandise purchases);
- Europe – the ratio was unchanged due to an improvement in gross margin offset by increased spending for new and existing stores; and
- Other – the ratio increased 5.8 percentage points due to an improvement in the performance of retail operations in the Emerging Markets region and lower charges associated with the write-down of wholesale diamond inventory deemed not suitable for the Company's needs.

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 by $15.0 million in 2015, primarily due to increased costs associated with upgrades to the Company's information technology systems. Unallocated corporate expenses decreased by $3.6 million in 2014.

Included in other operating expenses in the table above, the 2015 amount represented $37.9 million associated with impairment charges related to a financing arrangement with Koidu and $8.8 million of expenses associated with specific cost-reduction initiatives. See "Item 8. Financial Statements and Supplementary Data - Note J - Commitments and Contingencies."

Included in other operating expenses in the table above, the 2013 amount represented $480.2 million of expenses associated with the adverse arbitration ruling between the Swatch Group Ltd. and the Company and $9.4 million of expenses associated with specific cost-reduction initiatives. See "Item 8. Financial Statements and Supplementary Data - Note J - Commitments and Contingencies."

Interest Expense and Financing Costs

Interest expense and financing costs decreased $13.9 million, or 22%, in 2015 as a result of lower interest expense on long-term debt (reflecting the October 2014 redemption of long-term debt using proceeds from the issuance of lower-rate long-term debt in September 2014) as well as lower average credit facility borrowings. Interest expense and financing costs in 2014 were approximately equal to 2013.

Other Expense (Income), Net

Other expense (income), net includes interest income as well as gains/losses on investment activities and foreign currency transactions. Net expense of $1.2 million in 2015 compared with net income of $2.8 million in 2014. The $4.0 million change was primarily due to foreign currency transaction losses. Other expense (income), net in 2014 decreased $10.4 million, or 79%, reflecting $7.5 million of foreign currency transaction gains related to the Arbitration Award expense that had been recorded in 2013, with the remaining $2.9 million primarily due to other foreign currency transaction losses. See "Item 8. Financial Statements and Supplementary Data - Note J - Commitments and Contingencies" and "Non-GAAP Measures" for further information.

Loss on Extinguishment of Debt

In 2014, the Company recorded a loss on extinguishment of debt of $93.8 million associated with the redemption of all of the aggregate principal amount outstanding of the Company's (i) $100.0 million principal amount of 9.05% Series A Senior Notes due December 23, 2015; (ii) $125.0 million principal amount of 10.0% Series A-2009 Senior Notes due February 13, 2017; (iii) $50.0 million principal amount of 10.0% Series A Senior Notes due April 9, 2018; and (iv) $125.0 million principal amount of

10.0% Series B-2009 Senior Notes due February 13, 2019 (collectively, the "Private Placement Notes") prior to maturity in accordance with the respective note purchase agreements governing each series of Private Placement Notes, which included provisions for make-whole payments in the event of early repayment.

Provision for Income Taxes

The effective income tax rate was 34.7% in 2015 compared with 34.4% in 2014 and 28.8% in 2013. In 2013, the effective income tax rate would have been 34.8% when excluding the effects of certain expenses noted in "Non-GAAP Measures".

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, 2016, the Company’s cash and cash equivalents totaled $843.6 million, of which approximately one-third 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 and incur applicable income tax charges. 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 millions)	2015	2014	2013
Net cash provided by (used in):			
Operating activities	$ 813.6	$ 615.1	$ 154.7
Investing activities	(278.2)	(217.0)	(246.8)
Financing activities	(422.3)	(23.4)	(65.4)
Effect of exchange rates on cash and cash equivalents	0.5	9.5	(1.5)
Net increase (decrease) in cash and cash equivalents	$ 113.6	$ 384.2	$ (159.0)

Operating Activities

The Company had a net cash inflow from operating activities of $813.6 million in 2015, $615.1 million in 2014 and $154.7 million in 2013. The year-over-year improvement from 2014 to 2015 was primarily due to reduced inventory purchases. The change from 2013 to 2014 was primarily due to the improvement in operating performance and the timing of income tax payments and other payables.

Working Capital. Working capital (current assets less current liabilities) and the corresponding current ratio (current assets divided by current liabilities) were $2.8 billion and 4.8 at January 31, 2016 compared with $2.9 billion and 5.3 at January 31, 2015.

Accounts receivable, less allowances at January 31, 2016 were 6% higher than at January 31, 2015. The strengthening of the U.S. dollar had the effect of decreasing accounts receivable, less allowances by 2%. Therefore, excluding that effect, accounts receivable, less allowances would have increased 8% from January 31, 2015 largely reflecting in-house credit tied to strong sales of statement jewelry (see "Item 8. Financial Statements and Supplementary Data - Note B - Summary of Significant Accounting Policies"). On a 12-month rolling basis, accounts receivable turnover was 21 times in 2015 and 2014.

Inventories, net at January 31, 2016 were 6% lower than at January 31, 2015. Finished goods inventories decreased 7%, while combined raw material and work-in-process inventories decreased 4%. The strengthening of the U.S. dollar had the effect of decreasing inventories by 2%. Therefore, excluding that effect, inventories would have declined 4% from January 31, 2015 due to improved inventory management and reduced inventory purchases.

Investing Activities

The Company had a net cash outflow from investing activities of $278.2 million in 2015, $217.0 million in 2014 and $246.8 million in 2013. The increased outflow in 2015 was primarily due to increased purchases of marketable securities and short-term investments. The decreased outflow in 2014 was due to net proceeds received from the sale of marketable securities and short-term investments partly offset by increased capital expenditures.

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 marketable securities and short-term investments of $26.4 million during 2015, net proceeds received from the sale of marketable securities and short-term investments of $15.2 million during 2014 and purchases of marketable securities and short-term investments of $23.5 million during 2013.

Capital Expenditures. Capital expenditures are typically related to the opening, renovation and/or relocation of stores (which represented approximately half of capital expenditures in 2015, 2014 and 2013), distribution and manufacturing facilities and ongoing investments in information technology. Capital expenditures were $252.7 million in 2015, $247.4 million in 2014 and $221.4 million in 2013, representing 6%, 6% and 5% of worldwide net sales in those respective years. The increase in 2014 reflected incremental spending for information technology systems and internal manufacturing capacity.

Notes Receivable Funded. The Company has extended loans to diamond mining and exploration companies in order to obtain rights to purchase the mine's output. The Company loaned $3.1 million in 2013.

Proceeds from Notes Receivable Funded. In 2014 and 2013, the Company received $15.2 million and $1.2 million of repayments associated with loans extended to diamond mining and exploration companies discussed in *Notes Receivable Funded* above. No such proceeds were received in 2015.

Financing Activities

The Company had net cash outflows from financing activities of $422.3 million in 2015, $23.4 million in 2014 and $65.4 million in 2013. Year-over-year changes in cash flows from financing activities are largely driven by borrowings. Additionally, the Company resumed repurchasing its Common Stock in 2014 under a new share repurchase program after it did not repurchase any of its Common Stock in 2013.

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

(in millions)	2015	2014	2013
Short-term borrowings:			
(Repayments of) proceeds from credit facility borrowings, net	$ (11.3)	$ (12.5)	$ 49.9
Proceeds from other credit facility borrowings	24.8	19.8	89.8
Repayments of other credit facility borrowings	(16.0)	(3.4)	(69.7)
Net (repayments of) proceeds from short-term borrowings	(2.5)	3.9	70.0
Long-term borrowings:			
Proceeds from issuances	—	548.0	—
Repayments	—	(400.0)	—
Net proceeds from long-term borrowings	—	148.0	—
Net (repayments of) proceeds from total borrowings	(2.5)	151.9	70.0
Payments of debt extinguishment costs (included in operating activities)	—	(93.4)	—
Net (repayments) proceeds	$ (2.5)	$ 58.5	$ 70.0

Credit Facilities. In 2014, Tiffany & Co. entered into a four-year $375.0 million and a five-year $375.0 million multi-bank, multi-currency, committed unsecured revolving credit facility, including letter of credit subfacilities (collectively, the "New Credit Facilities"), resulting in a total borrowing capacity of $750.0 million. The New Credit Facilities replaced the previously existing $275.0 million three-year unsecured revolving credit facility and $275.0 million five-year unsecured revolving credit facility, which were terminated and repaid concurrently with Tiffany & Co.'s entry into the New Credit Facilities. See "Item 8. Financial Statements and Supplementary Data - Note G - Debt" for additional information.

Other Credit Facilities. In 2013, Tiffany & Co.'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 930.0 million ($141.4 million at January 31, 2016). 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. The Tiffany-Shanghai Credit Agreement matures in July 2016. See "Item 8. Financial Statements and Supplementary Data - Note G - Debt" for additional information.

Under all of the Company's credit facilities, at January 31, 2016, there were $221.6 million of borrowings, $5.6 million of letters of credit issued but not outstanding and $790.8 million available for borrowing. At January 31, 2015, there were $234.0 million of borrowings, $5.7 million of letters of credit issued but not outstanding and $772.2 million available for borrowing. The weighted-average interest rate for borrowings outstanding was 2.90% at January 31, 2016 and 3.28% at January 31, 2015.

Senior Notes. In 2014, Tiffany & Co. issued $250.0 million aggregate principal amount of 3.80% Senior Notes due 2024 (the "2024 Notes") and $300.0 million aggregate principal amount of 4.90% Senior Notes due 2044 (the "2044 Notes" and, together with the 2024 Notes, the "Senior Notes"). The Senior Notes were issued at a discount with aggregate net proceeds of $548.0 million (with an effective yield of 3.836% for the 2024 Notes and an effective yield of 4.926% for the 2044 Notes). Tiffany & Co. used the

net proceeds from the issuance of the Senior Notes to redeem $400.0 million in aggregate principal amount of long-term debt prior to their scheduled maturities which ranged from 2015 to 2019 and paid $93.4 million of debt extinguishment costs associated with the redemption. The Company used the remaining net proceeds from the sale of the Senior Notes for general corporate purposes. See "Item 8. Financial Statements and Supplementary Data - Note G - Debt" for additional information.

The ratio of total debt (short-term borrowings, current portion of long-term debt and long-term debt) to stockholders' equity was 38% at January 31, 2016 and 39% at January 31, 2015.

At January 31, 2016, 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 $400.0 million 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 with $163.8 million of unused capacity.

In March 2014, the Company's Board of Directors approved a share repurchase program ("2014 Program") which authorized the Company to repurchase up to $300.0 million of its Common Stock through open market transactions. The program had an expiration date of March 31, 2017, but was terminated in January 2016 in connection with the authorization of a new program with increased repurchase capacity (as described in more detail below). Approximately $58.6 million remained available for repurchase under the 2014 Program at the time of its termination.

In January 2016, the Company's Board of Directors approved a new share repurchase program ("2016 Program") which authorizes the Company to repurchase up to $500.0 million of its Common Stock through open market transactions, block trades or privately negotiated transactions and terminated the 2014 Program. Purchases under the 2014 Program were, and purchases under the 2016 Program have been, executed under a written plan for trading securities as specified under Rule 10b5-1 promulgated under the Securities and Exchange Act of 1934, as amended, the terms of which are within the Company's discretion, subject to applicable securities laws, and are based on market conditions and the Company's liquidity needs. The 2016 Program will expire on January 31, 2019. Approximately $494.0 million remained available for repurchase under the 2016 Program at January 31, 2016.

The Company's share repurchase activity was as follows:

(in millions, except per share amounts)	2015	2014	2013
Cost of repurchases	$ 220.4	$ 27.0	$ —
Shares repurchased and retired	2.8	0.3	—
Average cost per share	$ 78.40	$ 89.91	$ —

Dividends. The cash dividend on the Company's Common Stock was increased once in each of 2015, 2014 and 2013. The Company's Board of Directors declared quarterly dividends which totaled $1.58, $1.48 and $1.34 per common share in 2015, 2014 and 2013 with cash dividends paid of $203.4 million, $191.2 million and $170.2 million in those respective years. The dividend payout ratio (dividends as a percentage of net earnings) was 44%, 39% and 94% in 2015, 2014 and 2013. Dividends as a percentage of adjusted net earnings (see "Non-GAAP Measures") were 41% in 2015 and 35% in both 2014 and 2013.

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.

Financing Arrangements with Diamond Mining and Exploration Companies

The Company has provided financing to diamond mining and exploration companies in order to obtain rights to purchase the output from mines owned by these companies. At January 31, 2016, there was $43.8 million of principal outstanding under a financing arrangement (the "Loan") with Koidu Limited (previously Koidu Holdings S.A.) ("Koidu"). The Loan, which was entered into between Koidu and Laurelton Diamonds, Inc., a wholly owned subsidiary of the Company, in March 2011, originally provided that repayments of principal would begin in March 2013. However, in March 2013, the Company agreed to Koidu's request to defer the principal and interest payments due in 2013 to subsequent years and, in March 2014, the Company agreed to Koidu's request to provide for monthly rather than semi-annual payments of the principal payments due in 2014. The Company received such scheduled monthly payments from Koidu in 2014. On April 30, 2015, the Company also agreed to defer Koidu's principal payment due on March 30, 2015 ("2015 Amendment"), subject to certain conditions set forth in the 2015 Amendment, which were met in June 2015.

In August 2015, Koidu requested that its interest payment due in July 2015 be deferred until a future date to be determined, and it advised the Company that it was likely to request a deferral of interest payments due in August and September of 2015. Based on these requests and other discussions with Koidu, in which Koidu had informed the Company that it was seeking additional sources of capital to fund ongoing operations of the mine, and with consideration given to the fact that Koidu did not respond to the Company's request for a proposed revised payment schedule for its obligations under the Loan, management believed that it was probable that the Company would be unable to collect all amounts due according to the contractual terms of the Loan, and recorded an impairment charge, and related valuation allowance, of $9.6 million in the second quarter of 2015. Additionally, the Company ceased accruing interest income on the outstanding Loan balance as of July 31, 2015.

As of January 31, 2016, Koidu has not made any of its interest payments due in July 2015 and thereafter, nor its principal payment due in September 2015. The missed payments constitute events of default under the Loan. Koidu has yet to provide a proposed revised payment schedule for its obligations under the Loan. In February 2016, the Company received the results from two separate and independent reviews of Koidu's operational plans, forecasts, and cash flow projections for the mine, which were commissioned by the Company and by Koidu's largest creditor, respectively. Based on these factors, ongoing discussions with Koidu, and consideration of the possible actions that all parties, including the Government of Sierra Leone and Koidu's largest creditor, may take under the circumstances, management believes that it is probable that the portion of the amounts due under the contractual terms of the Loan that the Company will be unable to collect will be greater than originally estimated, and recorded an additional impairment charge, and related valuation allowance, of $28.3 million in the fourth quarter of 2015. The carrying amount of the Company's loan receivable from Koidu, net of the valuation allowance, is $5.9 million at January 31, 2016.

The Company intends to continue to participate in discussions with Koidu regarding operational plans, forecasts and cash flow projections for the mine, as well as revisions to the payment schedule for the Loan. The Company also intends to continue to participate in discussions with certain of Koidu's stakeholders, including its largest creditor and the Government of Sierra Leone. The outcome of these discussions, as well as any other developments, will inform management's ongoing evaluation of the collectability of the Loan and the accrual of interest income. It is possible that such ongoing evaluation may result in additional changes to management's assessment of collectability. While such changes in management's assessment would not have a material adverse effect on the Company's financial position or cash flows, it is possible that such a change in assessment could affect the Company's earnings in the period in which such a change were to occur. Additionally, future developments may result in Koidu

defaulting under its diamond supply agreement with the Company, in which case the Company would lose access to the mine's output, although management believes this would not have a material impact on the Company's operations. See "Item 8. Financial Statements and Supplementary Data - Note B - Summary of Significant Accounting Policies and Note J - Commitments and Contingencies" for additional information on this financing arrangement.

Contractual Cash Obligations and Commercial Commitments

The following is a summary of the Company's contractual cash obligations at January 31, 2016:

(in millions)	Total	2016	2017-2018	2019-2020	Thereafter
Unrecorded contractual obligations:					
Operating leases [a]	$ 1,585.8	$ 273.6	$ 416.8	$ 297.7	$ 597.7
Inventory purchase obligations [b]	319.1	319.1			
Interest on debt [c]	729.3	36.0	70.4	70.4	552.5
Other contractual obligations [d]	91.7	68.9	14.2	2.0	6.6
Recorded contractual obligations:					
Short-term borrowings	221.6	221.6	—	—	—
Current portion of long-term debt	84.2	84.2	—	—	—
Long-term debt [e]	800.0	—	—	—	800.0
	$ 3,831.7	$ 1,003.4	$ 501.4	$ 370.1	$ 1,956.8

a) Operating lease obligations do not include obligations for contingent rent, property taxes, insurance and maintenance that are required by most lease agreements. Contingent rent for the year ended January 31, 2016 totaled $34.9 million. See "Item 8. Financial Statements and Supplementary Data - Note J - Commitment and Contingencies" for a discussion of the Company's operating leases.

b) The Company will, from time to time, secure supplies of rough diamonds by agreeing to purchase a defined portion of a mine's output. Inventory purchase obligations associated with these agreements have been estimated at approximately $100.0 million for 2016 and included in this table. Purchases beyond 2016 that are contingent upon mine production have been excluded as they cannot be reasonably estimated.

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

d) Consists primarily of technology licensing and service contracts, fixed royalty commitments, construction-in-progress and packaging supplies.

e) Amounts exclude any unamortized discount or premium.

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 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. To the extent that these requirements are fully covered by assets in the Qualified Plan, the Company may elect not to make any contribution in a particular year. No cash contribution was required in 2015, and none is required in 2016, to meet the minimum funding requirements of the Employee Retirement Income Security Act ("ERISA"). The Company

periodically evaluates whether to make discretionary cash contributions to the Qualified Plan, and currently does not anticipate making such contributions in 2016. This expectation is subject to change based on management's assessment of a variety of factors, including, but not limited to, asset performance, interest rates and changes in actuarial assumptions. The Company estimates cash payments for postretirement health-care and life insurance benefit obligations to be $1.7 million in 2016.

- Unrecognized tax benefits at January 31, 2016 of $10.2 million and accrued interest and penalties of $7.8 million. 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. At January 31, 2016, approximately $9.1 million of total unrecognized tax benefits, if recognized, would affect the effective income tax rate. Management believes it is reasonably possible that a majority of the total gross amount provided for unrecognized tax benefits will decrease in the next 12 months. 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, 2016:

(in millions)	Total Capacity	Borrowings Outstanding	Letters of Credit Issued	Available Capacity
Four-year revolving credit facility [a]	$ 375.0	$ 22.1	$ —	$ 352.9
Five-year revolving credit facility [b]	375.0	54.5	5.6	314.9
Other credit facilities [c]	268.0	145.0	—	123.0
	$ 1,018.0	$ 221.6	$ 5.6	$ 790.8

[a] Matures in October 2018.
[b] Matures in October 2019.
[c] Maturities throughout 2016.

In addition, the Company has other available letters of credit and financial guarantees of $75.0 million of which $26.6 million was outstanding at January 31, 2016. Of those available letters of credit and financial guarantees, $60.2 million 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, 2016, a 10% change in the reserve for discontinued and slow-moving products would have resulted in a change of $5.9 million 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 2015, 2014 or 2013.

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 2015, 2014 and 2013 evaluations resulted in no impairment charges.

Notes receivable and other financing arrangements. The Company has provided 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 along with 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. In 2015, the Company recorded impairment charges totaling $37.9 million (see "Item 8. Financial Statements and Supplementary Data - Note B - Summary of Significant Accounting Policies and Note J - Commitments and Contingencies" for additional information). The Company did not record any material impairment charges in 2014 or 2013.

Income taxes. The Company is subject to income taxes in U.S. federal and state, as well as 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 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. At January 31, 2016, total unrecognized tax benefits were $10.2 million of which approximately $9.1 million, if recognized, would affect the effective income tax rate. Management believes it is reasonably possible that a majority of the total gross amount provided for unrecognized tax benefits will decrease in the next 12 months. Future developments may result in a change in this assessment.

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 3.75% to determine 2015 expense for its U.S. Qualified Plan as well as its Excess Plan/SRIP and 3.50% for its postretirement plans. Holding all other assumptions constant, a 0.5% increase in the discount rates would have decreased 2015 pension and postretirement expenses by $7.9 million and $1.2 million. A decrease of 0.5% in the discount rates would have increased the 2015 pension and postretirement expenses by $8.9 million and $1.4 million. 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 on pension plan assets of 7.50% to determine its 2015 pension expense. Holding all other assumptions constant, a 0.5% change in the long-term rate of return would have changed the 2015 pension expense by approximately $1.6 million. 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, 7.25% annual rate of increase in the per capita cost of covered health care was assumed for 2016. The rate was assumed to decrease gradually to 4.75% by 2023 and remain at that level thereafter. A one-percentage-point increase in the assumed health-care cost trend rate would increase the Company's accumulated postretirement benefit obligation by approximately $3.9 million for the year ended January 31, 2016. Decreasing the assumed health-care cost trend rate by one-percentage point would decrease the Company's accumulated postretirement benefit obligation by approximately $2.8 million for the year ended January 31, 2016. A one-percentage-point change in the assumed health-care cost trend rate would not have a significant effect on the Company's aggregate service and interest cost components of the 2015 postretirement expense.

2016 Outlook

For the fiscal year ending January 31, 2017, management is forecasting full year earnings per diluted share will range from unchanged to a mid-single-digit decline compared with 2015's $3.83 per diluted share (excluding the loan impairment and staffing and occupancy charges noted in "Non-GAAP Measures"). Based on sales trends in the current quarter-to-date and an assumption of gradual improvement over the course of the year, management expects that earnings per diluted share in the first quarter may decline by 15-20%, followed by a 5-10% decline in the second quarter and a resumption of growth in the second half. This forecast 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 on a constant-exchange-rate basis increasing by a low-single-digit percentage, but approximately equal to the prior year when translated into U.S. dollars.
- Increasing worldwide gross retail square footage by 2%, net through 11 store openings, 6 relocations and 9 closings.
- Operating margin below the prior year's 19.7% (excluding the prior year's charges) due to an expected increase in gross margin but with SG&A expense growth (despite some benefit from lower pension costs) exceeding sales growth.
- Interest and other expenses, net unchanged from 2015.
- An effective income tax rate slightly lower than the prior year.
- Net inventories unchanged from the prior year.
- Capital expenditures of $260.0 million.
- Free cash flow of at least $400.0 million.

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.

Foreign Currency Risk

The Company uses 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 maximum term of the Company's outstanding foreign exchange forward contracts as of January 31, 2016 is 12 months. At January 31, 2016 and 2015, the fair value of the Company's outstanding foreign exchange forwards were net liabilities of $0.9 million and net assets of $20.1 million, respectively. At January 31, 2016, 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 $40.0 million.

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 manage the effect of volatility in precious metal prices. The Company may use a combination of call and put option contracts in net-zero-cost collar arrangements ("precious metal collars") or forward contracts. For precious metal collars, if the price of the precious metal at the time of the expiration of the precious metal collar is within the call and put price, the precious metal collar would expire at no cost to the Company. In 2015, the Company increased the term over which it is hedging its exposure to volatility in precious metal prices, as well as the portion of expected future metals purchases hedged, which has increased the number of precious metal derivative instruments outstanding at the end of the period. The maximum term of the Company's outstanding precious metal forward contracts as of January 31, 2016 is 24 months. At January 31, 2016 and 2015, the fair value of the Company's outstanding precious metal derivative instruments were net liabilities of $12.6 million and $2.9 million, respectively. At January 31, 2016, a 10% depreciation in precious metal prices from the prevailing market rates would have resulted in a liability with a fair value of approximately $26.0 million.

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, 2016 and January 31, 2015, and the results of their operations and their cash flows for each of the three years in the period ended January 31, 2016 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, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* 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.

As discussed in Note B to the consolidated financial statements, in 2015, the Company changed the manner in which it classifies deferred taxes on the consolidated balance sheets.

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
March 28, 2016

CONSOLIDATED BALANCE SHEETS

		January 31,
(in millions, except per share amounts)	2016	2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 843.6	$ 730.0
Short-term investments	43.0	1.5
Accounts receivable, less allowances of $11.5 and $10.6	206.4	195.2
Inventories, net	2,225.0	2,362.1
Prepaid expenses and other current assets	190.4	220.0
Total current assets	3,508.4	3,508.8
Property, plant and equipment, net	935.8	899.5
Deferred income taxes	382.8	426.1
Other assets, net	302.7	346.2
	$ 5,129.7	$ 5,180.6
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	$ 221.6	$ 234.0
Current portion of long-term debt	84.2	—
Accounts payable and accrued liabilities	329.1	318.0
Income taxes payable	27.1	39.9
Merchandise credits and deferred revenue	67.9	66.1
Total current liabilities	729.9	658.0
Long-term debt	798.1	882.5
Pension/postretirement benefit obligations	428.1	524.2
Deferred gains on sale-leasebacks	55.1	64.5
Other long-term liabilities	189.0	200.7
Commitments and contingencies		
Stockholders' equity:		
Preferred Stock, $0.01 par value; authorized 2.0 shares, none issued and outstanding	—	—
Common Stock, $0.01 par value; authorized 240.0 shares, issued and outstanding 126.8 and 129.3	1.3	1.3
Additional paid-in capital	1,175.7	1,173.6
Retained earnings	2,012.5	1,950.7
Accumulated other comprehensive loss, net of tax	(278.1)	(290.5)
Total Tiffany & Co. stockholders' equity	2,911.4	2,835.1
Non-controlling interests	18.1	15.6
Total stockholders' equity	2,929.5	2,850.7
	$ 5,129.7	$ 5,180.6

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF EARNINGS

	Years Ended January 31,		
(in millions, except per share amounts)	2016	2015	2014
Net sales	$ 4,104.9	$ 4,249.9	$ 4,031.1
Cost of sales	1,613.6	1,712.7	1,690.7
Gross profit	2,491.3	2,537.2	2,340.4
Selling, general and administrative expenses	1,731.2	1,645.8	1,555.9
Arbitration award expense	—	—	480.2
Earnings from operations	760.1	891.4	304.3
Interest expense and financing costs	49.0	62.9	62.6
Other expense (income), net	1.2	(2.8)	(13.2)
Loss on extinguishment of debt	—	93.8	—
Earnings from operations before income taxes	709.9	737.5	254.9
Provision for income taxes	246.0	253.3	73.5
Net earnings	$ 463.9	$ 484.2	$ 181.4
Net earnings per share:			
Basic	$ 3.61	$ 3.75	$ 1.42
Diluted	$ 3.59	$ 3.73	$ 1.41
Weighted-average number of common shares:			
Basic	128.6	129.2	127.8
Diluted	129.1	129.9	128.9

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

	Years Ended January 31,		
(in millions)	2016	2015	2014
Net earnings	$ 463.9	$ 484.2	$ 181.4
Other comprehensive earnings (loss), net of tax			
Foreign currency translation adjustments	(59.0)	(93.1)	(27.2)
Unrealized (loss) gain on marketable securities	(2.9)	(0.8)	0.8
Unrealized (loss) gain on hedging instruments	(21.4)	1.2	(3.4)
Net unrealized gain (loss) on benefit plans	95.7	(139.2)	65.1
Total other comprehensive earnings (loss), net of tax	12.4	(231.9)	35.3
Comprehensive earnings	$ 476.3	$ 252.3	$ 216.7

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(in millions)	Total Stockholders' Equity	Retained Earnings	Accumulated Other Comprehensive Loss	Common Stock		Additional Paid-In Capital	Non-Controlling Interests
				Shares	Amount		
Balance at January 31, 2013	$ 2,611.3	$ 1,671.3	$ (93.9)	126.9	$ 1.3	$ 1,020.0	$ 12.6
Exercise of stock options and vesting of restricted stock units ("RSUs")	27.9	—	—	1.4	—	27.9	—
Tax effect of exercise of stock options and vesting of RSUs	14.9	—	—	—	—	14.9	—
Share-based compensation expense	32.5	—	—	—	—	32.5	—
Cash dividends on Common Stock	(170.2)	(170.2)	—	—	—	—	—
Other comprehensive earnings, net of tax	35.3	—	35.3	—	—	—	—
Net earnings	181.4	181.4	—	—	—	—	—
Non-controlling interests	0.9	—	—	—	—	—	0.9
Balance at January 31, 2014	2,734.0	1,682.5	(58.6)	128.3	1.3	1,095.3	13.5
Exercise of stock options and vesting of RSUs	36.9	—	—	1.3	—	36.9	—
Tax effect of exercise of stock options and vesting of RSUs	14.1	—	—	—	—	14.1	—
Share-based compensation expense	26.7	—	—	—	—	26.7	—
Issuance of Common Stock under Employee Profit Sharing and Retirement Savings Plan	3.9	—	—	—	—	3.9	—
Purchase and retirement of Common Stock	(27.0)	(24.8)	—	(0.3)	—	(2.2)	—
Cash dividends on Common Stock	(191.2)	(191.2)	—	—	—	—	—
Other comprehensive loss, net of tax	(231.9)	—	(231.9)	—	—	—	—
Net earnings	484.2	484.2	—	—	—	—	—
Redemption of non-controlling interest	—	—	—	—	—	(1.1)	1.1
Non-controlling interests	1.0	—	—	—	—	—	1.0
Balance at January 31, 2015	2,850.7	1,950.7	(290.5)	129.3	1.3	1,173.6	15.6
Exercise of stock options and vesting of RSUs	0.3	—	—	0.3	—	0.3	—
Tax effect of exercise of stock options and vesting of RSUs	2.1	—	—	—	—	2.1	—
Share-based compensation expense	24.8	—	—	—	—	24.8	—
Purchase and retirement of Common Stock	(220.4)	(198.7)	—	(2.8)	—	(21.7)	—
Cash dividends on Common Stock	(203.4)	(203.4)	—	—	—	—	—
Other comprehensive earnings, net of tax	12.4	—	12.4	—	—	—	—
Net earnings	463.9	463.9	—	—	—	—	—
Redemption of non-controlling interest	(2.2)	—	—	—	—	(3.4)	1.2
Non-controlling interests	1.3	—	—	—	—	—	1.3
Balance at January 31, 2016	$ 2,929.5	$ 2,012.5	$ (278.1)	126.8	$ 1.3	$ 1,175.7	$ 18.1

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended January 31,		
(in millions)	2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings	$ 463.9	$ 484.2	$ 181.4
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	202.5	194.2	180.6
Amortization of gain on sale-leasebacks	(8.3)	(9.2)	(9.5)
Excess tax benefits from share-based payment arrangements	(2.2)	(14.1)	(14.9)
Provision for inventories	25.4	33.6	31.7
Deferred income taxes	(1.9)	37.7	(27.9)
Provision for pension/postretirement benefits	65.8	39.2	49.0
Share-based compensation expense	24.5	26.5	32.2
Loan impairment charges	37.9	—	—
Changes in assets and liabilities:			
Accounts receivable	(16.7)	(17.6)	(23.2)
Inventories	63.7	(167.6)	(168.3)
Prepaid expenses and other current assets	1.1	(20.9)	(14.7)
Other assets, net	(17.5)	(20.2)	(21.3)
Accounts payable and accrued liabilities	(15.3)	(5.9)	45.4
Income taxes payable	3.1	81.9	(70.1)
Merchandise credits and deferred revenue	3.0	(2.7)	4.7
Other long-term liabilities	(15.4)	(24.0)	(20.4)
Net cash provided by operating activities	813.6	615.1	154.7
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of marketable securities and short-term investments	(100.0)	(40.1)	(23.5)
Proceeds from sales of marketable securities and short-term investments	73.6	55.3	—
Capital expenditures	(252.7)	(247.4)	(221.4)
Proceeds from sale of assets, net	0.9	—	—
Notes receivable funded	—	—	(3.1)
Proceeds from notes receivable	—	15.2	1.2
Net cash used in investing activities	(278.2)	(217.0)	(246.8)
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Repayment of) proceeds from credit facility borrowings, net	(11.3)	(12.5)	49.9
Proceeds from other credit facility borrowings	24.8	19.8	89.8
Repayment of other credit facility borrowings	(16.0)	(3.4)	(69.7)
Proceeds from the issuance of long-term debt	—	548.0	—
Repayment of long-term debt	—	(400.0)	—
Payment for settlement of interest rate swaps	—	(4.2)	—
Repurchase of Common Stock	(220.4)	(27.0)	—
Proceeds from exercised stock options	2.0	42.9	27.9
Excess tax benefits from share-based payment arrangements	2.2	14.1	14.9
Cash dividends on Common Stock	(203.4)	(191.2)	(170.2)
Distribution to non-controlling interest	—	(1.9)	(0.7)
Financing fees	(0.2)	(8.0)	(7.3)
Net cash used in financing activities	(422.3)	(23.4)	(65.4)
Effect of exchange rate changes on cash and cash equivalents	0.5	9.5	(1.5)
Net increase/(decrease) in cash and cash equivalents	113.6	384.2	(159.0)
Cash and cash equivalents at beginning of year	730.0	345.8	504.8
Cash and cash equivalents at end of year	$ 843.6	$ 730.0	$ 345.8

See notes to consolidated financial statements.

A. NATURE OF BUSINESS

Tiffany & Co. is a holding company that operates through its subsidiary companies (collectively, the "Company"). Its principal subsidiary, Tiffany and Company ("Tiffany"), is a jeweler and specialty retailer. Through its subsidiaries, the Company designs and manufactures products and operates TIFFANY & CO. retail stores worldwide, and also sells its products through Internet, catalog, business-to-business and wholesale operations. The Company's principal merchandise offering is jewelry (representing 93% of worldwide net sales in 2015); it also sells timepieces, leather goods, sterling silverware, china, crystal, stationery, fragrances and accessories.

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 Internet, catalog, business-to-business 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 Internet, business-to-business and wholesale operations;

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

- Other consists of all non-reportable segments. Other includes the Emerging Markets region, which consists of retail sales in Company-operated TIFFANY & CO. stores in the United Arab Emirates ("U.A.E.") and wholesale sales of TIFFANY & CO. merchandise to independent distributors for resale in certain emerging markets (primarily in the Middle East). 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 Tiffany & Co. 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 financial institution.

Short-Term Investments

Short-term investments are classified as available-for-sale and are carried at fair value. At January 31, 2016 and 2015, 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 reevaluates such designation as of each balance sheet date.

Receivables and Financing Arrangements

Receivables. The Company's accounts receivable, net primarily consists of amounts due from Credit Receivables (defined below), department store operators that host TIFFANY & CO. boutiques in their stores, third-party credit card issuers and wholesale customers. 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, management'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"), management 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. Certain customers may be granted payment terms which permit purchases above a minimum amount to be paid for in equal monthly installments over a period not to exceed 12 months (together with Credit Card Receivables, "Credit Receivables"). Credit Receivables require minimum balance payments. An account is classified 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 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, 2016 and 2015, the carrying amount of the Credit Receivables (recorded in accounts receivable, net) was $75.2 million and $63.9 million, of which 97% and 98% were considered current, respectively. The allowance for doubtful accounts for estimated losses associated with the Credit Receivables (approximately $1.0 million at January 31, 2016 and 2015) was determined based on the factors discussed above. Finance charges earned on Credit Card accounts are not significant.

Financing Arrangements. The Company has provided financing to diamond mining and exploration companies in order to obtain rights to purchase the mine's output (see "Note J - Commitments and

Contingencies"). Management evaluates these financing arrangements for potential impairment by reviewing the parties' financial statements along with projections and business, operational and other economic factors on a periodic basis. At January 31, 2016 and 2015, the current portion of the carrying amount of financing arrangements including accrued interest was $2.1 million and $18.6 million and was recorded in prepaid expenses and other current assets. At January 31, 2016 and 2015, the non-current portion of the carrying amount of financing arrangements including accrued interest was $18.9 million and $40.7 million and was included in other assets, net.

As of January 31, 2016, the Company had a $43.8 million financing arrangement (the "Loan") with Koidu Limited (previously Koidu Holdings S.A.) ("Koidu"). On April 30, 2015, the Company agreed to defer Koidu's principal payment due on March 30, 2015 ("2015 Amendment"), subject to certain conditions set forth in the 2015 Amendment, which were met in June 2015.

In August 2015, Koidu requested that its interest payment due in July 2015 be deferred until a future date to be determined, and it advised the Company that it was likely to request a deferral of interest payments due in August and September of 2015. Based on these requests and other discussions with Koidu, in which Koidu had informed the Company that it was seeking additional sources of capital to fund ongoing operations of the mine, and with consideration given to the fact that Koidu did not respond to the Company's request for a proposed revised payment schedule for its obligations under the Loan, management believed that it was probable that the Company would be unable to collect all amounts due according to the contractual terms of the Loan, and recorded an impairment charge, and related valuation allowance, of $9.6 million in the second quarter of 2015. Additionally, the Company ceased accruing interest income on the outstanding Loan balance as of July 31, 2015.

As of January 31, 2016, Koidu has not made any of its interest payments due in July 2015 and thereafter, nor its principal payment due in September 2015. The missed payments constitute events of default under the Loan. Koidu has yet to provide a proposed revised payment schedule for its obligations under the Loan. In February 2016, the Company received the results from two separate and independent reviews of Koidu's operational plans, forecasts, and cash flow projections for the mine, which were commissioned by the Company and by Koidu's largest creditor, respectively. Based on these factors, ongoing discussions with Koidu, and consideration of the possible actions that all parties, including the Government of Sierra Leone and Koidu's largest creditor, may take under the circumstances, management believes that it is probable that the portion of the amounts due under the contractual terms of the Loan that the Company will be unable to collect will be greater than originally estimated, and recorded an impairment charge, and related valuation allowance, of $28.3 million in the fourth quarter of 2015. The carrying amount of the Company’s loan receivable from Koidu, net of the valuation allowance, is $5.9 million at January 31, 2016. See "Note J. - Commitments and Contingencies" for additional information on this financing arrangement.

The Company recorded no material impairment charges on such loans as of January 31, 2015.

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 2015, 2014 or 2013.

Intangible Assets and Key Money

Intangible assets, consisting of product rights and trademarks, are recorded at cost and are amortized on a straight-line basis over their estimated useful lives which range from 15 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, 2016		January 31, 2015	
(in millions)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Product rights	$ 49.6	$ (9.2)	$ 59.4	$ (16.2)
Key money deposits	32.7	(3.3)	33.7	(2.4)
Trademarks	2.5	(2.5)	2.5	(2.5)
	$ 84.8	$ (15.0)	$ 95.6	$ (21.1)

Amortization of intangible assets and key money for the years ended January 31, 2016, 2015 and 2014 was $3.7 million, $7.8 million and $4.2 million. Amortization expense is estimated to be approximately $3.5 million in each of the next five years.

Goodwill

Goodwill represents the excess of cost over fair value of net assets acquired in a business combination. 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, 2016 and 2015, goodwill, included in other assets, net, consisted of the following by segment:

(in millions)	Americas	Asia-Pacific	Japan	Europe	Other	Total
January 31, 2014	$ 12.4	$ 0.3	$ 1.1	$ 1.1	$ 24.8	$ 39.7
Translation	(0.1)	—	—	—	(0.8)	(0.9)
January 31, 2015	12.3	0.3	1.1	1.1	24.0	38.8
Translation	(0.1)	—	—	(0.1)	(0.1)	(0.3)
January 31, 2016	$ 12.2	$ 0.3	$ 1.1	$ 1.0	$ 23.9	$ 38.5

The Company recorded no impairment charges in 2015, 2014 or 2013.

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 2015, 2014 or 2013.

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 other 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 expense (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 $0.9 million and $5.1 million of gross unrealized gains and $1.8 million and $1.9 million of gross unrealized losses within accumulated other comprehensive loss as of January 31, 2016 and 2015.

Realized gains or losses reclassified from other comprehensive earnings are 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, 2016, 2015 or 2014.

Merchandise Credits and Deferred Revenue

Merchandise credits and deferred revenue primarily represent outstanding gift cards sold to customers and outstanding credits issued to customers for returned merchandise. All such outstanding items may be tendered for future merchandise purchases. A gift card liability is established when the gift card is sold. 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. 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 (for example, approximately three to five years in the U.S.), 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 2015, 2014 and 2013, these costs totaled $302.0 million, $284.0 million and $253.2 million, representing 7.4%, 6.7% and 6.3% 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. Within other expense (income), net, the Company recorded net losses resulting from foreign currency transactions of $9.8 million and $3.7 million in 2015 and 2014 and a net gain of $4.7 million in 2013. Included within the amount for 2013 was a $7.5 million transaction gain related to amounts associated with the award issued in the arbitration between the Swatch Group Ltd. and the Company. See "Note J - Commitments and Contingencies."

Income Taxes

The Company accounts for income taxes under the asset and liability method, 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 ("EPS")

Basic 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 millions)	2016	2015	2014
Net earnings for basic and diluted EPS	$ 463.9	$ 484.2	$ 181.4
Weighted-average shares for basic EPS	128.6	129.2	127.8
Incremental shares based upon the assumed exercise of stock options and unvested restricted stock units	0.5	0.7	1.1
Weighted-average shares for diluted EPS	129.1	129.9	128.9

For the years ended January 31, 2016, 2015 and 2014, there were 0.8 million, 0.3 million and 0.4 million stock options and restricted stock units excluded from the computations of earnings per diluted share due to their antidilutive effect.

New Accounting Standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09 – *Revenue From Contracts with Customers*, to clarify the principles of recognizing revenue and create common revenue recognition guidance between U.S. Generally Accepted Accounting Principles ("GAAP") and International Financial Reporting Standards. The core principle of the guidance is that a company should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. In doing so, companies will need to use more judgment and make more estimates than under current guidance. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. In August 2015, the FASB issued ASU 2015-14 – *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, deferring the effective date for one year to interim and annual periods beginning after December 15, 2017. Early adoption is also permitted as of the original effective date (interim and annual periods beginning after December 15, 2016) and retrospective application is required. Management is currently evaluating the impact of this ASU on the consolidated financial statements.

In February 2015, the FASB issued ASU No. 2015-02 – *Amendments to the Consolidation Analysis*, which amends the criteria for determining which entities are considered VIEs, amends the criteria for determining if a service provider possesses a variable interest in a VIE, and ends the deferral granted to investment companies for application of the VIE consolidation model. This ASU is effective for fiscal years and interim periods within those years beginning after December 15, 2015 and early adoption is permitted. This ASU is not expected to have a material impact on the consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-03 – *Simplifying the Presentation of Debt Issuance Costs*, which changes the presentation of debt issuance costs in financial statements. Under the ASU, an entity will present such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of the costs will continue to be reported as interest expense. In August 2015, the FASB issued ASU No. 2015-15 – *Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements*, which indicates the Securities and Exchange Commission staff would not object to an entity deferring and continuing to present debt issuance costs related to line-of-credit arrangements as an asset and subsequently amortizing the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement. ASU 2015-03 is effective retrospectively for interim and annual periods beginning after December 15, 2015 and early adoption is permitted. The Company expects to adopt ASU 2015-03 beginning on February 1, 2016 and the adoption of the new guidance is not expected to have a material impact on the Company's financial condition and financial statement disclosures.

In April 2015, the FASB issued ASU No. 2015-05 – *Customer's Accounting for Fees Paid in a Cloud Computing Arrangement* (an update to *Subtopic 350-40, Intangibles – Goodwill and Other – Internal-Use Software*), which provides guidance on accounting for cloud computing fees. If a cloud computing arrangement includes a software license, then the customer should account for the license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the arrangement should be accounted for as a service contract. This ASU is effective for arrangements entered into, or materially modified, in interim and annual periods beginning after December 15, 2015. Retrospective application is permitted but not required. This ASU is not expected to have a material impact on the consolidated financial statements.

In July 2015, the FASB issued ASU No. 2015-11 – *Inventory (Topic 330): Simplifying the Measurement of Inventory*, which states an entity should measure inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. This amendment applies to all inventory that is measured using the average costs or first-in first-out (FIFO) methods. This supersedes prior guidance which allowed entities to measure inventory at the lower of cost or market, where market could be replacement cost, net realizable value or net realizable value less an approximately normal profit margin. This ASU is effective for interim and annual periods beginning after December 15, 2016. The amendments should be applied prospectively and earlier application is permitted. This ASU is not expected to have a material impact on the consolidated financial statements.

In November 2015, the FASB issued ASU No. 2015-17 – *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes*, which states an entity should classify deferred tax liabilities and assets as noncurrent amounts. This supersedes prior guidance under which an entity was required to classify deferred tax liabilities and assets as current or noncurrent based on the classification of the related asset or liability. This ASU is effective for interim and annual periods beginning after December 15, 2016, with earlier adoption permitted. The amendments may be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. The Company adopted this ASU retrospectively as of January 31, 2016. Accordingly, current deferred taxes were reclassified to noncurrent on the January 31, 2015 Consolidated Balance Sheet, which increased noncurrent assets by $102.6 million and noncurrent liabilities by $0.1 million.

In February 2016, the FASB issued ASU No. 2016-02 – *Leases*, which requires an entity that leases assets to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. This ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018 and must be adopted using a modified retrospective approach. Management is currently evaluating the impact of this ASU on the consolidated financial statements.

C. SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid during the year for:

	Years Ended January 31,		
(in millions)	2016	2015	2014
Interest, net of interest capitalization	$ 42.5	$ 59.7	$ 58.5
Income taxes	$ 237.5	$ 133.4	$ 160.7

Supplemental noncash investing and financing activities:

	Years Ended January 31,		
(in millions)	2016	2015	2014
Issuance of Common Stock under the Employee Profit Sharing and Retirement Savings Plan	$ —	$ 3.9	$ —

D. INVENTORIES

	January 31,	
(in millions)	2016	2015
Finished goods	$ 1,292.9	$ 1,386.8
Raw materials	813.7	866.9
Work-in-process	118.4	108.4
Inventories, net	$ 2,225.0	$ 2,362.1

FORM 10-K

E. PROPERTY, PLANT AND EQUIPMENT

(in millions)	January 31, 2016	2015
Land	$ 45.6	$ 42.7
Buildings	120.9	125.8
Leasehold and building improvements	1,102.8	1,036.4
Office equipment	554.9	586.2
Furniture and fixtures	265.3	261.1
Machinery and equipment	169.2	155.2
Construction-in-progress	95.7	59.8
	2,354.4	2,267.2
Accumulated depreciation and amortization	(1,418.6)	(1,367.7)
	$ 935.8	$ 899.5

The provision for depreciation and amortization for the years ended January 31, 2016, 2015 and 2014 was $196.3 million, $182.8 million and $171.5 million.

F. ACCOUNTS PAYABLE AND ACCRUED LIABILTIES

(in millions)	January 31, 2016	2015
Accounts payable - trade	$ 127.8	$ 118.0
Accrued compensation and commissions	77.9	83.9
Accrued sales, withholding and other taxes	21.9	21.8
Other	101.5	94.3
	$ 329.1	$ 318.0

G. DEBT

(in millions)	January 31, 2016	2015
Short-term borrowings:		
Credit Facilities	$ 76.6	$ 92.5
Other credit facilities	145.0	141.5
	$ 221.6	$ 234.0
Long-term debt:		
Unsecured Senior Notes:		
2010 1.72% Notes, due September 2016 [a, b]	$ 84.2	$ 84.5
2012 4.40% Series B Notes, due July 2042 [c]	250.0	250.0
2014 3.80% Senior Notes, due October 2024 [a, d]	249.3	249.3
2014 4.90% Senior Notes, due October 2044 [a, d]	298.8	298.7
	882.3	882.5
Less current portion of long-term debt	84.2	—
	$ 798.1	$ 882.5

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

[b] These Notes were issued, at par, ¥10.0 billion.

[c] The agreements governing these Notes require repayments of $50.0 million in aggregate every five years beginning in 2022.

[d] These Notes were issued at a discount which will be amortized until the debt maturity.

Credit Facilities

In 2014, Tiffany & Co. entered into a four-year $375.0 million and a five-year $375.0 million multi-bank, multi-currency, committed unsecured revolving credit facility, including letter of credit subfacilities, (collectively, the "New Credit Facilities") resulting in a total borrowing capacity of $750.0 million. The New Credit Facilities replaced the previously existing $275.0 million three-year unsecured revolving credit facility and $275.0 million five-year unsecured revolving credit facility, which were terminated and repaid concurrently with Tiffany & Co.'s entry into the New Credit Facilities. The New Credit Facilities are available for working capital and other corporate purposes. Borrowings under the New Credit Facilities will bear interest at a rate per annum equal to, at the option of the Company, (1) LIBOR (or other applicable reference rate) for the relevant currency plus an applicable margin based upon the Company's leverage ratio as defined under the New Credit Facilities, or (2) an alternate base rate equal to the highest of (i) the Federal Funds Rate plus 0.50%, (ii) Bank of America, N.A.'s prime rate and (iii) one-month LIBOR plus 1%, plus an applicable margin based upon the Company's leverage ratio as defined under the New Credit Facilities. The New Credit Facilities also require payment to the lenders of a facility fee on the amount of the lenders' commitments under the credit facilities from time to time at rates based upon the Company's leverage ratio as defined under the New Credit Facilities. Voluntary prepayments of the loans and voluntary reductions of the unutilized portion of the commitments under the New Credit Facilities are permissible without penalty, subject to certain conditions pertaining to minimum notice and minimum reduction amounts.

At January 31, 2016, there were $76.6 million of borrowings outstanding, $5.6 million of letters of credit issued but not outstanding and $667.8 million available for borrowing under the New Credit Facilities. At January 31, 2015, there were $92.5 million of borrowings outstanding, $5.7 million of letters of credit issued but not outstanding and $651.8 million available for borrowings. The weighted-average interest rate for borrowings outstanding was 1.54% at January 31, 2016 and 1.49% at January 31, 2015. The four-year credit facility will expire in October 2018. The five-year credit facility will expire in October 2019.

Other Credit Facilities

Tiffany-Shanghai Credit Agreement. In 2013, Tiffany & Co.'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 930.0 million ($141.4 million at January 31, 2016). 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. At January 31, 2016, there was $99.3 million available to be borrowed under the Tiffany-Shanghai Credit Agreement, of which $42.1 million was outstanding at a weighted-average interest rate of 4.72%. At January 31, 2015, there was $111.3 million available to be borrowed, of which $37.6 million was outstanding at a weighted-average interest rate of 6.00%. 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, 2016, the facilities totaled $126.6 million, of which $102.9 million was outstanding at a weighted-average interest rate of 3.16%. At January 31, 2015, the facilities totaled $113.0 million, of which $103.9 million was outstanding at a weighted-average interest rate of 3.90%.

Senior Notes

In 2014, Tiffany & Co. issued $250.0 million aggregate principal amount of 3.80% Senior Notes due 2024 (the "2024 Notes") and $300.0 million aggregate principal amount of 4.90% Senior Notes due 2044 (the "2044 Notes" and, together with the 2024 Notes, the "Notes"). The Notes were issued at a discount with aggregate net proceeds of $548.0 million (with an effective yield of 3.836% for the 2024 Notes and an effective yield of 4.926% for the 2044 Notes). Tiffany & Co. used the net proceeds from the issuance of the Notes to redeem all of the aggregate principal amount outstanding of its (i) $100.0 million principal amount of 9.05% Series A Senior Notes due December 23, 2015; (ii) $125.0 million principal amount of 10.0% Series A-2009 Senior Notes due February 13, 2017; (iii) $50.0 million principal amount of 10.0% Series A Senior Notes due April 9, 2018; and (iv) $125.0 million principal amount of 10.0% Series B-2009 Senior Notes due February 13, 2019 (collectively, the "Private Placement Notes") prior to maturity in accordance with the respective note purchase agreements governing each series of Private Placement Notes, which included provisions for make-whole payments in the event of early redemption. As a result of the redemptions, the Company recorded a loss on extinguishment of debt of $93.8 million in 2014. The Company used the remaining net proceeds from the sale of the Notes for general corporate purposes. The Notes are Tiffany & Co.'s general unsecured obligations and rank equally in right of payment with all of Tiffany & Co.'s existing and any future unsecured senior debt and rank senior in right of payment to any of Tiffany & Co.'s future subordinated debt.

The 2024 Notes bear interest at a fixed rate of 3.80% per annum and the 2044 Notes bear interest at a fixed rate of 4.90% per annum, payable semi-annually in arrears on April 1 and October 1 of each year, commencing on April 1, 2015. Tiffany & Co. will make each interest payment to the holders of record of the Notes on the immediately preceding March 15 and September 15.

Tiffany & Co. has the option to redeem the Notes, in whole or in part, by providing no less than 30 nor more than 60 days' prior notice at a redemption price equal to the sum of (i) 100% of the principal amount of the Notes to be redeemed, plus (ii) accrued and unpaid interest, if any, on those Notes to the redemption date, plus (iii) a make-whole premium as of the redemption date, as defined in the indenture governing the Notes, as amended and supplemented in respect of each series of Notes (the "Indenture"). In addition, Tiffany & Co. has the option to redeem some or all of the 2024 Notes on or after July 1, 2024, at a redemption price equal to the sum of 100% of the principal amount of the 2024 Notes to be redeemed, together with accrued and unpaid interest, if any, on those 2024 Notes to the redemption date. Tiffany & Co. also has the option to redeem some or all of the 2044 Notes on or after April 1, 2044, at a redemption price equal to the sum of 100% of the principal amount of the 2044 Notes to be redeemed, together with accrued and unpaid interest, if any, on those 2044 Notes to the redemption date.

Upon the occurrence of a change of control triggering event (as defined in the Indenture), unless Tiffany & Co. has exercised its right to redeem the Notes, each holder of Notes will have the right to require Tiffany & Co. to repurchase all or a portion of such holder’s Notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase.

Debt Covenants

The agreements governing the New Credit Facilities include specific financial covenants, as well as other covenants that limit the ability of Tiffany & Co. to incur certain subsidiary indebtedness, incur liens, impose restrictions on subsidiary distributions and engage in mergers, consolidations and sales of all or substantially all of Tiffany & Co. and its subsidiaries’ assets, in addition to other requirements and “Events of Default” (as defined in the agreements governing the New Credit Facilities) customary to such borrowings.

The Tiffany-Shanghai Credit Agreement includes certain covenants that limit Tiffany-Shanghai's ability to pay certain dividends, make certain investments and incur certain indebtedness, and the Guaranty requires maintenance by Tiffany & Co. of specific financial covenants and ratios, in addition to other requirements and limitations customary to such borrowings.

The Indenture contains covenants that, among other things, limit the ability of Tiffany & Co. and its subsidiaries under certain circumstances to create liens and impose conditions on Tiffany & Co.’s ability to engage in mergers, consolidations and sales of all or substantially all of its or its subsidiaries’ assets. The Indenture also contains certain “Events of Default” (as defined in the Indenture) customary for indentures of this type. The Indenture does not contain any specific financial covenants.

The agreements governing the 2010 1.72% Notes and the 2012 4.40% Series B Notes require maintenance of specific financial covenants and ratios and limit certain changes to indebtedness of Tiffany & Co. and its subsidiaries and the general nature of the business, in addition to other requirements customary to such borrowings.

At January 31, 2016, 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 as set forth in the agreements governing the Company's applicable debt instruments, such agreements may be terminated or payment of the applicable debt may be accelerated. Further, each of the New Credit Facilities, the Tiffany-Shanghai Credit Agreement, the agreements governing the 2010 1.72% Notes and the 2012 4.40% Series B Notes, and certain other loan agreements contain cross default provisions permitting the

termination and acceleration 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 their maturity.

Long-Term Debt Maturities

Aggregate maturities of long-term debt as of January 31, 2016 are as follows:

Years Ending January 31,		Amount [a] *(in millions)*
2017	$	84.2
2018		—
2019		—
2020		—
2021		—
Thereafter		800.0
	$	884.2

[a] Amounts exclude any unamortized discount or premium.

Letters of Credit

The Company has available letters of credit and financial guarantees of $75.0 million of which $26.6 million was outstanding at January 31, 2016. Of those available letters of credit and financial guarantees, $60.2 million expires within one year. These amounts do not include letters of credit issued under the Credit Facilities.

H. HEDGING INSTRUMENTS

Background Information

The Company uses derivative financial instruments, including interest rate swaps, forward contracts, put option contracts and net-zero-cost collar arrangements (combination of call and put option contracts) to mitigate a portion of its exposures to changes in interest rates, foreign currency and precious metal prices.

Derivative Instruments Designated as Hedging Instruments. If a derivative instrument meets certain hedge accounting criteria, it is recorded on the consolidated balance sheet at its fair value, as either an asset or a liability, with an offset to current or comprehensive earnings, depending on whether the hedge 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.

Derivative Instruments Not Designated as Hedging Instruments. Derivative instruments which do not meet the criteria to be designated as a hedge are recorded on the consolidated balance sheet at their fair values, as either assets or liabilities, with an offset to current earnings.

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 $250.0 million of additional debt which was incurred in July 2012. The Company accounted for the forward-starting interest rate swaps as cash flow hedges. As of January 31, 2016, $21.1 million remains recorded as an unrealized loss in accumulated other comprehensive loss, which is being amortized over the term of the 2042 Notes to which the interest rate swaps related.

In 2014, 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 long-term debt which was incurred in September 2014 (refer to "Note G - Debt"). The Company accounted for the forward-starting interest rate swaps as cash flow hedges. The Company settled the interest rate swap in 2014 and recorded an unrealized loss within accumulated other comprehensive loss. As of January 31, 2016, $4.0 million remains recorded as an unrealized loss and is being amortized over the terms of the respective 2024 Notes or 2044 Notes to which the interest rate swaps related.

Foreign Exchange Forward Contracts – The Company uses foreign exchange forward 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 Company assesses hedge effectiveness based on the total changes in the foreign exchange forward contracts' cash flows. These foreign exchange forward 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, 2016, the notional amount of foreign exchange forward contracts accounted for as cash flow hedges was as follows:

(in millions)		Notional Amount		USD Equivalent
Derivatives designated as hedging instruments:				
Japanese yen	¥	17,444.7	$	145.5
British pound	£	15.0		23.0
Derivatives not designated as hedging instruments:				
U.S. dollar	$	52.8	$	52.8
Euro	€	15.1		16.5
British pound	£	3.9		5.5
Japanese yen	¥	1,048.5		8.8
Hong Kong dollar	HK$	58.2		7.4
Mexican peso	₱	215.2		12.3
Singapore dollar	S$	28.6		19.9
Swiss franc	Fr.	22.2		22.1

The maximum term of the Company's outstanding foreign exchange forward contracts as of January 31, 2016 is 12 months.

Precious Metal Collars and Forward Contracts – The Company periodically hedges a portion of its forecasted purchases of precious metals for use in its internal manufacturing operations in order to manage the effect of volatility in precious metal prices. The Company may use either a combination of call and put option contracts in net-zero-cost collar arrangements ("precious metal collars") or forward contracts. For precious metal collars, if the price of the precious metal at the time of the expiration of the precious metal collar is within the call and put price, the precious metal collar expires at no cost to the Company. The Company accounts for its precious metal collars and forward contracts as cash flow hedges. The Company assesses hedge effectiveness based on the total changes in the precious metal collars and forward contracts' cash flows. In 2015, the Company increased the term over which it is hedging its exposure to volatility in precious metal prices, as well as the portion of expected future metals purchases hedged, which has increased the number of precious metal derivative instruments outstanding at the end of the period. As of January 31, 2016, the maximum term over which the Company is hedging its exposure to the variability of future cash flows for all forecasted transactions is 24 months. As of January 31, 2016, there were precious metal derivative instruments outstanding for approximately 72,000 ounces of platinum, 1,440,000 ounces of silver and 50,000 ounces of gold.

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

	Years Ended January 31,			
	2016		2015	
(in millions)	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 Gain (Loss) Reclassified from Accumulated OCI into Earnings (Effective Portion)
Derivatives in Cash Flow Hedging Relationships:				
Foreign exchange forward contracts [a]	$ 3.9	$ 20.2	$ 23.2	$ 18.7
Precious metal collars [a]	0.2	—	—	—
Precious metal forward contracts [a]	(26.3)	(7.0)	(4.4)	(4.2)
Forward-starting interest rate swaps [b]	—	(1.5)	(4.2)	(1.5)
	$ (22.2)	$ 11.7	$ 14.6	$ 13.0

[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 year ended January 31, 2016. Such gains were $10.5 million in the year ended January 31, 2015 and were included in other expense (income), net. There was no material ineffectiveness related to the Company's hedging instruments for the periods ended January 31, 2016 and 2015. The Company expects approximately $7.8 million of net pre-tax derivative losses included in accumulated other comprehensive income at January 31, 2016 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 I - 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.

I. 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 and are considered to be most reliable.

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 and require the most judgment.

The Company's derivative instruments are considered Level 2 instruments for the purposes of determining fair value. 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 and collars are primarily valued using the relevant precious metal spot rate. The Company's interest rate swaps were primarily valued using the 3-month LIBOR rate. For further information on the Company's hedging instruments and program, see "Note H - Hedging Instruments."

Financial assets and liabilities carried at fair value at January 31, 2016 are classified in the table below in one of the three categories described above:

	Carrying Value	Estimated Fair Value			Total Fair Value
(in millions)		Level 1	Level 2	Level 3	
Marketable securities [a]	$ 31.8	$ 31.8	$ —	$ —	$ 31.8
Time deposits [b]	43.0	43.0	—	—	43.0
Derivatives designated as hedging instruments:					
Precious metal forward contracts [c]	0.6	—	0.6	—	0.6
Precious metal collar contracts [c]	0.2	—	0.2	—	0.2
Foreign exchange forward contracts [c]	1.6	—	1.6	—	1.6
Derivatives not designated as hedging instruments:					
Foreign exchange forward contracts [c]	1.3	—	1.3	—	1.3
Total financial assets	$ 78.5	$ 74.8	$ 3.7	$ —	$ 78.5

	Carrying Value	Estimated Fair Value			Total Fair Value
(in millions)		Level 1	Level 2	Level 3	
Derivatives designated as hedging instruments:					
Precious metal forward contracts [d]	$ 13.4	$ —	$ 13.4	$ —	$ 13.4
Foreign exchange forward contracts [d]	2.4	—	2.4	—	2.4
Derivatives not designated as hedging instruments:					
Foreign exchange forward contracts [d]	1.4	—	1.4	—	1.4
Total financial liabilities	$ 17.2	$ —	$ 17.2	$ —	$ 17.2

Financial assets and liabilities carried at fair value at January 31, 2015 are classified in the table below in one of the three categories described above:

(in millions)	Carrying Value	Estimated Fair Value Level 1	Level 2	Level 3	Total Fair Value
Marketable securities [a]	$ 53.5	$ 53.5	$ —	$ —	$ 53.5
Time deposits [b]	1.5	1.5	—	—	1.5
Derivatives designated as hedging instruments:					
Precious metal forward contracts [c]	0.3	—	0.3	—	0.3
Foreign exchange forward contracts [c]	15.1	—	15.1	—	15.1
Derivatives not designated as hedging instruments:					
Foreign exchange forward contracts [c]	7.1	—	7.1	—	7.1
Total financial assets	$ 77.5	$ 55.0	$ 22.5	$ —	$ 77.5

(in millions)	Carrying Value	Estimated Fair Value Level 1	Level 2	Level 3	Total Fair Value
Derivatives designated as hedging instruments:					
Precious metal forward contracts [d]	$ 3.2	$ —	$ 3.2	$ —	$ 3.2
Foreign exchange forward contracts [d]	0.1	—	0.1	—	0.1
Derivatives not designated as hedging instruments:					
Foreign exchange forward contracts [d]	2.0	—	2.0	—	2.0
Total financial liabilities	$ 5.3	$ —	$ 5.3	$ —	$ 5.3

[a] Included within Other assets, net.
[b] Included within Short-term investments.
[c] Included within Prepaid expenses and other current assets or Other assets, net evaluated based on the maturity of the contract.
[d] Included within Accounts payable and accrued liabilities or Other long-term liabilities evaluated based on the maturity of the contract.

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 as such is 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 $1.1 billion and the corresponding fair value was approximately $1.1 billion and $1.2 billion at January 31, 2016 and 2015.

J. 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 $144.5 million which are being amortized in SG&A expenses over periods that range from 15 to 20 years. As of January 31, 2016, $55.1 million of these deferred gains remained to be amortized.

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

	Years Ended January 31,		
(in millions)	2016	2015	2014
Minimum rent for retail locations	$ 172.2	$ 158.2	$ 146.1
Contingent rent based on sales	34.9	38.6	36.3
Office, distribution and manufacturing facilities and equipment	37.0	35.8	42.5
	$ 244.1	$ 232.6	$ 224.9

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 $109.4 million, $113.7 million and $117.1 million in 2015, 2014 and 2013, 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 [a] *(in millions)*
2017	$ 273.6
2018	244.7
2019	172.1
2020	156.3
2021	141.4
Thereafter	597.7

[a] Operating lease obligations do not include obligations for property taxes, insurance and maintenance that are required by most lease agreements.

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 $100.0 million of rough diamonds in 2016. Purchases beyond 2016 that are contingent upon mine production at then-prevailing fair market prices cannot be reasonably estimated. In addition, the Company also regularly purchases rough and polished diamonds from other suppliers, although it has no contractual obligations to do so.

In consideration of its diamond supply agreements, the Company has provided financing to certain suppliers of its rough diamonds. In March 2011, Laurelton Diamonds, Inc. ("Laurelton"), a wholly-owned subsidiary of the Company, as lender, entered into a $50.0 million amortizing term loan facility agreement with 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 acquires diamonds. Koidu was 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. In consideration of the Loan, Laurelton entered into a supply agreement, pursuant to which Laurelton is required to purchase at fair market value certain 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 the diamonds, if any, 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.

On March 29, 2013, the Company entered into an amendment relating to the Loan which deferred principal and interest payments due in 2013 to subsequent years, and, on March 31, 2014, the Company entered into a further amendment providing that the principal payments due in 2014 be paid on a monthly basis rather than on a semi-annual basis. On April 30, 2015, the Company entered into a further amendment (the "2015 Amendment"). Pursuant to the 2015 Amendment, once certain customary conditions relating to the addition of one of Koidu's affiliates as an obligor under the Loan were satisfied, the principal payment due on March 30, 2015 would be deferred until a date to be specified by the Company (which date may be upon at least 30 days' written notice to Koidu, or upon the occurrence of certain specified acceleration conditions). As of June 2015, all of the conditions had been satisfied and the deferral of the principal payment due on March 30, 2015 had become effective, subject to the acceleration conditions set forth in the 2015 Amendment, which include Koidu remaining current on its other payment obligations to the Company. The Loan, as amended, is required to be repaid in full by March 2017 through semi-annual payments. Under the 2015 Amendment, the interest rate on the Loan was increased and, as of April 1, 2015, interest will accrue at a rate per annum that is the greater of (i) LIBOR plus 3.5% or (ii) 6.75%. Koidu also agreed to pay, and subsequently paid, an additional 2% per annum of interest on all deferred principal repayments.

At January 31, 2016, there was $43.8 million of principal outstanding under this Loan (see "Note B - Summary of Significant Accounting Policies"). In August 2015, Koidu requested that its interest payment due in July 2015 be deferred until a future date to be determined, and it advised the Company that it was likely to request a deferral of interest payments due in August and September of 2015. Based on these requests and other discussions with Koidu, in which Koidu had informed the Company that it was seeking additional sources of capital to fund ongoing operations of the mine, and with consideration given to the fact that Koidu did not respond to the Company's request for a proposed revised payment schedule for its obligations under the Loan, management believed that it was probable that the Company would be unable to collect all amounts due according to the contractual terms of the Loan, and recorded an impairment charge, and related valuation allowance, of $9.6 million in the second quarter of 2015. Additionally, the Company ceased accruing interest income on the outstanding Loan balance as of July 31, 2015.

As of January 31, 2016, Koidu has not made any of its interest payments due in July 2015 and thereafter, nor its principal payment due in September 2015. The missed payments constitute events of default under the Loan. Koidu has yet to provide a proposed revised payment schedule for its obligations under the Loan. In February 2016, the Company received the results from two separate and independent reviews of Koidu's operational plans, forecasts, and cash flow projections for the mine, which were commissioned by the Company and by Koidu's largest creditor, respectively. Based on these factors, ongoing discussions with Koidu, and consideration of the possible actions that all parties, including the Government of Sierra Leone and Koidu's largest creditor, may take under the circumstances, management believes that it is probable that the portion of the amounts due under the contractual terms of the Loan that the Company will be unable to collect will be greater than originally estimated, and recorded an impairment charge, and related valuation allowance, of $28.3 million in the fourth quarter of 2015. The carrying amount of the Company’s loan receivable from Koidu, net of the valuation allowance, is $5.9 million at January 31, 2016.

The Company intends to continue to participate in discussions with Koidu regarding operational plans, forecasts and cash flow projections for the mine, as well as revisions to the payment schedule for the Loan. The Company also intends to continue to participate in discussions with certain of Koidu's stakeholders, including its largest creditor and the Government of Sierra Leone. The outcome of these discussions, as well as any other developments, will inform management's ongoing evaluation of the collectability of the Loan and the accrual of interest income. It is possible that such ongoing evaluation may result in additional changes to management's assessment of collectability. While such changes in management's assessment would not have a material adverse effect on the Company's financial position or cash flows, it is possible that such a change in assessment could affect the Company's earnings in the period in which such a change were to occur.

The Company also provided financing of $3.1 million during the year ended January 31, 2014 to a diamond mining and exploration company.

Contractual Cash Obligations and Contingent Funding Commitments

At January 31, 2016, the Company's contractual cash obligations and contingent funding commitments were for inventory purchases of $319.1 million (which includes the $100.0 million obligation discussed in Diamond Sourcing Activities above), as well as for other contractual obligations of $91.7 million (primarily for construction-in-progress, technology licensing and service contracts, advertising and media agreements and fixed royalty commitments).

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 73.0 million

(or approximately $72.0 million at January 31, 2016) (based on its alleged wasted investment) to CHF 3.8 billion (or approximately $3.7 billion at January 31, 2016) (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 120.0 million (or approximately $118.0 million at January 31, 2016) (based on its wasted investment) to approximately CHF 540.0 million (or approximately $533.0 million at January 31, 2016) (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. The Arbitration Award stated that the effective date of termination was March 1, 2013. Pursuant to the Arbitration Award, the Tiffany Parties were ordered to pay the Swatch Parties damages of CHF 402.7 million (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.

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 $480.2 million, which included the damages, interest, and other costs associated with the ruling and which was classified as Arbitration award expense in the consolidated statement of earnings.

On March 31, 2014, the Tiffany Parties took action in the District Court of Amsterdam 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 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.

A three-judge panel presided over the annulment hearing on January 19, 2015, and, on March 4, 2015, issued a decision in favor of the Tiffany Parties. Under this decision, the Arbitration Award is set aside. However, the Swatch Parties have taken action in the Dutch courts to appeal the District Court's decision, and the Arbitration Award may ultimately be upheld by the courts of the Netherlands. Registrant’s management expects that the annulment action will not be ultimately resolved until at the earliest, Registrant's fiscal year ending January 31, 2017.

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 have not been determined at this time. Management also anticipates that the Tiffany Parties would seek the return of the amounts paid by them under the Arbitration Award in court proceedings.

In any litigation regarding the claims and counterclaims that formed the basis of the arbitration, 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.

Although the District Court has issued a decision in favor of the Tiffany Parties, an amount will only be recorded for any return of amounts paid under the Arbitration Award when the District's Court decision is final (i.e., after all rights of appeal have been exhausted) and return of these amounts is deemed probable and collection is reasonably assured. As such, the Company has not recorded any amounts in its consolidated financial statements related to the District Court's decision.

Additionally, management has not established any accrual in the Company's consolidated financial statements for the year ended January 31, 2016 related to the annulment process or any potential subsequent litigation because it does not believe that the final annulment of the Arbitration Award and a 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. In April 2015, management introduced new TIFFANY & CO. brand watches, which have been designed, produced, marketed and distributed through certain of the Company's Swiss subsidiaries.

Other Litigation 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 all such 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.

Environmental Matter

In 2005, the US Environmental Protection Agency ("EPA") designated a 17-mile stretch of the Passaic River (the "River") part of the Diamond Alkali "Superfund" site. This designation resulted from the detection of hazardous substances emanating from the site, which was previously home to the Diamond Shamrock Corporation, a manufacturer of pesticides and herbicides. Under the Superfund law, the EPA will negotiate with potentially responsible parties to agree on remediation approaches.

The Company, which operated a silverware manufacturing facility near a tributary of the River from approximately 1897 to 1985, is one of more than 300 parties (the "Potentially Responsible Parties") designated in litigation as potentially responsible parties with respect to the River. The EPA issued general notice letters to 125 of these parties. The Company, along with approximately 70 other Potentially Responsible Parties (collectively, the "Cooperating Parties Group" or "CPG") voluntarily entered into an Administrative Settlement Agreement and Order on Consent ("AOC") with the EPA in May 2007 to perform a Remedial Investigation/Feasibility Study (the "RI/FS") of the lower 17 miles of the River. In June 2012, most of the CPG voluntarily entered into a second AOC related to focused remediation actions at Mile 10.9 of the River. The actions under the Mile 10.9 AOC are complete (except for continued monitoring), the Remedial Investigation ("RI") portion of the RI/FS was submitted to the EPA on February 19, 2015, and the Feasibility Study ("FS") portion of the RI/FS was submitted to the EPA on April 30, 2015. The Company has accrued for its financial obligations under both AOCs, which have not been material to its financial position or results of operations in previous financial periods or on a cumulative basis.

The FS presented and evaluated three options for remediating the lower 17 miles of the River, including the approach recommended by the EPA in its Focused Feasibility Study discussed below, as well as a fourth option of taking no action, and recommended an approach for a targeted remediation of the entire 17-mile stretch of the River. The estimated cost of the approach recommended by the CPG in the FS is approximately $483.0 million. The RI and FS are being reviewed by the EPA and other governmental agencies and stakeholders. Ultimately, the Company expects that the EPA will identify and negotiate with any or all of the potentially responsible parties regarding any remediation action that may be necessary, and issue a Record of Decision with a proposed approach to remediating the entire lower 17-mile stretch of the River.

Separately, on April 11, 2014, the EPA issued a proposed plan for remediating just the lower eight miles of the River, which is supported by a Focused Feasibility Study (the "FFS"). The FFS evaluated three remediation options for the lower eight miles, as well as a fourth option of taking no action. Following a public review and comment period and the EPA's review of comments received, the EPA issued a Record of Decision on March 4, 2016 that set forth its decision on a remediation plan for the lower eight miles of the River. The identified remediation plan is estimated by the EPA to cost $1.38 billion. The Record of Decision did not identify any party or parties as being responsible for the design of the remediation or for the remediation itself. However, concurrent with issuing its Record of Decision, the EPA noted that it plans to begin discussions with the parties responsible for the contamination to seek their performance of, or payment for, the remediation work for the lower eight miles of the River. The EPA further noted that it expects the design of the necessary remediation activities, which is estimated to take three to four years, to be outlined in a legally binding document. The remediation is expected to follow the design process, and the EPA has estimated that remediation would take another six years to complete.

With respect to remediation of the lower eight miles of the River, until the EPA reaches an agreement, if any, with any potentially responsible party or parties to fund the design and remediation work (or pursues legal or administrative action to require any potentially responsible party or parties to perform, or pay for, the design and remediation work), it cannot be determined which potentially responsible party or parties will be responsible for such design and remediation, or how the estimated $1.38 billion cost identified in the Record of Decision will be allocated among any potentially responsible parties. Further, until a Record of Decision is issued with respect to the RI/FS, neither the ultimate remedial approach for the remaining upper nine miles of the relevant 17-mile stretch of the River and its cost, nor the Company's participation, if any, relative to the other potentially responsible parties in this approach and cost, can be determined.

As such, the Company's obligations, if any, beyond those already recorded for the 2007 AOC and the Mile 10.9 AOC cannot be determined at this time, and the Company has therefore not recorded any additional liability related to this matter. In light of the number of companies that have previously been identified as Potentially Responsible Parties (i.e., the more than 300 parties that were initially designated in litigation as potentially responsible parties), which includes, but goes well beyond those approximately 70

companies in the CPG that participated in the 2007 AOC and the Mile 10.9 AOC, and the Company's relative participation in the costs related to the 2007 AOC and Mile 10.9 AOC, the Company does not expect that its ultimate liability, if any, related to these matters will be material to its financial position. It is, however, possible that, when the uncertainties discussed above are resolved, any resulting liability could be material to its results of operations or cash flows in the period in which such uncertainties are resolved.

Other

In the fourth quarter of 2015 and the first quarter of 2013, the Company implemented specific cost-reduction initiatives and recorded $8.8 million and $9.4 million, respectively, of expense within SG&A expenses. These unrelated cost-reduction initiatives 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.

K. RELATED PARTIES

The Company's Chairman of the Board was a member of the Board of Directors of The Bank of New York Mellon through April 14, 2015. The Bank of New York Mellon serves as the Company's trustee for its Senior Notes due in 2024 and 2044, participates as a co-syndication agent and lender for its New 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 $0.7 million, $1.3 million and $1.6 million in 2015, 2014 and 2013.

L. STOCKHOLDERS' EQUITY

Accumulated Other Comprehensive Loss

	January 31,	
(in millions)	2016	2015
Accumulated other comprehensive (loss) earnings, net of tax:		
Foreign currency translation adjustments	$ (135.3)	$ (76.3)
Unrealized (loss) gain on marketable securities	(1.0)	1.9
Deferred hedging loss	(26.8)	(5.4)
Net unrealized loss on benefit plans	(115.0)	(210.7)
	$ (278.1)	$ (290.5)

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

	Years Ended January 31,		
(*in millions*)	2016	2015	2014
Foreign currency translation adjustments	$ (59.9)	$ (101.9)	$ (31.7)
Income tax benefit	0.9	8.8	4.5
Foreign currency adjustments, net of tax	(59.0)	(93.1)	(27.2)
Unrealized (loss) gain on marketable securities	(4.1)	(0.9)	1.2
Reclassification for gain included in net earnings [a]	(0.4)	—	—
Income tax benefit (expense)	1.6	0.1	(0.4)
Unrealized (loss) gain on marketable securities, net of tax	(2.9)	(0.8)	0.8
Unrealized (loss) gain on hedging instruments	(22.2)	14.6	8.7
Reclassification adjustment for gain included in net earnings [b]	(11.7)	(13.0)	(14.0)
Income tax benefit (expense)	12.5	(0.4)	1.9
Unrealized (loss) gain on hedging instruments, net of tax	(21.4)	1.2	(3.4)
Prior service cost	—	(0.5)	—
Net actuarial gain (loss)	122.5	(234.6)	86.3
Amortization of net loss included in net earnings [c]	30.4	13.1	19.2
Amortization of prior service (credit) cost included in net earnings [c]	(0.6)	(0.4)	0.3
Income tax (expense) benefit	(56.6)	83.2	(40.7)
Net unrealized gain (loss) on benefit plans, net of tax	95.7	(139.2)	65.1
Total other comprehensive earnings (loss), net of tax	$ 12.4	$ (231.9)	$ 35.3

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

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

[c] These accumulated other comprehensive income components are included in the computation of net periodic pension costs (see "Note N - 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 $400.0 million 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 with $163.8 million of unused capacity.

In March 2014, the Company's Board of Directors approved a share repurchase program ("2014 Program") which authorized the Company to repurchase up to $300.0 million of its Common Stock through open market transactions. The program had an expiration date of March 31, 2017, but was terminated in January 2016 in connection with the authorization of a new program with increased

repurchase capacity (as described in more detail below). Approximately $58.6 million remained available for repurchase under the 2014 Program at the time of its termination.

In January 2016, the Company's Board of Directors approved a new share repurchase program ("2016 Program") which authorizes the Company to repurchase up to $500.0 million of its Common Stock through open market transactions, block trades or privately negotiated transactions and terminated the 2014 Program. Purchases under the 2014 Program were, and purchases under the 2016 Program have been, executed under a written plan for trading securities as specified under Rule 10b5-1 promulgated under the Securities and Exchange Act of 1934, as amended, the terms of which are within the Company's discretion, subject to applicable securities laws, and are based on market conditions and the Company's liquidity needs. The 2016 Program will expire on January 31, 2019. Approximately $494.0 million remained available for repurchase under the 2016 Program at January 31, 2016.

The Company's share repurchase activity was as follows:

	Years Ended January 31,		
(in millions, except per share amounts)	2016	2015	2014
Cost of repurchases	$ 220.4	$ 27.0	$ —
Shares repurchased and retired	2.8	0.3	—
Average cost per share	$ 78.40	$ 89.91	$ —

Cash Dividends

The Company's Board of Directors declared quarterly dividends which, on an annual basis, totaled $1.58, $1.48 and $1.34 per share of Common Stock in 2015, 2014 and 2013.

On February 18, 2016, the Company's Board of Directors declared a quarterly dividend of $0.40 per share of Common Stock. This dividend will be paid on April 11, 2016 to stockholders of record on March 21, 2016.

M. STOCK COMPENSATION PLANS

The Company has two stock compensation plans under which awards may be made: the Employee Incentive Plan and the Directors Equity Compensation Plan, both of which were approved by the stockholders. No award may be made under the Employee Incentive Plan after May 22, 2024 or under the Directors Equity Compensation Plan after May 15, 2018.

Under the Employee Incentive Plan, the maximum number of common shares authorized for issuance was 8.7 million. 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 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 primarily 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 Equity Compensation Plan, the maximum number of shares of Common Stock authorized for issuance was 1.0 million (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 thousand (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,		
	2016	2015	2014
Dividend yield	1.9%	1.3%	1.2%
Expected volatility	28.1%	30.2%	39.6%
Risk-free interest rate	1.5%	1.5%	1.4%
Expected term in years	5	5	5

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

	Number of Shares *(in millions)*	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term in Years	Aggregate Intrinsic Value *(in millions)*
Outstanding at January 31, 2015	1.7	$ 68.76	7.38	$ 32.3
Granted	0.7	64.58		
Exercised	(0.1)	38.19		
Forfeited/canceled	(0.2)	76.61		
Outstanding at January 31, 2016	2.1	$ 67.59	7.02	$ 7.9
Exercisable at January 31, 2016	1.1	$ 62.78	4.74	$ 7.3

The weighted-average grant-date fair value of options granted for the years ended January 31, 2016, 2015 and 2014 was $14.42, $22.25 and $29.11. The total intrinsic value (market value on date of exercise less grant price) of options exercised during the years ended January 31, 2016, 2015 and 2014 was $2.4 million, $44.1 million and $39.5 million.

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

	Number of Shares *(in millions)*	Weighted-Average Grant-Date Fair Value
Non-vested at January 31, 2015	0.6	$ 75.46
Granted	0.3	80.44
Vested	(0.3)	84.73
Forfeited	(0.1)	78.44
Non-vested at January 31, 2016	0.5	$ 79.02

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

	Number of Shares *(in millions)*	Weighted-Average Grant-Date Fair Value
Non-vested at January 31, 2015	0.7	$ 70.80
Granted	0.3	58.09
Vested	(0.1)	57.06
Forfeited/canceled	(0.2)	61.96
Non-vested at January 31, 2016	0.7	$ 70.56

The weighted-average grant-date fair value of RSUs granted for the years ended January 31, 2015 and 2014 was $90.68 and $68.66. The weighted-average grant-date fair value of PSUs granted for the years ended January 31, 2015 and 2014 was $82.88 and $83.73.

As of January 31, 2016, there was $65.6 million of total unrecognized compensation expense related to non-vested share-based compensation arrangements granted under the Employee Incentive Plan and Directors Equity Compensation Plan. The expense is expected to be recognized over a weighted-average period of 2.6 years. The total fair value of RSUs vested during the years ended January 31, 2016, 2015 and 2014 was $18.0 million, $27.7 million and $26.5 million. The total fair value of PSUs vested during the years ended January 31, 2016, 2015 and 2014 was $4.1 million, $8.1 million and $10.2 million.

Total compensation cost for stock-based compensation awards recognized in income and the related income tax benefit was $24.5 million and $7.9 million for the year ended January 31, 2016, $26.5 million and $8.9 million for the year ended January 31, 2015 and $32.2 million and $11.4 million for the year ended January 31, 2014. Total stock-based compensation cost capitalized in inventory was not significant.

N. 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 U.S. employees hired before January 1, 2006 and affected by Internal Revenue Service Code compensation limits, a non-qualified unfunded Supplemental Retirement Income Plan ("SRIP") covering certain executive officers of the Company hired before January 1, 2006 and noncontributory defined benefit pension plans in certain of its international locations ("Other Plans").

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. Participants who have at least five years of service when their employment with the Company terminates may also receive certain 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. To the extent that these requirements are fully covered by assets in the Qualified Plan, the Company may elect not to make any contribution in a particular year. No cash contribution was required in 2015 and none is required in 2016 to meet the minimum funding requirements of the Employee Retirement Income Security Act. The Company periodically evaluates whether to make discretionary cash contributions to the Qualified Plan, did not make such contributions in 2015 and currently does not anticipate making such contributions in 2016. This expectation is subject to change based on management's assessment of a variety of factors, including, but not limited to, asset performance, interest rates and changes in actuarial assumptions.

The Qualified Plan, Excess Plan and SRIP exclude all employees hired on or after January 1, 2006. Instead, employees hired on or after January 1, 2006 are 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 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. In certain limited circumstances, early vesting can occur due to a change in control. Benefits under the SRIP are forfeited if benefits under the Excess Plan are forfeited.

Benefits for the Other Plans are typically based on monthly eligible compensation and the number of years of service. Benefits are typically payable in a lump sum upon retirement, termination, resignation or death if the participant has completed the requisite service period.

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 certain 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 pension and other postretirement benefit plans as of the measurement date:

	January 31,			
	Pension Benefits		Other Postretirement Benefits	
(in millions)	2016	2015	2016	2015
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 841.7	$ 615.9	$ 92.9	$ 54.7
Service cost	22.6	16.8	4.2	2.4
Interest cost	30.6	28.3	3.2	2.6
Participants' contributions	—	—	1.3	1.5
Amendments	—	0.8	—	—
MMA retiree drug subsidy	—	—	0.2	0.1
Actuarial (gain) loss	(128.8)	202.3	(20.4)	34.9
Benefits paid	(23.1)	(20.2)	(3.0)	(3.3)
Curtailments	(0.2)	—	—	—
Translation	(0.2)	(2.2)	—	—
Benefit obligation at end of year	742.6	841.7	78.4	92.9
Change in plan assets:				
Fair value of plan assets at beginning of year	406.0	397.4	—	—
Actual return on plan assets	(2.2)	26.0	—	—
Employer contribution	5.1	2.8	1.5	1.7
Participants' contributions	—	—	1.3	1.5
MMA retiree drug subsidy	—	—	0.2	0.1
Benefits paid	(23.1)	(20.2)	(3.0)	(3.3)
Fair value of plan assets at end of year	385.8	406.0	—	—
Funded status at end of year	$ (356.8)	$ (435.7)	$ (78.4)	$ (92.9)

Actuarial gains in 2015 reflect increases in the discount rates for all plans. Actuarial losses in 2014 reflect decreases in the discount rates for all plans, and for the U.S. plans, also reflect the impact of adopting updated mortality assumptions issued by the Society of Actuaries in October 2014.

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, 2016			
(in millions)	Qualified	Excess/SRIP	Other	Total
Projected benefit obligation	$ 620.8	$ 105.5	$ 16.3	$ 742.6
Fair value of plan assets	385.8	—	—	385.8
Funded status	$ (235.0)	$ (105.5)	$ (16.3)	$ (356.8)
Accumulated benefit obligation	$ 556.8	$ 92.1	$ 13.5	$ 662.4

	January 31, 2015			
(in millions)	Qualified	Excess/SRIP	Other	Total
Projected benefit obligation	$ 693.3	$ 133.1	$ 15.3	$ 841.7
Fair value of plan assets	406.0	—	—	406.0
Funded status	$ (287.3)	$ (133.1)	$ (15.3)	$ (435.7)
Accumulated benefit obligation	$ 620.6	$ 97.4	$ 12.6	$ 730.6

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At January 31, 2016, the Company had a current liability of $7.1 million and a non-current liability of $428.1 million for pension and other postretirement benefits. At January 31, 2015, the Company had a current liability of $4.3 million and a non-current liability of $524.2 million for pension and other postretirement benefits.

Amounts recognized in accumulated other comprehensive loss consist of:

	January 31,			
	Pension Benefits		Other Postretirement Benefits	
(in millions)	2016	2015	2016	2015
Net actuarial loss	$ 180.1	$ 311.2	$ 10.4	$ 32.4
Prior service cost (credit)	0.8	0.9	(3.0)	(3.7)
Total before tax	$ 180.9	$ 312.1	$ 7.4	$ 28.7

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 millions)	Pension Benefits	Other Postretirement Benefits
Net actuarial loss	$ 15.5	$ 0.2
Prior service credit	—	(0.7)
	$ 15.5	$ (0.5)

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

	Years Ended January 31,					
	Pension Benefits			Other Postretirement Benefits		
(in millions)	2016	2015	2014	2016	2015	2014
Service cost	$ 22.6	$ 16.8	$ 19.1	$ 4.2	$ 2.4	$ 2.8
Interest cost	30.6	28.3	27.0	3.2	2.6	2.8
Expected return on plan assets	(24.7)	(23.6)	(22.2)	—	—	—
Curtailments	0.2	—	—	—	—	—
Amortization of prior service cost	—	0.3	1.0	(0.7)	(0.7)	(0.7)
Amortization of net loss	28.9	13.1	19.0	1.5	—	0.2
Net periodic benefit cost	57.6	34.9	43.9	8.2	4.3	5.1
Net actuarial (gain) loss	(102.1)	199.8	(71.2)	(20.4)	34.8	(15.1)
Recognized actuarial loss	(28.9)	(13.1)	(19.0)	(1.5)	—	(0.2)
Prior service cost	—	0.5	—	—	—	—
Recognized prior service (cost) credit	(0.1)	(0.3)	(1.0)	0.7	0.7	0.7
Total recognized in other comprehensive earnings	(131.1)	186.9	(91.2)	(21.2)	35.5	(14.6)
Total recognized in net periodic benefit cost and other comprehensive earnings	$ (73.5)	$ 221.8	$ (47.3)	$ (13.0)	$ 39.8	$ (9.5)

Assumptions

Weighted-average assumptions used to determine benefit obligations:

	January 31,	
	2016	2015
Discount rate:		
Qualified Plan	4.50%	3.75%
Excess Plan/SRIP	4.25%	3.75%
Other Plans	1.05%	1.12%
Other Postretirement Benefits	4.50%	3.50%
Rate of increase in compensation:		
Qualified Plan	3.00%	2.75%
Excess Plan	4.25%	4.25%
SRIP	6.50%	7.25%
Other Plans	1.18%	1.22%

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

	Years Ended January 31,		
	2016	2015	2014
Discount rate:			
Qualified Plan	3.75%	4.75%	4.50%
Excess Plan/SRIP	3.75%	5.00%	4.50%
Other Plans	1.71%	1.81%	1.25%
Other Postretirement Benefits	3.50%	5.00%	4.50%
Expected return on plan assets	7.50%	7.50%	7.50%
Rate of increase in compensation:			
Qualified Plan	2.75%	2.75%	2.75%
Excess Plan	4.25%	4.25%	4.25%
SRIP	7.25%	7.25%	7.25%
Other Plans	1.56%	1.33%	1.00%

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, a 7.25% annual rate of increase in the per capita cost of covered health care was assumed for 2016. This rate was assumed to decrease gradually to 4.75% by 2023 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 increase in the assumed health-care cost trend rate would increase the Company's accumulated postretirement benefit obligation by approximately $3.9 million for the year ended January 31, 2016. Decreasing the assumed health-care cost trend rate by one-percentage point would decrease the Company's accumulated postretirement benefit obligation by approximately $2.8 million for the year ended January 31, 2016. A one-percentage-point change in the assumed health-care cost trend rate would not have a significant effect on the Company's aggregate service and interest cost components of the 2015 postretirement expense.

Plan Assets

The Company's investment objectives, related to the Qualified Plan's assets, are the preservation of principal and balancing the management of interest rate risk associated with the duration of the plan's liabilities with 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, but that as the plan's funded status (assets relative to liabilities) increases, the amount of assets allocated to fixed income securities which match the interest rate risk profile of the plan's liabilities will increase. The Company's target asset allocations based on its funded status as of January 31, 2016 is as follows: approximately 50% in equity securities; approximately 35% in fixed income securities; and approximately 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, 2016 and 2015 by asset category is as follows:

(in millions)	Fair Value at January 31, 2016	Fair Value Measurements Using Inputs Considered as*		
		Level 1	Level 2	Level 3
Equity securities:				
Common/collective trusts [a]	115.9	—	115.9	—
U.S. equity securities	45.6	45.6	—	—
Mutual fund	27.4	27.4	—	—
Fixed income securities:				
Government bonds	62.3	61.3	1.0	—
Corporate bonds	87.7	—	87.7	—
Other types of investments:				
Cash and cash equivalents	2.5	2.5	—	—
Mutual funds	25.6	25.6	—	—
Limited partnerships	18.8	—	—	18.8
	$ 385.8	$ 162.4	$ 204.6	$ 18.8

(in millions)	Fair Value at January 31, 2015	Fair Value Measurements Using Inputs Considered as*		
		Level 1	Level 2	Level 3
Equity securities:				
Common/collective trusts [a]	$ 288.4	$ —	$ 288.4	$ —
Fixed income securities:				
Government bonds	27.7	23.6	4.1	—
Corporate bonds	33.9	—	33.9	—
Mortgage obligations	37.0	—	37.0	—
Other types of investments:				
Limited partnerships	19.0	—	—	19.0
	$ 406.0	$ 23.6	$ 363.4	$ 19.0

* See "Note I - 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.

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

(in millions)	Limited partnerships
January 31, 2014	$ 14.4
Unrealized gain, net	1.4
Realized gain, net	0.6
Purchases	5.6
Settlements	(3.0)
January 31, 2015	19.0
Unrealized gain, net	1.2
Realized gain, net	0.1
Purchases	3.7
Settlements	(5.2)
January 31, 2016	$ 18.8

Valuation Techniques

Investments in common/collective trusts and mutual funds 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. 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. Investments in limited partnerships are valued at estimated fair value based on financial information received from the investment advisor and/or general partner.

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. Certain fixed income investments are held in separately managed accounts and those investments are valued using the underlying securities in the accounts.

Benefit Payments

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

Years Ending January 31,	Pension Benefits *(in millions)*	Other Postretirement Benefits *(in millions)*
2017	$ 24.4	$ 1.7
2018	24.9	1.8
2019	26.6	1.9
2020	27.3	2.0
2021	28.9	2.1
2022-2026	166.4	12.9

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 made contributions, in the form of newly-issued

Company Common Stock through 2014, 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. Beginning in 2015, these contributions were made in cash. The Company recorded no expense in 2015 and recorded expense of $3.1 million in 2014 and $3.9 million in 2013. 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, not to exceed Internal Revenue Service limits, and the Company may provide a matching cash contribution of 50% of each participant's contributions, with a maximum matching contribution of 3% of each participant's total compensation. The Company recorded expense of $7.3 million, $7.7 million and $7.1 million in 2015, 2014 and 2013. Contributions to both features of the EPSRS Plan are made in the following year.

Under the profit-sharing feature of the EPSRS Plan, for contributions made in the Company's stock, 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. For contributions made in cash, the contribution is allocated within the participant's account based on their investment elections under the EPSRS Plan. If the participant has made no election, the contribution will be invested in the appropriate default target fund as determined by each participant's date of birth. Under the retirement savings portion of the EPSRS Plan, the employees have the ability to elect to invest a portion of their contribution and the related matching contribution in Company stock. At January 31, 2016, investments in Company stock represented 21% 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 $3.2 million, $4.6 million and $3.6 million in 2015, 2014 and 2013.

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. This plan also provides for an excess defined contribution retirement benefit ("Excess DC benefit") for certain eligible executives and management employees, hired on or after January 1, 2006. The Excess DC benefit is credited to the eligible employee's account, based on the compensation paid to the employee in excess of the IRS limits for contribution under the DCRB Plan. Under the plan, 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 $24.9 million and $27.1 million at January 31, 2016 and 2015, and are reflected in other long-term liabilities. The Company does not promise or guarantee any rate of return on amounts deferred.

O. INCOME TAXES

Earnings from operations before income taxes consisted of the following:

	Years Ended January 31,		
(in millions)	2016	2015	2014
United States	$ 502.5	$ 484.5	$ 65.2
Foreign	207.4	253.0	189.7
	$ 709.9	$ 737.5	$ 254.9

The settlement of the Arbitration Award, as discussed in "Note J - 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 millions)	2016	2015	2014
Current:			
Federal	$ 175.8	$ 130.9	$ 39.0
State	22.3	18.2	9.9
Foreign	49.8	66.5	52.5
	247.9	215.6	101.4
Deferred:			
Federal	(15.4)	25.2	(28.6)
State	3.9	13.2	(2.3)
Foreign	9.6	(0.7)	3.0
	(1.9)	37.7	(27.9)
	$ 246.0	$ 253.3	$ 73.5

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,		
	2016	2015	2014
Statutory Federal income tax rate	35.0%	35.0%	35.0%
State income taxes, net of Federal benefit	2.4	2.8	2.0
Foreign losses with no tax benefit	—	0.7	1.3
Undistributed foreign earnings	(2.5)	(4.2)	(7.8)
Net change in uncertain tax positions	0.5	0.3	0.5
Domestic manufacturing deduction	(1.3)	(1.3)	(2.5)
Other	0.6	1.1	0.3
	34.7%	34.4%	28.8%

FORM 10-K

The Company has the intent to indefinitely reinvest any undistributed earnings of all foreign subsidiaries. As of January 31, 2016 and 2015, the Company has not provided deferred taxes on approximately $685.0 million and $612.0 million 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 $118.0 million and $107.0 million would be incurred if these earnings were distributed.

Deferred tax assets (liabilities) consisted of the following:

	January 31,	
(in millions)	2016	2015
Deferred tax assets:		
Pension/postretirement benefits	$ 166.7	$ 203.0
Accrued expenses	34.3	36.4
Share-based compensation	18.3	17.3
Depreciation	6.6	14.4
Amortization	11.4	11.4
Foreign and state net operating losses	23.5	22.9
Sale-leaseback	30.4	36.3
Inventory	50.9	72.7
Financial hedging instruments	19.7	14.1
Unearned income	11.3	11.2
Other	53.6	37.1
	426.7	476.8
Valuation allowance	(19.5)	(16.2)
	407.2	460.6
Deferred tax liabilities:		
Foreign tax credit	(25.1)	(34.8)
Net deferred tax asset	$ 382.1	$ 425.8

The Company has recorded a valuation allowance against certain deferred tax assets related to 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 $84.0 million exist in certain foreign jurisdictions. Whereas some of these tax loss carryforwards do not have an expiration date, others expire at various times from 2018 through 2026.

The following table reconciles the unrecognized tax benefits:

	January 31,		
(in millions)	2016	2015	2014
Unrecognized tax benefits at beginning of year	$ 8.3	$ 27.6	$ 28.2
Gross increases – tax positions in prior period	1.0	1.0	0.3
Gross decreases – tax positions in prior period	(0.4)	(5.4)	(0.4)
Gross increases – tax positions in current period	1.4	0.1	0.1
Settlements	—	(14.8)	(0.3)
Lapse of statute of limitations	(0.1)	(0.2)	(0.3)
Unrecognized tax benefits at end of year	$ 10.2	$ 8.3	$ 27.6

Included in the balance of unrecognized tax benefits at January 31, 2016, 2015 and 2014 are $9.1 million, $5.3 million and $18.7 million 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, 2016, 2015 and 2014, the Company recognized approximately $1.7 million, $1.8 million and $1.9 million 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 $7.8 million and $6.0 million at January 31, 2016 and 2015.

The Company conducts business globally, and, as a result, is subject to taxation in the U.S. and various state and foreign jurisdictions. As a matter of course, tax authorities regularly audit the Company. The Company's tax filings are currently being examined by a number of tax authorities in several jurisdictions, both in the U.S. and in foreign jurisdictions. Ongoing audits where subsidiaries have a material presence include New York City (tax years 2011–2013) and New York State (tax years 2012–2014), as well as an audit that is being conducted by the IRS (tax years 2010–2012). Tax years from 2010–present are open to examination in the U.S. Federal jurisdiction and 2006–present are open in various state, local and foreign jurisdictions. As part of these audits, the Company engages in discussions with taxing authorities regarding tax positions. At January 31, 2016, total unrecognized tax benefits were $10.2 million of which approximately $9.1 million, if recognized, would affect the effective income tax rate. Management believes it is reasonably possible that a majority of the total gross amount provided for unrecognized tax benefits will decrease in the next 12 months. Future developments may result in a change in this assessment.

P. 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 millions)	2016	2015	2014
Net sales:			
Americas	$ 1,947.0	$ 2,033.5	$ 1,926.9
Asia-Pacific	1,003.1	1,025.2	944.7
Japan	541.3	554.3	578.6
Europe	505.7	513.3	476.2
Total reportable segments	3,997.1	4,126.3	3,926.4
Other	107.8	123.6	104.7
	$ 4,104.9	$ 4,249.9	$ 4,031.1
Earnings (losses) from operations*:			
Americas	$ 390.8	$ 435.5	$ 374.3
Asia-Pacific	264.4	281.6	244.1
Japan	199.9	196.0	215.6
Europe	97.4	110.5	102.4
Total reportable segments	952.5	1,023.6	936.4
Other	6.4	4.9	(1.8)
	$ 958.9	$ 1,028.5	$ 934.6

* Represents earnings (losses) from operations before (i) unallocated corporate expenses, (ii) interest expense, financing costs and other expense (income), net, (iii) loss on extinguishment of debt, and (iv) 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 millions)	2016	2015	2014
Earnings from operations for segments	$ 958.9	$ 1,028.5	$ 934.6
Unallocated corporate expenses	(152.1)	(137.1)	(140.7)
Interest expense, financing costs and other expense (income), net	(50.2)	(60.1)	(49.4)
Loss on extinguishment of debt	—	(93.8)	—
Other operating expense	(46.7)	—	(489.6)
Earnings from operations before income taxes	$ 709.9	$ 737.5	$ 254.9

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, 2016 represents impairment charges related to a financing arrangement with Koidu and expenses related to specific cost-reduction initiatives. See "Note J - Commitments and Contingencies" for additional details.

Loss on extinguishment of debt in the year ended January 31, 2015 was related to the redemption of $400.0 million in aggregate principal amount of the Private Placement Notes prior to their scheduled maturities. See "Note G - Debt" for additional details.

Other operating expense in the year ended January 31, 2014 was related to specific cost-reduction initiatives and the Arbitration Award. See "Note J - Commitments and Contingencies" for additional details.

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

	Years Ended January 31,		
(in millions)	2016	2015	2014
Net sales:			
United States	$ 1,795.5	$ 1,870.8	$ 1,770.7
Japan	541.3	554.3	578.6
Other countries	1,768.1	1,824.8	1,681.8
	$ 4,104.9	$ 4,249.9	$ 4,031.1
Long-lived assets:			
United States	$ 706.9	$ 680.1	$ 632.9
Japan	20.6	24.4	21.6
Other countries	256.7	239.2	241.9
	$ 984.2	$ 943.7	$ 896.4

Classes of Similar Products

	Years Ended January 31,		
(in millions)	2016	2015	2014
Net sales:			
Statement, fine & solitaire jewelry	$ 910.8	$ 930.2	$ 916.8
Engagement jewelry & wedding bands	1,170.2	1,245.1	1,182.2
Fashion jewelry	1,716.1	1,755.2	1,618.2
All other	307.8	319.4	313.9
	$ 4,104.9	$ 4,249.9	$ 4,031.1

Q. QUARTERLY FINANCIAL DATA (UNAUDITED)

	2015 Quarters Ended*			
(in millions, except per share amounts)	April 30	July 31 [a]	October 31	January 31 [b]
Net sales	$ 962.4	$ 990.5	$ 938.2	$ 1,213.6
Gross profit	569.0	593.0	564.5	764.8
Earnings from operations	170.0	172.8	156.4	260.9
Net earnings	104.9	104.9	91.0	163.2
Net earnings per share:				
Basic	$ 0.81	$ 0.81	$ 0.71	$ 1.28
Diluted	$ 0.81	$ 0.81	$ 0.70	$ 1.28

[a] On a pre-tax basis, includes a charge of $9.6 million for the quarter ended July 31, 2015, which reduced net earnings per diluted share by $0.05, associated with an impairment charge related to a financing arrangement with Koidu Limited (see "Note B - Summary of Significant Accounting Policies" and "Note J - Commitments and Contingencies").

[b] On a pre-tax basis, includes charges for the quarter ended January 31, 2016 of:

i. $28.3 million, which reduced net earnings per diluted share by $0.14, associated with an impairment charge related to a financing arrangement with Koidu Limited (see "Note B - Summary of Significant Accounting Policies" and "Note J - Commitments and Contingencies"); and

ii. $8.8 million, which reduced net earnings per diluted share by $0.04, 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 J - Commitments and Contingencies").

	2014 Quarters Ended*			
(in millions, except per share amounts)	April 30	July 31	October 31 [c]	January 31
Net sales	$ 1,012.1	$ 992.9	$ 959.6	$ 1,285.3
Gross profit	589.5	595.2	570.9	781.6
Earnings from operations	209.8	208.5	168.5	304.6
Net earnings	125.6	124.1	38.3	196.2
Net earnings per share:				
Basic	$ 0.97	$ 0.96	$ 0.30	$ 1.52
Diluted	$ 0.97	$ 0.96	$ 0.29	$ 1.51

[c] On a pre-tax basis, includes a charge of $93.8 million for the quarter ended October 31, which reduced net earnings per diluted share by $0.47, associated with the redemption of $400.0 million in aggregate principal amount of the Private Placement Notes prior to their scheduled maturities (see "Note G - Debt").

* The sum of quarterly amounts may not agree with full year amounts due to rounding.

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, as amended), 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, as amended, 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 activities such 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-54. The Audit Committee of the Board of Directors, which is composed solely of independent directors, meets regularly with the Company's 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 2013. Based on this evaluation, management concluded that internal control over financial reporting was effective as of January 31, 2016 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, 2016 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is shown on page K-54.

/s/ Frederic Cumenal
Chief Executive Officer

/s/ Ralph Nicoletti
Executive Vice President 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 "Section 16(a) Beneficial Ownership Reporting Compliance," "Executive Officers of the Company," "Item 1. Election of the Board," and "Board of Directors and Corporate Governance" in Registrant's Proxy Statement dated April 8, 2016.

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 8, 2016, for additional information within the section titled "Business Conduct Policy and Code of Ethics."

Item 11. Executive Compensation.

Incorporated by reference from the section titled "Board of Directors and Corporate Governance" and "Compensation of the CEO and Other Executive Officers" in Registrant's Proxy Statement dated April 8, 2016.

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" and "Compensation of the CEO and Other Executive Officers" in Registrant's Proxy Statement dated April 8, 2016.

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

Incorporated by reference from the sections titled "Board of Directors and Corporate Governance" and "Transactions with Related Persons" in Registrant's Proxy Statement dated April 8, 2016.

Item 14. Principal Accounting Fees and Services.

Incorporated by reference from the section titled "Relationship with Independent Registered Public Accounting Firm" in Registrant's Proxy Statement dated April 8, 2016.

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, 2016 and 2015.

Consolidated Statements of Earnings for the years ended January 31, 2016, 2015 and 2014.

Consolidated Statements of Comprehensive Earnings for the years ended January 31, 2016, 2015 and 2014.

Consolidated Statements of Stockholders' Equity for the years ended January 31, 2016, 2015 and 2014.

Consolidated Statements of Cash Flows for the years ended January 31, 2016, 2015 and 2014.

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: March 28, 2016

TIFFANY & CO.

(Registrant)

By: /s/ Frederic Cumenal

Frederic Cumenal

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/ Frederic Cumenal
Frederic Cumenal
Chief Executive Officer
(Principal Executive Officer)
(Director)

By: /s/ Ralph Nicoletti
Ralph Nicoletti
Executive Vice President,
Chief Financial Officer
(Principal Financial Officer)

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

By: /s/ Michael J. Kowalski
Michael J. Kowalski
Chairman of the Board
Director

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

March 28, 2016

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.
4.5	Indenture, dated September 25, 2014, among Registrant, as issuer, and The Bank of New York Mellon Trust Company, as trustee. Incorporated by reference from Exhibit 4.5 to Registrant's Report on Form 8-K dated September 26, 2014.
4.6	Supplemental Indenture No. 1, dated September 25, 2014, among Registrant, as issuer, certain subsidiaries of Registrant, as guarantors thereto, and The Bank of New York Mellon Trust Company, as trustee. Incorporated by reference from Exhibit 4.6 to Registrant's Report on Form 8-K dated September 26, 2014.
4.7	Supplemental Indenture No. 2, dated September 25, 2014, among Registrant, as issuer, certain subsidiaries of Registrant, as guarantors thereto, and The Bank of New York Mellon Trust Company, as trustee. Incorporated by reference from Exhibit 4.7 to Registrant's Report on Form 8-K dated September 26, 2014.
4.8	Upon the request of the Securities and Exchange Commission, Registrant will furnish a copy of all instruments defining the rights of holders of all other 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	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.
10.2a	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.

Exhibit No.	Description
10.3	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.
10.4	Four Year Credit Agreement dated as of October 7, 2014 by and among Registrant and each other Subsidiary of Registrant that is a Borrower and is a signatory thereto and Bank of America, N.A., as Administrative Agent, and various lenders party thereto. Incorporated by reference from Exhibit 10.37 filed with Registrant's Report on Form 8-K dated October 10, 2014.
10.5	Subsidiary Guaranty dated as of October 7, 2014, with respect to the Four Year Credit Agreement (see Exhibit 10.4 above) by and among Tiffany and Company, Tiffany & Co. International, and Tiffany & Co. Japan Inc., as Guarantors, and Bank of America, N.A., as Administrative Agent. Incorporated by reference from Exhibit 10.38 filed with Registrant's Report on Form 8-K dated October 10, 2014.
10.6	Five Year Credit Agreement dated as of October 7, 2014 by and among Registrant and each other Subsidiary of Registrant that is a Borrower and is a signatory thereto and Bank of America, N.A., as Administrative Agent, and various lenders party thereto. Incorporated by reference from Exhibit 10.39 filed with Registrant's Report on Form 8-K dated October 10, 2014.
10.7	Subsidiary Guaranty dated as of October 7, 2014, with respect to the Five Year Credit Agreement (see Exhibit 10.6 above) by and among Tiffany and Company, Tiffany & Co. International, and Tiffany & Co. Japan Inc., as Guarantors, and Bank of America, N.A., as Administrative Agent. Incorporated by reference from Exhibit 10.40 filed with Registrant's Report on Form 8-K dated October 10, 2014.
10.8	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.
10.8a	Amendment dated as of January 14, 2014 to the Amended and Restated Note Purchase and Private Shelf Agreement (see Exhibit 10.8 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.
10.9	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 10.8 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.
10.10	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.

Exhibit No.	Description
10.10a	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 10.10 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.
10.11	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 10.10 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.
10.12	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.
10.12a	Amendment dated as of January 14, 2014 with respect to the Note Purchase Agreement, dated as of September 1, 2010 (see Exhibit 10.12 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.
10.13	Guaranty Agreement dated September 1, 2010 with respect to the Note Purchase Agreement (see Exhibit 10.12 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.
10.14	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.
10.14a	Amendment Agreement dated as of May 10, 2011 with respect to the Amortising Term Loan Facility Agreement (see Exhibit 10.14 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.
10.14b	Second Amendment Agreement dated as of February 12, 2013 with respect to the Amortising Term Loan Facility Agreement (see Exhibit 10.14 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.
10.14c	Third Amendment Agreement dated as of March 29, 2013 with respect to the Amortising Term Loan Facility Agreement (see Exhibit 10.14 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.

Exhibit No.	Description
10.14d	Fourth Amendment Agreement dated as of March 31, 2014 with respect to the Amortising Term Loan Facility Agreement (see Exhibit 10.14 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.
10.14e	Fifth Amendment Agreement dated as of April 30, 2015 with respect to the Amortising Term Loan Facility Agreement (see Exhibit 10.14 above) between and among Koidu Limited, Octea Limited, BSG Resources Limited and Laurelton Diamonds, Inc. Incorporated by reference from Exhibit 10.14e filed with Registrant's Report on Form 8-K dated May 6, 2015.
10.15	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.
10.16	Guaranty Agreement dated as of July 19, 2013, with respect to the Credit Agreement (see Exhibit 10.15 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.
10.16a	First Amendment dated as of January 26, 2014, to the Guaranty Agreement (see Exhibit 10.16 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.
12.1	Ratio of Earnings to Fixed Charges.
14.1	Code of Business and Ethical Conduct. Incorporated by reference from Exhibit 14.1 filed with Registrant's Report on Form 8-K dated March 22, 2016.
21.1	Subsidiaries of Registrant.
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.

Exhibit No.	Description
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 Registrant's Annual Report on Form 10-K for the fiscal year ended January 31, 2016, 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
10.17	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.
10.18	Tiffany and Company Amended and Restated Executive Deferral Plan originally made effective October 1, 1989, as amended and restated effective March 17, 2016. Incorporated by reference from Exhibit 10.18 filed with Registrant's Report on Form 8-K dated March 22, 2016.
10.19	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.
10.20	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.
10.21	1994 Tiffany and Company Supplemental Retirement Income Plan, Amended and Restated as of March 17, 2016. Incorporated by reference from Exhibit 10.21 filed with Registrant's Report on Form 8-K dated March 22, 2016.
10.22	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.
10.23	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.

Exhibit No.	Description
10.23a	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.
10.23b	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.
10.23c	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.
10.24	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.
10.25	2004 Tiffany and Company Un-funded Retirement Income Plan to Recognize Compensation in Excess of Internal Revenue Code Limits, Amended and Restated as of March 17, 2016. Incorporated by reference from Exhibit 10.25 filed with Registrant's Report on Form 8-K dated March 22, 2016.
10.26	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.
10.26a	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.
10.26b	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.
10.26c	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.
10.26d	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.

Exhibit No.	Description
10.26e	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 10.141a filed with Registrant's Report on Form 8-K dated May 23, 2005.
10.26f	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 10.26d 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.
10.26g	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.
10.26h	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.
10.26i	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.
10.26j	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.
10.26k	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.
10.26l	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.
10.26m	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.

Exhibit No.	Description
10.26n	Terms of Performance-Based Restricted Stock Unit Grants to Executive Officers, effective January 15, 2014, under Registrant's 2005 Employee Incentive Plan. Incorporated by reference from Exhibit 10.28s filed with Registrant's Report on Form 8-K dated September 19, 2014.
10.26o	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.
10.26p	Terms of 2014 Amended and Restated Performance-Based Restricted Stock Unit Grant for Michael J. Kowalski. Incorporated by reference from Exhibit 10.27s filed with Registrant's Report on Form 8-K dated March 24, 2015.
10.26q	Terms of 2015 Amended and Restated Performance-Based Restricted Stock Unit Grant for Michael J. Kowalski. Incorporated by reference from Exhibit 10.27t filed with Registrant's Report on Form 8-K dated March 24, 2015.
10.27	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.
10.27a	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.
10.28	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.
10.28a	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.
10.28b	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.
10.29	Registrant's 2014 Employee Incentive Plan, amended and restated as of March 16, 2016. Incorporated by reference from Exhibit 10.29 filed with Registrant's Report on Form 8-K dated March 22, 2016.
10.29a	Terms of Stock Option Award (Transferable Non-Qualified Option) under Registrant's 2014 Employee Incentive Plan. Incorporated by reference from Exhibit 10.31a filed with Registrant's Report on Form 8-K dated July 18, 2014.

Exhibit No.	Description
10.29b	Terms of Cliff-Vesting Restricted Stock Grant (Non-Transferable) under Registrant's 2014 Employee Incentive Plan. Incorporated by reference from Exhibit 10.31b filed with Registrant's Report on Form 8-K dated July 18, 2014.
10.29c	Terms of Tranche-Vesting Restricted Stock Grant (Non-Transferable) under Registrant's 2014 Employee Incentive Plan. Incorporated by reference from Exhibit 10.31c filed with Registrant's Report on Form 8-K dated July 18, 2014.
10.29d	Terms of Time-Vesting Restricted Stock Grant (Non-Transferable) under Registrant's 2014 Employee Incentive Plan. Incorporated by reference from Exhibit 10.31d filed with Registrant's Report on Form 8-K dated July 18, 2014.
10.29e	Form of Fiscal 2015 Cash Incentive Award Agreement for certain executive officers as adopted on March 16, 2016 under Registrant's 2014 Employee Incentive Plan. Incorporated by reference from Exhibit 10.29e filed with Registrant's Report on Form 8-K dated March 22, 2016.
10.29f	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 2014 Employee Incentive Plan and pursuant to the Tiffany and Company Amended and Restated Executive Deferral Plan. Incorporated by reference from Exhibit 10.29f filed with Registrant's Report on Form 8-K dated March 22, 2016.
10.29g	Terms of Stock Option Award (Transferable Non-Qualified Option) under Registrant's 2014 Employee Incentive Plan, as revised March 16, 2016. Incorporated by reference from Exhibit 10.29g filed with Registrant's Report on Form 8-K dated March 22, 2016.
10.29h	Terms of Performance-Based Restricted Stock Unit Grants to Executive Officers, effective March 16, 2016, under Registrant's 2014 Employee Incentive Plan. Incorporated by reference from Exhibit 10.29h filed with Registrant's Report on Form 8-K dated March 22, 2016.
10.29i	Terms of Cliff-Vesting Restricted Stock Grant (Non-Transferable) under Registrant's 2014 Employee Incentive Plan, as revised March 16, 2016. Incorporated by reference from Exhibit 10.29i filed with Registrant's Report on Form 8-K dated March 22, 2016.
10.29j	Terms of Tranche-Vesting Restricted Stock Grant (Non-Transferable) under Registrant's 2014 Employee Incentive Plan, as revised March 16, 2016. Incorporated by reference from Exhibit 10.29j filed with Registrant's Report on Form 8-K dated March 22, 2016.
10.29k	Terms of Time-Vesting Restricted Stock Grant (Non-Transferable) under Registrant's 2014 Employee Incentive Plan, as revised March 16, 2016. Incorporated by reference from Exhibit 10.29k filed with Registrant's Report on Form 8-K dated March 22, 2016.
10.30	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.

Exhibit No.	Description
10.31	Employment offer letter, dated as of March 7, 2014, between Ralph Nicoletti and Tiffany and Company. Incorporated by reference from Exhibit 10.33 filed with the Registrant's Report on Form 10-K dated March 20, 2015.
10.32	Employment offer letter, dated as of April 18, 2014, between Jean-Marc Bellaiche and Tiffany and Company.
10.33	Employment offer letter, dated as of December 19, 2014, between Jennifer de Winter and Tiffany and Company.
10.34	Form of 2016 Retention Agreement with Registrant and Tiffany and Company. Incorporated by reference from Exhibit 10.34 filed with Registrant's Report on Form 8-K dated March 22, 2016.
10.35	Share Ownership Policy for Executive Officers and Directors, Amended and Restated as of November 19, 2014. Incorporated by reference from Exhibit 10.152 filed with Registrant's Report on Form 8-K dated December 1, 2014.
10.36	Corporate Governance Principles, amended and restated as of January 21, 2016. Incorporated by reference from Exhibit 10.35 filed with Registrant's Report on Form 8-K dated January 21, 2016.

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

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, 2016:					
Reserves deducted from assets:					
Accounts receivable allowances:					
Doubtful accounts	$ 1.8	$ 4.4	$ —	$ 3.0 [a]	$ 3.2
Sales returns	8.8	3.5	—	4.0 [b]	8.3
Allowance for inventory liquidation and obsolescence	63.2	25.4	—	29.4 [c]	59.2
Allowance for inventory shrinkage	2.2	0.8	—	1.8 [d]	1.2
Deferred tax valuation allowance	16.2	5.3	—	2.0 [e]	19.5

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 millions)

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, 2015:					
Reserves deducted from assets:					
Accounts receivable allowances:					
Doubtful accounts	$ 1.9	$ 1.9	$ —	$ 2.0 [a]	$ 1.8
Sales returns	8.5	1.9	—	1.6 [b]	8.8
Allowance for inventory liquidation and obsolescence	64.1	33.6	—	34.5 [c]	63.2
Allowance for inventory shrinkage	1.5	2.6	—	1.9 [d]	2.2
Deferred tax valuation allowance	17.7	4.0	—	5.5 [e]	16.2

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 millions)

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	$ 2.1	$ 2.3	$ —	$ 2.5 [a]	$ 1.9
Sales returns	7.6	2.5	—	1.6 [b]	8.5
Allowance for inventory liquidation and obsolescence	54.2	31.7	—	21.8 [c]	64.1
Allowance for inventory shrinkage	1.2	3.1	—	2.8 [d]	1.5
Deferred tax valuation allowance	14.2	5.6	—	2.1 [e]	17.7

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.

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2016 Annual Meeting of Shareholders

PROXY STATEMENT

TIFFANY & CO.

PROXY SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information you should consider. You should read the entire Proxy Statement carefully before voting.

ANNUAL MEETING OF SHAREHOLDERS

Date	Thursday, May 26, 2016
Time	9:30 a.m.
Place	W New York – Union Square hotel 201 Park Avenue South (at 17th Street) New York, New York
Record Date	March 28, 2016
Voting	Shareholders as of the record date are entitled to vote. Each share of common stock of Tiffany & Co., a Delaware corporation (the "Company"), has one vote.
Admission	Attendance at the Annual Meeting will be limited to those persons who were shareholders, or held Company stock through a broker, bank or other nominee, at the close of business on the record date. Pre-registration is required to attend the Annual Meeting. Registration confirmation and photo identification are also required for admission. Shareholders of record will have the opportunity to vote by ballot at the Annual Meeting. Beneficial owners of shares held in street name must contact their broker before the Annual Meeting to obtain a legal proxy and bring the legal proxy with them to the meeting.

MATTERS TO BE VOTED ON AT 2016 ANNUAL MEETING

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

Matter	Board Recommended Vote	Required Vote	Broker Discretionary Vote Allowed
Item No. 1: Election of the Board;	"FOR" the election of all 10 nominees for director	Majority of votes cast "for" or "against" the nominee	No
Item No. 2: Ratification of the selection of the independent registered public accounting firm to audit our Fiscal 2016 financial statements;	"FOR"	Majority of shares present and entitled to vote	Yes
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	"FOR"	Majority of shares present and entitled to vote	No
Item No. 4: Shareholder proposal that the Company adopt a general payout policy that gives preference to share repurchases (relative to cash dividends) as a method to return capital to shareholders.	"AGAINST"	Majority of shares present and entitled to vote	No

ELECTION OF THE BOARD

The following table provides summary information about each director nominee. Each director is elected annually by a majority of votes cast. See "Item 1. Election of the Board" at PS-18 for more information.

Name	Age	Director Since	Principal Occupation	Independent	Audit Committee	Compensation Committee & Stock Option Sub-Committee	Corporate Social Responsibility Committee	Dividend Committee	Finance Committee	Nominating/ Corporate Governance Committee	Other Public Company Boards
Rose Marie Bravo	65	1997	Retired Chief Executive Officer ("CEO") of Burberry Limited	✓		✓				✓	2
Gary E. Costley	72	2007	Retired Chairman and CEO of International Multifoods Corporation	✓		Chair	✓			✓	2
Lawrence K. Fish	71	2008	Retired Chairman and CEO of Citizens Financial Group, Inc.	✓	✓		Chair		✓		2
Abby F. Kohnstamm	62	2001	Executive Vice President and Chief Marketing Officer at Pitney Bowes Inc.	✓	✓	✓	✓			✓	0
Charles K. Marquis	73	1984	Senior Advisor to Investcorp International, Inc.	✓	✓	✓				Chair	0
Peter W. May	73	2008	President of Trian Fund Management, L.P.	✓		✓			✓		1
William A. Shutzer	69	1984	Senior Managing Director of Evercore Partners						Chair		1
Robert S. Singer	64	2012	Former CEO of Barilla Holding S.p.A	✓	Chair	✓			✓		3
Michael J. Kowalski	64	1995	Retired CEO of Tiffany & Co.				✓				0
Frederic Cumenal	56	2013	CEO of Tiffany & Co.				✓	✓			0

Each director nominee is a current director and during Fiscal 2015 (February 1, 2015 to January 31, 2016) attended at least 83% of the aggregate number of meetings of the Company's Board of Directors (the "Board") and those committees on which he or she served.

AUDITORS

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 2016 (February 1, 2016 to January 31, 2017). As a matter of good corporate governance, we are asking you to ratify this selection.

See "Item 2. Ratification of the Selection of the Independent Registered Public Accounting Firm to Audit Our Fiscal 2016 Financial Statements" at PS-34 and "Relationship with Independent Registered Public Accounting Firm" at PS-36 for more information.

EXECUTIVE COMPENSATION MATTERS

See "Item 1. Election of the Board" at PS-18 and "Compensation of the CEO and Other Executive Officers" at PS-38 for more information.

BUSINESS HIGHLIGHTS

Key highlights of Fiscal 2015 performance were as follows:

Sales:	On a constant-exchange-rate basis that eliminates the effect from translating sales made outside the U.S. into U.S. dollars (see Appendix I at PS-105), worldwide net sales increased 2% due to growth in Europe, Japan and Asia-Pacific, while sales in the Americas decreased 2% (4% on an as reported basis) from the prior year. As reported in U.S. dollars, worldwide net sales decreased 3% to $4.1 billion due to lower sales in all regions.
Profitability:	Net earnings decreased 9% in 2015 excluding certain expenses recorded in 2015 and 2014 (see Appendix I at PS-105) due to a lack of sales leverage on higher selling, general and administrative expenses partly offset by a higher gross margin. As reported, net earnings of $463.9 million, or $3.59 per diluted share, were 4% below the prior year's $484.2 million, or $3.73 per diluted share. Operating earnings also decreased 9% in 2015 excluding certain 2015 expenses (see Appendix I at PS-105), and 15% on an as reported basis.
Store Expansion:	The Company added a net of 12 TIFFANY & CO. stores while also relocating and renovating several of its existing locations.
Product Introductions:	The Company expanded its offerings within several existing jewelry collections and introduced its new TIFFANY & CO. brand watch collections.
Returning Capital to Shareholders:	The Company generated free cash flow exceeding $500 million, a portion of which was returned to shareholders through increased share repurchases and dividend payments.

EXECUTIVE COMPENSATION HIGHLIGHTS

The Board's continued commitment to pay for performance and leading compensation practices in Fiscal 2015 was demonstrated by the following highlights:

- The majority of compensation payable to the CEO and other named executive officers is tied to the Company's financial performance and/or the performance of the stock price (87% for the CEO and 70% for other named executive officers, on average), with significant emphasis on long-term incentives.
- Long-term and short-term incentive awards are payable contingent on a variety of performance measures, including operating earnings, net earnings per share and return on assets.
- Short-term incentive awards for Fiscal 2015 were paid out to the named executive officers at 70-80% of target, based on achievement of operating earnings for the year relative to target and individual performance factors.
- For the performance period beginning February 1, 2013 and ending January 31, 2016 (Fiscal 2013-Fiscal 2015), performance-based restricted stock units vested at 108.2% of target shares (54.1%

of maximum shares), based on achievement of net earnings per share, on a diluted basis, and return on assets relative to pre-established targets.

- Incentive compensation is subject to recoupment in the event of an accounting restatement due to material noncompliance with financial reporting requirements.
- Executive officers are expected under the Company's share ownership policy to hold shares of common stock worth five times their annual base salary for the CEO and two to four times their annual base salary for other named executive officers.
- In the event of a change in control, severance benefits are only payable upon an involuntary termination ("dual trigger").
- The Compensation Committee of the Board retains an independent compensation consultant to advise on the executive compensation program and practices.

2017 ANNUAL MEETING

If you wish to submit a proposal to be included in the Proxy Statement for our 2017 Annual Meeting, we must receive it no later than December 9, 2016. Proposals should be sent to the Company at 727 Fifth Avenue, New York, New York 10022 to the attention of the Corporate Secretary (Legal Department).

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. We will have discretionary voting authority with respect to any such proposals to be considered at the 2017 Annual Meeting unless the proposal is submitted to us no earlier than January 26, 2017 and no later than February 25, 2017, and the shareholder satisfies the other applicable requirements of the Securities and Exchange Commission (the "SEC").

QUESTIONS YOU MAY HAVE REGARDING THIS PROXY STATEMENT

WHAT IS THE PURPOSE OF THIS PROXY STATEMENT AND THE ACCOMPANYING MATERIAL?

This Proxy Statement and accompanying material, including the form of proxy, have been sent to you on behalf of the Company by order of the Board.

This Proxy Statement was first sent to the Company's shareholders on or about April 8, 2016, in connection with the Annual Meeting of the shareholders of the Company to be held on Thursday, May 26, 2016, at 9:30 a.m. at the W New York – Union Square hotel, 201 Park Avenue South (at 17th Street), New York, New York.

You are entitled to vote at our 2016 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 28, 2016, the record date for this year's Annual Meeting. That is why you were sent this Proxy Statement and accompanying material.

WHAT INFORMATION IS CONTAINED IN THIS PROXY STATEMENT AND THE ACCOMPANYING MATERIAL?

The information included in this Proxy Statement relates to the proposals to be considered and voted on at the Annual Meeting, the voting process, the compensation of our directors and most highly compensated executive officers, and other required information. This Proxy Statement is accompanied by our Annual Report on Form 10-K, which contains financial and other information about our business during Fiscal 2015.

WHY DID I RECEIVE A NOTICE REGARDING THE INTERNET AVAILABILITY OF THIS PROXY STATEMENT AND THE ACCOMPANYING MATERIAL INSTEAD OF A PAPER COPY OF THE PROXY MATERIALS?

As is the practice of many other companies, the Company is now providing proxy materials by a "notice and access" process. As a shareholder, you will receive a written notice of proxy, by postal service or e-mail, 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 CAN I REQUEST AND RECEIVE A PAPER OR E-MAIL COPY OF THE PROXY MATERIALS?

To 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 16-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 request as instructed above on or before May 12, 2016 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 26, 2016

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

WHAT MATTERS WILL BE VOTED ON AT THE 2016 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 2016 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: Shareholder proposal that the Company adopt a general payout policy that gives preference to share repurchases (relative to cash dividends) as a method to return capital to shareholders.

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

DOES THE BOARD OF DIRECTORS RECOMMEND VOTING IN FAVOR OF THE PROPOSALS?

The Board recommends a vote "FOR" each of the director nominees and the proposals set forth in Items 2 and 3. The Board recommends a vote "AGAINST" the shareholder proposal set forth in Item 4.

WHAT SHARES CAN I VOTE?

You may vote all of the shares of the Company's common stock that you owned at the close of business on March 28, 2016, the record date.

HOW MANY VOTES DO I 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.

HOW DO I VOTE MY 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, or if your shares are held in the Tiffany and Company Employee Profit Sharing and Retirement Savings Plan (the "401K Plan"), then you are the

"beneficial owner" of shares held in "street name." The organization holding, or trustee of, 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 or trustee on how to vote the shares held in your account. Those instructions are contained in the "voting instruction form" sent to you and are summarized below.

HOW DO I VOTE MY SHARES BEFORE THE ANNUAL MEETING IF I AM 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 or her 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.

CAN I CHANGE MY VOTE AFTER I HAVE DELIVERED MY PROXY?

If you decide to vote by proxy (whether by Internet, telephone or mail), you can revoke – that is, change or cancel – your vote at any time before your proxy casts his or her 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 Corporate Secretary of the Company, call in different instructions, or provide different instructions through the Internet voting site; or
- You can notify the Corporate Secretary of the Company in writing that you wish to revoke your proxy; or
- You can attend the Annual Meeting and vote in person.

HOW DO I VOTE MY SHARES BEFORE THE ANNUAL MEETING IF I AM A BENEFICIAL OWNER OF SHARES HELD IN STREET NAME?

You may instruct your broker or the 401K Plan's trustee, as applicable, how to vote on your behalf in any of the following ways:

- *Via the Internet*. You may instruct your broker or the 401K Plan's trustee, as applicable, 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 or the 401K Plan's trustee, as applicable, 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 or the 401K Plan's trustee, as applicable, as to your vote by mail by filling out the voting instruction form provided to you and returning it in the envelope provided.

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 IS A BROKER NON-VOTE?" immediately below.

Shares held in the 401K Plan will be voted by the 401K Plan's trustee in accordance with specific instructions given by 401K Plan participants to whose accounts such shares have been allocated.

WHAT IS A BROKER NON-VOTE?

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 shareholder proposal that the Company adopt a general payout policy that gives preference to share repurchases (relative to cash dividends) as a method to return capital to shareholders, your broker will be required to withhold its vote unless you provide instructions on those matters.

If your broker withholds its vote, that is called a "broker non-vote." As stated below, broker non-votes are counted as present for a quorum, but will have no effect on the outcome of the election of directors or any of the other proposals set forth herein. See "WHAT CONSTITUTES A QUORUM?" and "WHAT VOTE IS REQUIRED TO APPROVE EACH PROPOSAL?" below.

CAN I CHANGE THE INSTRUCTION TO MY BROKER OR THE 401K PLAN TRUSTEE?

You may vote in person at the Annual Meeting, or you may change your instruction to your broker or the 401K Plan trustee, as applicable, by submitting a subsequent instruction through one of the means set forth above under "HOW DO I VOTE MY SHARES BEFORE THE ANNUAL MEETING IF I AM A BENEFICIAL OWNER OF SHARES HELD IN STREET NAME?".

HOW WILL MY SHARES BE VOTED IN THE ABSENCE OF INSTRUCTIONS?

If you are a shareholder of record and 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 10 nominees for director named in this Proxy Statement;

- **FOR** the ratification of the selection of PwC as the independent registered public accounting firm to audit our Fiscal 2016 financial statements;
- **FOR** approval of the compensation paid to the Company's named executive officers in Fiscal 2015; and
- **AGAINST** the shareholder proposal that the Company adopt a general payout policy that gives preference to share repurchases (relative to cash dividends) as a method to return capital to shareholders.

Shares held in a broker's name for which no instructions are received may be voted by the broker, but only in accordance with the rules of the New York Stock Exchange. For more details, see "WHAT IS A BROKER NON-VOTE?" above. Any shares held in the 401K Plan for which no instructions are received will be voted in the same proportion as those shares for which instructions are received.

DO I NEED TO ATTEND THE ANNUAL MEETING?

No. You may authorize your shares to be voted by following the instructions presented in the notice, proxy card or voting instruction form.

IF I WISH TO ATTEND THE ANNUAL MEETING AND VOTE IN PERSON, WHAT DO I NEED TO DO?

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.

WHAT CONSTITUTES A QUORUM?

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

The number of shares issued and outstanding at the close of business on March 28, 2016, the record date, was 125,984,068. Therefore, 62,992,035 shares must be present at our 2016 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 in person 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, including, for any beneficial owner of shares held in street name, by the organization holding such shareholder's account.

If a shareholder is represented by proxy at the Annual Meeting as described above, 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 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 PwC as the independent registered public accounting firm to audit the Company's consolidated financial statements for Fiscal 2016 will be decided by the affirmative vote of the majority of shares present in person or represented by proxy at the Annual 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 Annual 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 Annual Meeting and entitled to vote on the matter. That means that the advisory proposal will be approved if more than half of those shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the matter vote "for" the proposal. Therefore, if you abstain from voting it will have the same effect as an "against" vote. Broker non-votes on this proposal will have no effect.

The shareholder proposal that the Company adopt a general payout policy that gives preference to share repurchases (relative to cash dividends) as a method to return capital to shareholders will be decided by the affirmative vote of the majority of shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the matter. That means that the shareholder proposal will be approved if more than half of those shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the matter vote "for" the proposal. Therefore, if you abstain from voting it will have the same effect as an "against" vote. Broker non-votes on this proposal will have no effect.

WHAT HAPPENS IF A DIRECTOR NOMINEE DOES NOT RECEIVE A MAJORITY OF THE VOTES CAST?

In the event that any of the current directors standing for re-election 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.

HOW ARE PROXIES SOLICITED?

The Company has hired the firm of Georgeson LLC to assist in the solicitation of proxies on behalf of the Board. Georgeson LLC has agreed to perform this service for a fee of not more than $8,500, plus out-of-pocket expenses.

Employees of Tiffany and Company, a New York corporation and the principal subsidiary of the Company ("Tiffany"), 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.

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

WHO WILL COUNT THE VOTES?

All votes will be tabulated by American Election Services, LLC, the inspector of elections appointed for the Annual Meeting.

WHERE CAN I FIND THE VOTING RESULTS OF THE ANNUAL MEETING?

The Company will announce preliminary voting results at the Annual Meeting and publish final results in a Form 8-K filed with the SEC within four business days after the Annual Meeting.

OWNERSHIP OF THE COMPANY

SHAREHOLDERS 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 21, 2016. 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 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 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)	12.87%
The Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, Pennsylvania 19355	9,954,452	(c)	7.90%
JPMorgan Chase & Co. 270 Park Avenue New York, New York 10017	8,724,225	(d)	6.92%
Blackrock, Inc. 55 East 52nd Street New York, New York 10055	7,130,523	(e)	5.66%

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 10, 2016 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 213,751 shares of the Company's common stock, shared power to vote 12,800 shares, sole power to dispose or direct the disposition of 9,725,996 shares, and shared power to dispose or direct the disposition of 228,456 shares.

d) JPMorgan Chase & Co. reported such beneficial ownership to the SEC on its Schedule 13G as of February 1, 2016 and stated that, as a parent holding company of the wholly owned subsidiaries identified in that Schedule, it beneficially owned the number of shares referred to above. This Schedule stated that JPMorgan Chase & Co. had sole power to vote 7,778,478 shares of the Company's common stock, shared power to vote 23,357 shares, sole power to dispose or direct the disposition of 8,672,220 shares, and shared power to dispose or direct the disposition of 42,065 shares.

e) Blackrock, Inc. reported such beneficial ownership to the SEC on its Schedule 13G as of February 9, 2016 and stated that, as a parent holding company of the subsidiaries identified in that Schedule, it beneficially owned the number of shares referred to above. This Schedule stated that Blackrock, Inc. had sole power to vote 6,129,323 shares of the Company's common stock and sole power to dispose or direct the disposition of 7,130,523 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 21, 2016 by those persons who are director nominees or who served as directors; the principal executive officer (the "CEO") and the principal financial officer (the "CFO") during Fiscal 2015; the three next most highly compensated executive officers of the Company as of the end of Fiscal 2015; and the directors and executive officers as of April 8, 2016 (see "Executive Officers of the Company" at PS-16) as a group. In the notes to the table below, "Vested Stock Options" refer to stock options that are exercisable as of March 21, 2016 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	22,486	b	*
Gary E. Costley	19,486	c	*
Frederic Cumenal (CEO during Fiscal 2015)	193,182	d	*
Lawrence K. Fish	55,115	e	*
Abby F. Kohnstamm	69,615	f	*
Michael J. Kowalski (CEO during Fiscal 2015)	286,393	g	*
Charles K. Marquis	175,985	h	*
Peter W. May	56,615	i	*
William A. Shutzer	342,002	j	*
Robert S. Singer	21,160	k	*
Executive Officers			
Ralph Nicoletti (CFO during Fiscal 2015)	23,488	l	*
Jean-Marc Bellaiche	14,341	m	*
Pamela H. Cloud	109,704	n	*
Jennifer de Winter	5,775	o	*
All executive officers and directors as a group (20 persons):	1,799,934	p	1.4%

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

b) Includes 18,486 shares issuable upon the exercise of Vested Stock Options.

c) Includes 18,486 shares issuable upon the exercise of Vested Stock Options.

d) Includes 163,668 shares issuable upon the exercise of Vested Stock Options and 8,523 shares issuable upon the vesting of performance-based restricted stock units on March 31, 2016. Mr. Cumenal was named CEO effective April 1, 2015.

e) Includes 14,626 shares issuable upon the exercise of Vested Stock Options.

f) Includes 43,203 shares issuable upon the exercise of Vested Stock Options.

g) Includes 174,409 shares issuable upon the exercise of Vested Stock Options, 13,716 shares issuable upon the vesting of performance-based restricted stock units on March 31, 2016, 17,572 shares held by

the Kowalski Family Foundation and 50,000 shares held in trust of which Mr. Kowalski is the sole trustee. Mr. Kowalski, the Company's former CEO, retired effective March 31, 2015. Following his retirement as CEO, Mr. Kowalski continued to serve as Chairman of the Board, but in a non-Executive capacity.

h) Includes 43,203 shares issuable upon the exercise of Vested Stock Options, 28,782 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.

i) Includes 13,412 shares Mr. May may be deemed to indirectly beneficially own. Includes 43,203 shares issuable upon the exercise of Vested Stock Options.

j) Includes 43,203 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 153,089 shares pledged as security in a margin account. Mr. Shutzer disclaims beneficial ownership of Company stock held by KJC Ltd. and shares held in the aforementioned trust.

k) Includes 12,149 shares issuable upon the exercise of Vested Stock Options.

l) Includes 23,488 shares issuable upon the exercise of Vested Stock Options.

m) Includes 13,250 shares issuable upon the exercise of Vested Stock Options.

n) Includes 83,950 shares issuable upon the exercise of Vested Stock Options, 3,881 shares issuable upon the vesting of performance-based restricted stock units on March 31, 2016 and 500 shares held in Ms. Cloud's account under the Tiffany Employee Profit Sharing and Retirement Savings Plan.

o) Includes 5,775 shares issuable upon the exercise of Vested Stock Options.

p) Includes 991,036 shares issuable upon the exercise of Vested Stock Options and restricted stock unit grants that will vest within 60 days of March 21, 2016; 42,024 shares issuable upon the vesting of performance-based restricted stock units on March 31, 2016; 1,299 shares held in accounts under the Tiffany Employee Profit Sharing and Retirement Savings Plan; and three shares held in the Tiffany 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-58 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-10-percent shareholders 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 2015, all filing requirements under Section 16(a) applicable to our directors, executive officers and greater-than-10-percent shareholders were satisfied in a timely manner.

EXECUTIVE OFFICERS OF THE COMPANY

The executive officers of the Company are:

Name	Age	Position	Year Joined Tiffany
Frederic Cumenal	56	Chief Executive Officer	2011
Ralph Nicoletti	58	Executive Vice President – Chief Financial Officer	2014
Jean-Marc Bellaiche	46	Senior Vice President – Strategy and Business Development	2014
Victoria Berger-Gross	60	Senior Vice President – Global Human Resources	2001
Pamela H. Cloud	46	Senior Vice President – Global Category Marketing	1994
Jennifer de Winter	55	Senior Vice President – Northern America	2015
Philippe Galtié	55	Senior Vice President – International	2015
Leigh M. Harlan	39	Senior Vice President – Secretary and General Counsel	2012
Andrew W. Hart	48	Senior Vice President – Diamond and Jewelry Supply	1999
Caroline D. Naggiar	58	Senior Vice President – Chief Brand Officer	1997
John S. Petterson	57	Senior Vice President – Global Operations and Customer Services	1988

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 all regions. In September 2013, Mr. Cumenal was appointed as President, with responsibility for sales and distribution of TIFFANY & CO. products globally, Product and Store Design, Merchandising and Marketing functions. Mr. Cumenal was named Chief Executive Officer effective April 1, 2015 and has served on the Tiffany & Co. Board of Directors since 2013. 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.

Ralph Nicoletti. Mr. Nicoletti joined Tiffany in March 2014 and was appointed as Executive Vice President and Chief Financial Officer effective April 2, 2014. Prior to joining Tiffany, Mr. Nicoletti 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.

Jean-Marc Bellaiche. Mr. Bellaiche joined Tiffany in June 2014 as Senior Vice President – Strategy and Business Development, with responsibility for business initiatives outside of jewelry such as watches, leather goods, eyewear and fragrance. Mr. Bellaiche was designated an executive officer of the Company effective April 1, 2015. Prior to joining Tiffany, Mr. Bellaiche held positions of increasing responsibility at the Boston Consulting Group from 1992 to 2014, where he was appointed as a partner and managing director in 2003 and senior partner and managing director – global leader, luxury fashion beauty and department stores, in 2010. In those roles, Mr. Bellaiche was responsible for leading and directing teams of worldwide consulting professionals as they designed and implemented long-term competitive business strategies for that company's clients.

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. In February 2016, Ms. Cloud was named Senior Vice President – Global Category Marketing, with responsibility for management of the Company's key product categories as well as global merchandising operations.

Jennifer de Winter. Ms. de Winter joined Tiffany on March 1, 2015 as Senior Vice President – Northern America, with responsibility for all sales channels in the United States and Canada. In July 2015, her responsibilities were expanded, and she became responsible for all sales channels in the Company's Americas region. Ms. de Winter was designated an executive officer of the Company effective July 16, 2015. Prior to joining Tiffany, Ms. de Winter served as Executive Vice President, Stores at Saks Fifth Avenue from 2008 to 2013. Following the acquisition of Saks Fifth Avenue by Hudson's Bay Company in 2013, Ms. de Winter was appointed Executive Vice President and Chief Merchandising Officer of Saks Fifth Avenue and served in that role until 2015.

Philippe Galtié. Mr. Galtié joined Tiffany on August 17, 2015 as Senior Vice President – International, with responsibility for all sales channels in the Company's Asia Pacific, Europe, Japan and Emerging Markets regions, as well as oversight of global store design and planning, and global sales operations. In February 2016, Mr. Galtié also assumed responsibility for global customer and omnichannel management. Prior to joining Tiffany, Mr. Galtié held the role of International Retail Director at Cartier since 2011, where he was responsible for oversight of retail and client strategy, client relations and services, operations, store design and merchandising. Previously, Mr. Galtié served as country head or in other comparable senior positions at Cartier throughout Japan, Greater China and the Asia Pacific regions from 2000 to 2011.

Leigh M. Harlan. Ms. Harlan joined Tiffany in 2012 as Associate General Counsel. In 2014, she was promoted to Senior Vice President – Secretary and General Counsel, with responsibility for the Company's worldwide legal affairs. Prior to joining Tiffany, Ms. Harlan was an attorney at the law firm of Cravath, Swaine & Moore LLP, where she practiced corporate, transactional and finance law, from 2005 to 2012.

Andrew W. Hart. Mr. Hart joined Tiffany in 1999 as Director – Materials Management and advanced through positions of increasing management responsibility. In 2012, he was promoted to Senior Vice President – Diamonds and Gemstones, with responsibility for the Company's global diamond and gemstone supply chain. In 2013, Mr. Hart assumed responsibility for jewelry manufacturing as well. His current title is Senior Vice President – Diamond and Jewelry Supply.

Caroline D. Naggiar. Ms. Naggiar joined Tiffany in 1997 as Vice President – Marketing Communications. She was promoted to Senior Vice President, responsible for advertising and marketing, in 1998 and in 2007 she was assigned additional responsibility for the Public Relations department and named Chief Marketing Officer. In February 2016, Ms. Naggiar was named Senior Vice President – Chief Brand Officer, with responsibility for global brand management and creative production, global public relations and global creative visual merchandising.

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. Since 2013, Mr. Petterson has led the Company's global operations and customer service activities as Senior Vice President – Global Operations and Customer Services.

ITEM 1. ELECTION OF THE BOARD

Each year, we elect directors at an Annual Meeting of Shareholders. Pursuant to our By-laws, directors are required 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. At the 2016 Annual Meeting, 10 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 10 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 abilities 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, 64, is the non-Executive Chairman of the Board of Tiffany & Co. Mr. Kowalski has been a director of Tiffany & Co. since 1995 and has been Chairman since the end of Fiscal 2002. Mr. Kowalski joined Tiffany in 1983 and was Chief Executive Officer ("CEO") from 1999 until his retirement effective March 31, 2015. He has also served on the Board of Directors of the following public company during the past five years: The Bank of New York Mellon Corporation. The Bank of New York Mellon Corporation is one of Tiffany & Co.'s principal banking relationships, serving as a co-syndication agent and lender under Tiffany & Co.'s revolving credit facilities, as the trustee under the indenture governing certain of Tiffany & Co.'s senior notes and as the trustee and investment manager for the Tiffany and Company 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.

Key Skills: merchandising, management, strategic planning and motivation.

Rose Marie Bravo

Ms. Bravo, CBE, 65, became a director of Tiffany & Co. in 1997. Ms. Bravo previously served as CEO 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 & CEO role at I. Magnin, which was a division of R. H. Macy & Co. Ms. Bravo also serves on the Board of Directors of Estee Lauder Companies Inc. and Williams-Sonoma, Inc.

Key Skills: retail and brand management, merchandising and product development.

Gary E. Costley

Dr. Costley, 72, became a director of Tiffany & Co. in 2007. He served as Chairman and CEO of International Multifoods Corporation, a manufacturer and marketer of branded consumer food and food service products, from 1997 until his retirement in 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 1994 when he was President of Kellogg North America. Dr. Costley serves on the Board of Directors of The Principal Financial Group and Prestige Brands Holdings, Inc. He has also served on the Board of Directors of the following public company during the past five years: Covance Inc.

Key Skills: multi-divisional operations, global management, marketing and manufacturing.

Frederic Cumenal

Mr. Cumenal, 56, was named CEO of Tiffany & Co. effective April 1, 2015. Mr. Cumenal served as President of Tiffany & Co. from September 2013 through March 2015, and was appointed to a newly-created seat on the Board of Tiffany & Co. in September 2013. Prior to his appointment as President, he was an Executive Vice President of Tiffany, with responsibility for the sales and distribution of TIFFANY & CO. products globally. Prior to joining Tiffany in March 2011, Mr. Cumenal spent 15 years in senior leadership positions in LVMH Group's wine and spirits businesses, most recently as President and CEO of Moët & Chandon, S.A. Previously, Mr. Cumenal served as CEO of Domaine Chandon, and was Managing Director of Moët Hennessy Europe.

Key Skills: international luxury brand management and development and strategic planning.

Lawrence K. Fish

Mr. Fish, 71, became a director of Tiffany & Co. in 2008. Mr. Fish previously served as Chairman, President and CEO of Citizens Financial Group, Inc. ("Citizens") from 1992 until 2005, when he relinquished the title of President. Mr. Fish relinquished the title of CEO of Citizens in 2007 and retired as Chairman in 2009. Mr. Fish is a member of the Corporation and Executive Committee of Massachusetts Institute of Technology. Mr. Fish serves as Chairman of Houghton Mifflin Harcourt and as a member of the Board of Directors of Textron. He has also served on the Board of Directors of the following public company during the past five years: National Bank Holdings. Mr. Fish serves as a Trustee Emeritus of The Brookings Institution and as Chairman of Management Sciences for Health.

Key Skills: risk analysis, finance, brand management and community banking.

Abby F. Kohnstamm

Ms. Kohnstamm, 62, is Executive Vice President and Chief Marketing Officer at Pitney Bowes Inc. ("Pitney Bowes"). In this role, she oversees all of Pitney Bowes's marketing and communications worldwide, as well as citizenship and philanthropy. 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 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. 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 2001. Ms. Kohnstamm also served on the Board of Directors 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 digital marketing.

Charles K. Marquis

Mr. Marquis, 73, has been a Senior Advisor to Investcorp International, Inc. since 1999. 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 first elected a director of Tiffany & Co. in 1984.

Key Skills: finance, risk analysis, crisis management and investor relations.

Peter W. May

Mr. May, 73, has been President and a founding partner of Trian Fund Management, L.P., a New York-based asset management firm, since 2005. Mr. May also serves as non-executive Vice Chairman and as a member of the Board of Directors of The Wendy's Company (formerly Wendy's/Arby's Group, Inc. and previously Triarc Companies, Inc. ("Triarc")). Mr. May also served as President and Chief Operating Officer of Triarc from 1993 through 2007. From 1983 to 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 holds A.B. and M.B.A. degrees from the University of Chicago and is a Certified Public Accountant (inactive). Mr. May also holds an Honorary Doctorate in Humane Letters from The Mount Sinai School of Medicine of New York University. Mr. May was first elected a director of Tiffany & Co. in 2008.

Key Skills: multi-divisional operations, brand management, investor relations and finance.

William A. Shutzer

Mr. Shutzer, 69, has been a Senior Managing Director of Evercore Partners, a financial advisory and private equity firm, since 2004. 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 first elected a director of Tiffany & Co. in 1984. Mr. Shutzer serves on the Board of Directors of ExamWorks Group, Inc., Evercore Trust Company and RSI Home Products, Inc. He has also served on the Board of Directors of the following public company during the past five years: Mecklermedia Corporation (formerly known as Mediabistro Inc.).

Key Skills: finance, investor relations and strategic development.

Robert S. Singer

Mr. Singer, 64, served as CEO of Barilla Holding S.p.A, a major Italian food company, from 2006 to 2009. From 2004 to 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 1995 to 2004. From 1987 to 1995, Mr. Singer was a Partner at Coopers & Lybrand. Mr. Singer served on the Board of Directors of Benetton S.p.A. from 2006 to 2010, and on the Board of Directors of Fairmont Hotels & Resorts, Inc. from 2003 to 2006. Mr. Singer currently serves on the Board of Directors of the following public companies: Mead Johnson Nutrition Company, Coty Inc. and Jimmy Choo PLC. Mr. Singer also currently serves on the Board of Directors of several non-public companies. Mr. Singer was first elected a director of Tiffany & Co. in 2012.

Key Skills: accounting, global retail, financial and general management of luxury brands.

In the event that any of the current directors standing for re-election 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.h of our Corporate Governance Principles for further information about the procedure that would be followed in the event of such an election result. 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 BOARD RECOMMENDS A VOTE "FOR" THE ELECTION OF ALL 10 NOMINEES FOR DIRECTOR.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

CORPORATE GOVERNANCE HIGHLIGHTS

The Company and its Board are committed to maintaining strong corporate governance practices that serve the interests of the Company and its shareholders. The Board recognizes that the Company's corporate governance practices must continually evolve, and the Board monitors developments in governance best practices to ensure that the Company continues to effectively represent the interests of its shareholders. The Board has adopted several corporate governance practices in support of this commitment, including:

- **Annual election of directors**;
- **Majority voting standard for director elections** – each director must be elected by a majority of votes cast, not a plurality;
- **Director resignation policy** – each of the nominees for director has agreed to tender his or her resignation in the event that he or she does not receive a majority of "for" votes of the votes cast "for" or "against" his or her candidacy. The Nominating/Corporate Governance Committee will then make a recommendation to the Board on whether to accept or reject the resignation or whether other action should be taken;
- **Director independence** – 7 of our 10 directors are independent;
- **Presiding independent director** – our Corporate Governance Principles require a presiding independent director, tasked with specific responsibilities, to ensure independent oversight whenever the Chairman of the Board is not independent and to facilitate communication by shareholders and employees with non-management directors;
- **Director overboarding policy** – directors may not serve on a total of more than five public company boards (including the Board);
- **Resignation on job change or new directorship** – a director must submit a letter of resignation to the Nominating/Corporate Governance Committee on a change in employment and upon accepting a directorship with another public company (or any other organization that would require a significant time commitment). The Nominating/Corporate Governance Committee may then accept or decline such resignation;
- **Annual self-evaluation** – our independent directors participate in an annual assessment and evaluation of the workings and efficiency of the Board and each of the committees on which they serve, the results of which are discussed with the full Board;
- **Long-standing policies governing business and ethical conduct**;
- **Commitment to corporate social responsibility**; and
- **Following leading compensation practices** – see "Compensation of the CEO and Other Executive Officers–Compensation Discussion and Analysis–Executive Summary–Corporate Governance Best Practices" at PS-43.

THE BOARD, IN GENERAL

The Board is currently composed of 10 members. The Board can fill vacancies and newly created directorships, as well as amend the By-laws to provide for a greater or lesser number of directors.

Under the Company’s Corporate Governance Principles, directors may not serve on a total of more than five 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 responsibilities of the Board include:

- Selection and evaluation of, and determination of whether to retain or replace, the Company's CEO;
- Participation in succession planning for the Company's other executive officers;
- Review and approval of the annual operating plan prepared by management;
- Monitoring of performance in comparison to the annual operating plan;
- Review and approval of the Company's multi-year 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 delegations of authority by which management carries out the day-to-day operations of the Company and its subsidiaries;
- Review of management's enterprise risk assessment;
- Review and, if appropriate, modification of Board committee charters;
- Review and approval of the Company's policies or programs with respect to payment of dividends and the repurchase of common stock; and
- Review and approval of significant actions by the Company.

BOARD LEADERSHIP STRUCTURE

Until March 31, 2015, the offices of Chairman of the Board and Chief Executive Officer ("CEO") were held by the same person, Michael J. Kowalski. Following his retirement as CEO on that date, Mr. Kowalski became the non-Executive Chairman of the Board. The Company also has a presiding independent director. Charles K. Marquis occupies such position by virtue of his chairmanship of the Nominating/Corporate Governance Committee.

Mr. Kowalski, as non-Executive Chairman of the Board, sets a preliminary agenda for each Board meeting and submits it for the approval of the presiding independent director. The Chairman of the Board is required to include in such agenda any item submitted by the presiding independent director. The presiding independent director also approves meeting schedules for the Board.

Mr. Marquis, as the presiding independent director, has the authority to call meetings of the independent directors. Mr. Marquis also chairs meetings of the independent and non-management directors, and acts as a liaison between the Chairman of the Board and the independent directors.

The Board believes the presiding independent director position provides additional independent oversight of the Company's management and other Board matters. The selection of a presiding independent director facilitates communication among the Company's directors or between any of them and the Chairman of the Board, as well as communication between shareholders and Company employees and the Company's independent and other non-management directors.

The Nominating/Corporate Governance Committee believes the Company's existing leadership structure is 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, Mr. Cumenal and the executive management group.

Mr. Kowalski served as Executive Chairman of the Board since the start of Fiscal 2003 through March 31, 2015, and the Board had the opportunity during that time to assess his skills at moderating discussions during meetings, as well as his responsiveness to the Board’s suggestions for the agenda and the information

to be provided by management to the Board. The Board believes there is value in having the former CEO of the Company serve as non-Executive Chairman of the Board for a number of reasons. The former CEO's in-depth understanding of the Company's operations improves his ability to set the agenda for each Board meeting. Further, his experience in leading the Company allows the Board additional insight into key matters within its purview, including the strategic planning process and management succession.

The Board, with the assistance of the Nominating/Corporate Governance Committee, will reassess the appropriateness of the existing leadership structure as warranted, including following changes in management, in Board composition or in the nature, scope or complexity of the Company's operations.

EXECUTIVE SESSIONS OF NON-MANAGEMENT DIRECTORS/PRESIDING INDEPENDENT DIRECTOR

Non-management directors meet regularly in executive session without management participation. This encourages open discussion. In addition, at least once per year the independent directors meet separately in executive session. In these executive sessions, Mr. Marquis, as presiding independent director, presides.

COMMUNICATION WITH NON-MANAGEMENT DIRECTORS

Shareholders and other interested persons 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 independent 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.

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.

To our knowledge, none of the 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 2015

Pursuant to the Company's Corporate Governance Principles, directors are expected to attend the six regularly scheduled Board meetings, as well as all regularly scheduled meetings for those committees on which they serve. Directors are expected to attend such meetings in person or, if such attendance in person is not practicable, by telephone.

The Board holds one of its regularly scheduled meetings on the date of the Annual Meeting of Shareholders to facilitate attendance at the Annual Meeting by the directors. Seven of the current directors attended the Annual Meeting held in May 2015.

Each current and incumbent director attended at least 83% 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, Finance Committee and Corporate Social Responsibility Committee) on which he or she served during Fiscal 2015.

- The full Board held six meetings. Attendance averaged 95% amongst all members.
- The Audit Committee held eight meetings. Attendance averaged 97% amongst all members.
- The Compensation Committee and its Stock Option Subcommittee held six meetings. Attendance averaged 92% amongst all members.
- The Nominating/Corporate Governance Committee held six meetings. Attendance averaged 96% amongst all members.
- The Finance Committee held six meetings. Attendance averaged 92% amongst all members.
- The Corporate Social Responsibility Committee held three meetings. Attendance averaged 93% amongst all members.

COMMITTEES OF THE BOARD

Board Committee Membership

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

* *Composed solely of independent directors.*

PROXY STATEMENT

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:

- Appointing, compensating, retaining and providing oversight of the Company's independent registered public accounting firm retained to audit the Company's consolidated financial statements;
- Reviewing the quality-control procedures and independence of the Company's independent registered public accounting 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;
- Discussing the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies;
- Discussing guidelines and policies with respect to risk assessment and risk management;
- Reviewing with the independent auditor any difficulties the auditor encountered in the course of its audit work, including any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management;
- Setting clear hiring policies for employees or former employees of the independent auditor;
- 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 Board also considered Mr. Singer's role as Chairman of the audit committee for Jimmy Choo PLC and Coty Inc. and his role as a member (and former chair) of the audit committee of Mead Johnson Nutrition Company**.** The Board has determined that Mr. Singer's simultaneous service on the audit committee of three other public companies will not impair his ability to effectively serve on the Company's Audit Committee. See "Report of the Audit Committee" at PS-35.

For additional information regarding the Company's relationship with its independent registered public accounting firm, see "Relationship with Independent Registered Public Accounting Firm" at PS-36.

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.

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

- Reviewing and approving corporate goals and objectives relevant to the compensation of our CEO;
- Evaluating our CEO's performance in light of those corporate goals and objectives;
- Determining and approving our CEO's compensation level based on such evaluation;
- Making recommendations to the Board with respect to the compensation of our other executive officers, including compensation under incentive and equity-based plans;
- Reviewing and approving remuneration arrangements for executive officers;
- Making awards to executive officers under the Company's compensation plans, including equity-based plans;
- Considering the expressed view of shareholders on executive compensation matters, including shareholder proposals and advisory votes, and considering communications with proxy advisory firms and related matters; and
- Assessing on an annual basis potential material risks to the Company from its compensation programs and plans.

Pursuant to its charter, the Compensation Committee may delegate any of its functions to one or more subcommittees composed entirely of members of the Compensation Committee.

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

Frederic W. Cook & Co., Inc. ("Cook & Co.") is an independent advisor retained by the Compensation Committee to provide advice with respect to the amount and form of executive compensation. Cook & Co. also provides advice to the Nominating/Corporate Governance Committee with respect to non-management 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 design (see "Compensation of the CEO and Other Executive Officers–Compensation Discussion and Analysis–Competitive Compensation Analysis - No Benchmarks" at PS-47);
- 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 Compensation Committee and in facilitating Cook & Co.'s review of Compensation 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 of the CEO and Other Executive Officers–Compensation Discussion and Analysis–Compensation Evaluation Process" at PS-45 and "Report of the Compensation Committee" at PS-65.

Stock Option Subcommittee

The Stock Option Subcommittee determines the grant of options, restricted stock units, cash incentive awards and other matters under our 2014 Employee Incentive Plan. All members of the Compensation Committee are members of this subcommittee.

Compensation Committee Interlocks and Insider Participation

During 2015, 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 2015 was, at any time either during or before such fiscal year, an officer or employee of Tiffany & Co. or any of its subsidiaries. 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.

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;
- Corporate governance principles applicable to the Company;
- Non-management director compensation; and
- Management performance and succession planning.

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, by clicking "Investors" at the bottom of the page, and then selecting "Corporate Governance" from the left-hand column. 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 candidate identification and evaluation process includes discussions at meetings of the Nominating/ Corporate Governance Committee and 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 process other than the process described under "Board Refreshment and Self-Evaluation" below.

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

Corporate Social Responsibility Committee

The Board formed the Corporate Social Responsibility Committee in 2009 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.

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. Cumenal is the sole member of the Dividend Committee.

Finance Committee

The Board formed the Finance Committee to assist the Board with its oversight of the Company's capital structure, liquidity risk, dividend policy, purchase and repurchase of the Company's common stock, debt and equity financings, the retention of investment bankers and other financial advisors to the Board, the Company's hedging policy and guarantee of indebtedness incurred by the Company's subsidiaries, as well as 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.

BOARD REFRESHMENT AND SELF-EVALUATION

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.

Annually, each independent director participates in an assessment and evaluation of the Board's performance and the performance of each of the Board committees on which he or she serves. The results of such self-assessments are discussed with the full Board.

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 promptly determine, in light of the circumstances, whether to accept or decline such resignation. In certain instances, taking into account all relevant factors and circumstances, the Nominating/Corporate Governance Committee may decline such resignation, but recommend to the Board that such director cease participation in one or more committees or that such director not be re-nominated to the Board. The letter of resignation will be of no force and effect if not accepted by the Committee within 10 days of receipt.

MANAGEMENT SUCCESSION PLANNING

One of the Board's primary responsibilities is to ensure that the Company has a high-quality management team in place. The Board, assisted by the Nominating/Corporate Governance Committee, is responsible for selecting, evaluating the performance of, and determining whether to retain or replace our CEO. Pursuant to our Corporate Governance Principles, any such evaluations and determinations must be made with a view towards the effectiveness and execution of the strategies and decisions set forth by the CEO regarding the Company's long-term strategic plan and long-term financial returns.

In contemplation of the retirement, or any other circumstance that requires the replacement, of our CEO, the Board will, in conjunction with our CEO, evaluate the performance and potential of our other executive officers. The Board, assisted by the Nominating/Corporate Governance Committee, will also participate in the planning for the succession of our other executive officers.

BOARD ROLE IN RISK OVERSIGHT

The Board believes that (i) management is responsible for identifying, assessing and managing the various risks that may arise in the Company’s operations and ensuring that the Board is appropriately aware of any such material risks, and (ii) 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 operating plan) and three-year (the strategic plan) periods and is required to review these plans, as they are developed and refined, with the Board. Such plans include both financial and non-financial considerations. The Board requires management to plan on the basis of realistic assumptions. 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 operating plan and the strategic plan. The Board also reviews specific risk areas on a regular basis. These include insured risks, management authority, investor relations, litigation risks, foreign currency risks, diamond and product supply risks and inventory risks.
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 risks.

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, to the extent the full Board is not otherwise present for such meetings. All committee meetings are open to the other directors and most 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 protection of confidential Company information, insider information and transactions in Company securities, 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, protection of computer passwords, political contributions made through the use of Company funds, prohibition of discrimination or harassment, theft or unauthorized use of Company assets 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 CEO, the Chief Financial Officer and all other executive 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.

POLITICAL SPENDING

The Board has adopted the Tiffany & Co. Principles Governing Corporate Political Spending, which are intended to ensure oversight, transparency and effective decision-making with respect to the Company's 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 2015. 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 associated with various mining law and sustainability issues and in communications with certain governmental agencies regarding actions necessary to protect against wildlife trafficking. Cassidy & Associates did not use any funds from the Company to assist candidates for any office or to influence the outcome of ballot initiatives or elections. Additionally, funds in an amount less than $40, which reflect a portion of the membership dues the Company or its affiliates paid in Fiscal 2015 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), may have been used by such trade associations for political expenditures. The Company and its affiliates did not make any political expenditures during Fiscal 2015.

The Tiffany & Co. Principles Governing Corporate Political Spending define "political expenditures" to include payments of money as well as provision of goods, services or use of facilities to candidates, political parties, political organizations, campaign funds or to any other organization, fund, person or trust, whose purpose, in whole or in part, is (i) to advance the candidacy of any person or persons seeking elective office, including the candidacies of nominees of any political party on a federal, national, statewide or local basis; (ii) to influence the outcome of any ballot initiative; or (iii) to influence the outcome of any election through issues advocacy communications, whether or not such communications specifically refer to a named candidate or party. Political expenditures also include indirect expenditures whose purpose includes any of the foregoing.

COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility has long been a priority of the Company. We strive to protect the interests of our shareholders, customers and other stakeholders through responsible business decisions that reflect the integrity of the TIFFANY & CO. brand in both the short- and long-term; enhance the communities in which we source, operate and sell our merchandise; improve our environmental performance; and promote responsible practices within our supply chain and our industry.

Underscoring the importance of sustainability and corporate social responsibility to the Company, the Board established a Corporate Social Responsibility Committee in 2009. See "Corporate Social Responsibility Committee" at PS-29 for more information.

The Company publicly discloses information regarding its corporate social responsibility strategy, programs and performance at www.tiffany.com/CSR.

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 and approval or ratification of any transaction with the Company (or any subsidiary) in which (i) the aggregate amount involved will, or may be expected to, exceed $120,000 in any fiscal year and (ii) any director or executive officer, any nominee for election as a director, any five-percent holder of the Company's securities or any immediate family member of such an officer, director, nominee or holder has a direct or indirect material interest. Any such transaction is referred to the Nominating/Corporate Governance Committee for review. The Nominating/Corporate Governance Committee will then evaluate such transaction and, where the Nominating/Corporate Governance Committee determines in its business judgment that such transaction is in the best interest of the Company, recommend such transaction for approval or ratification to the Board.

CONTRIBUTIONS TO DIRECTOR-AFFILIATED CHARITIES

Pursuant to the Company's Corporate Governance Principles, contributions made by the Company during any fiscal year to charitable organizations with which the Company's directors are affiliated, through memberships on the governing body of such charitable organization, are required to be disclosed in the Company's annual proxy statement for such fiscal year. The contributions listed below were made during Fiscal 2015. None of the independent directors serve as an executive officer of these charities:

- 92nd Street Y: merchandise grants of $1,950 (Mr. May is an honorary member of the Board of Directors).
- Carnegie Hall: $2,500 corporate membership contribution and contribution of $4,000 vermeil medallion for medal of excellence gala (Mr. May is a Trustee).
- New York Philharmonic: $25,000 cash contribution to support the New York Philharmonic Spring Gala Celebrating the 50th Anniversary of the Concert in the Parks (Mr. May is Vice Chairman of the Board of Trustees).
- Partnership for New York City: $15,000 annual dues contributions (Mr. May is a member of the Executive Committee).
- Paul Taylor Dance Company: merchandise grants of $1,500 (Mr. Shutzer is a Trustee).
- Phoenix House: combination of ticket subscription and merchandise grants totaling approximately $17,000 (Ms. Bravo is a member of the Board of Directors).
- Prep for Prep: merchandise grants of $8,200 (Mr. Shutzer is a Trustee).
- Roundabout Theatre Company: $20,000 table purchase for spring gala (Ms. Kohnstamm is a member of the Board of Directors).
- Whitney Museum of American Art (the "Whitney"): $1,000,000 sponsorship payment pursuant to the terms of the sponsorship agreement entered into between Tiffany and the Whitney in February 2015. Pursuant to the terms of the sponsorship agreement Mr. Cumenal was proposed for election, and was subsequently elected, to the Board of Trustees of the Whitney.

ITEM 2. RATIFICATION OF THE SELECTION OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM TO AUDIT OUR FISCAL 2016 FINANCIAL STATEMENTS

The Audit Committee has appointed, and the Board has ratified the appointment of, PwC as the independent registered public accounting firm to audit the Company's consolidated financial statements for Fiscal 2016. As a matter of good corporate governance, we are asking you to ratify this selection.

PwC, directly and through its predecessor firms, 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 ratified by the shareholders.

THE BOARD RECOMMENDS A VOTE "FOR" RATIFICATION OF THE SELECTION OF PRICEWATERHOUSECOOPERS LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM TO AUDIT THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL 2016.

REPORT OF THE AUDIT COMMITTEE

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. The Company's management is responsible for the Company's internal controls and for preparing the Company's financial statements contained in the Company's public reports. The Company's independent registered public accounting firm, PricewaterhouseCoopers LLP ("PwC"), is responsible for auditing the annual financial statements prepared by management and for expressing opinions on the Company's consolidated financial statements and on the effectiveness of the Company's internal control over financial reporting in accordance with the Public Company Accounting Oversight Board (the "PCAOB").

Included in the Company's Annual Report to Shareholders are the consolidated balance sheets of the Company and its subsidiaries as of January 31, 2016 and 2015, 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, 2016. These statements (the "Audited Financial Statements") are the subject of a report by 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 PwC, as appropriate, and otherwise fulfilled the responsibilities set forth in its charter. The Audit Committee has also discussed with the Company's management and PwC their evaluations of the effectiveness of the Company's internal control over financial reporting, as well as the quality of the accounting principles applied and the reasonableness of the significant accounting judgments and estimates incorporated in the Audited Financial Statements.

The Audit Committee has discussed with PwC the matters required to be discussed by PCAOB Auditing Standard No. 16, "Communications with Audit Committees." In connection with such discussion, the Audit Committee and PwC also discussed the business, compliance and financial reporting risks to which the Company is subject. 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 below under "Relationship with Independent 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, 2016.

Signed:

Robert S. Singer, Chair

Lawrence K. Fish

Abby F. Kohnstamm

Charles K. Marquis

Members of the Audit Committee

RELATIONSHIP WITH INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

As noted under "Board of Directors and Corporate Governance–Committees of the Board–Audit Committee" at PS-26, the Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged by the Company for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. Further, the Audit Committee ensures the rotation of the lead audit partner having responsibility for the audit of the Company's consolidated financial statements and effectiveness of internal control over financial reporting and the audit partner responsible for reviewing such audit, as required by law, and periodically considers whether, in order to assure continuing auditor independence, there should be regular rotation of the Company's independent registered public accounting firm.

The Audit Committee has selected PwC as the independent registered public accounting firm to audit the Company's consolidated financial statements and effectiveness of internal control over financial reporting for the fiscal year ending January 31, 2017. PwC has, directly or through its predecessor firms, served as the Company's independent registered public accounting firm continuously since 1984. In selecting PwC to serve in this capacity for the fiscal year ending January 31, 2017, 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) financial information systems design and implementation, (iii) appraisal or valuation services, fairness opinions or contribution in kind reports, (iv) actuarial services, (v) internal audit outsourcing services, (vi) management functions or human resources, (vii) investment advisor or investment banking services, and legal and 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 control over financial reporting for the years ended January 31, 2016 and 2015, 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, 2016	January 31, 2015
Audit Fees	$ 3,618,400	$ 3,330,000
Audit-related Fees	147,300	212,100
Audit and Audit-related Fees	3,765,700	3,542,100
Tax Fees [a]	1,253,600	1,652,400
All Other Fees [b]	203,400	182,700
Total Fees	$ 5,222,700	$ 5,377,200

a) Tax fees consist of fees for tax compliance and tax consulting services. These fees include tax compliance fees of $1,090,500 for the year ended January 31, 2016 and $1,456,900 for the year ended January 31, 2015.

b) All other fees consist primarily of the Sustainability Assurance procedures, Kimberley Process Agreed Upon Procedures and costs for research software for the years ended January 31, 2016 and January 31, 2015.

ITEM 3. APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS

Rule 14a-21(a) was adopted by the SEC. It was adopted under the Securities Exchange Act of 1934, as amended by the Dodd-Frank Act, 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 2016 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. Cumenal, Kowalski, Nicoletti and Bellaiche, and Mmes. de Winter and Cloud) for which your approval is sought may be found at PS-39 through PS-97 inclusive of this Proxy Statement.

At the 2015 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 advisory votes in favor of the Company's executive compensation program. Of the shareholder advisory votes that were not in favor of the Company's executive compensation program, 25% were abstaining shares. The Committee considered shareholder approval of the executive compensation program in evaluating the design of the program for fiscal 2016.

THE BOARD RECOMMENDS A VOTE "FOR" APPROVAL OF THE COMPENSATION PAID TO THE NAMED EXECUTIVE OFFICERS IN FISCAL 2015.

COMPENSATION OF THE CEO AND OTHER EXECUTIVE OFFICERS

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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 2015.

NAMED EXECUTIVE OFFICERS

The Company's named executive officers for Fiscal 2015 were as follows:

Frederic Cumenal	Chief Executive Officer, effective April 1, 2015
Michael J. Kowalski	Chief Executive Officer, retired March 31, 2015
Ralph Nicoletti	Executive Vice President – Chief Financial Officer
Jean-Marc Bellaiche	Senior Vice President - Strategy and Business Development
Jennifer de Winter	Senior Vice President - Northern America, effective March 1, 2015, and designated an executive officer on July 16, 2015
Pamela H. Cloud	Senior Vice President - Global Category Marketing

EXECUTIVE SUMMARY

2015 Company Performance

Reflected below are key highlights for Fiscal 2015:

Stock Price at January 31, 2015	Stock Price at January 31, 2016	Total Dividends Paid Per Share	Total Shareholder Return
$86.64	$63.84	$1.58	(24)%

Fiscal 2014 Diluted Earnings per Share (on a Non-GAAP basis – see Appendix I at PS-105)	Fiscal 2015 Diluted Earnings per Share (on a Non-GAAP basis – see Appendix I at PS-105)	Percentage Increase/ Decrease
$4.20	$3.83	(9)%

Fiscal 2014 Net Earnings (on a Non-GAAP basis – see Appendix I at PS-105)	Fiscal 2015 Net Earnings (on a Non-GAAP basis – see Appendix I at PS-105)	Percentage Increase/ Decrease
$545.1 million	$493.8 million	(9)%

Fiscal 2014 Operating Earnings	Fiscal 2015 Operating Earnings (on a Non-GAAP basis – see Appendix I at PS-105)	Percentage Increase/ Decrease
$891.4 million	$806.8 million	(9)%

Fiscal 2014 Operating Earnings	Fiscal 2015 Operating Earnings	Percentage Increase/ Decrease
$891.4 million	$760.1 million	(15)%

Sales:	On a constant-exchange-rate basis that eliminates the effect from translating sales made outside the U.S. into U.S. dollars (see Appendix I at PS-105), worldwide net sales increased 2% due to growth in Europe, Japan and Asia-Pacific, while sales in the Americas decreased 2% (4% on an as reported basis) from the prior year. As reported in U.S. dollars, worldwide net sales decreased 3% to $4.1 billion due to lower sales in all regions.
Profitability:	Net earnings decreased 9% in 2015 excluding certain expenses recorded in 2015 and 2014 (see Appendix I at PS-105) due to a lack of sales leverage on higher selling, general and administrative expenses partly offset by a higher gross margin. As reported, net earnings of $463.9 million, or $3.59 per diluted share, were 4% below the prior year's $484.2 million, or $3.73 per diluted share.
Store Expansion:	The Company added a net of 12 TIFFANY & CO. stores while also relocating and renovating several of its existing locations.
Product Introductions:	The Company expanded its offerings within several existing jewelry collections and introduced its new TIFFANY & CO. brand watch collections.
Returning Capital to Shareholders:	The Company generated free cash flow exceeding $500 million, a portion of which was returned to shareholders through increased share repurchases and dividend payments.

2015 Changes in Executive Management

Changes in executive management in Fiscal 2015 included:

- The previously announced promotion of Frederic Cumenal, President, to Chief Executive Officer ("CEO"), effective April 1, 2015, in conjunction with the retirement of Michael J. Kowalski, effective March 31, 2015, and his transition to a non-employee director serving as Chairman of the Board, effective April 1, 2015.

- The appointment of Jennifer de Winter as Senior Vice President, Northern America, effective March 1, 2015, with responsibility for all sales channels in the United States and Canada. Ms. de Winter's responsibilities were expanded, and she became responsible for all sales channels in the Company's Americas region in July 2015. She was also designated an executive officer of the Company on July 16, 2015.

2015 Incentive Compensation

Short-Term Incentive Award

Under the targets and guidelines established by the Compensation Committee (the "Committee") at the start of the year, each named executive officer, other than Mr. Kowalski, was eligible to earn up to 200% of his or her target short-term incentive award, dependent on corporate and individual performance, as described below. Based on achievement of pre-established goals, the Committee exercised its negative discretion to pay-out Fiscal 2015 short-term incentive awards to the named executive officers as follows:

	Potential Pay-out Based on Achievement of Operating Earnings Target (160% of Target)	Potential Pay-out Based on Individual Performance (40% of Target)	Potential Total Pay-out of Annual Incentive Award (200% of Target)	Actual Pay-out of Annual Incentive Award (70-80% of Target)
Frederic Cumenal	$ 3,000,000	$ 750,000	$ 3,750,000	$ 1,406,250
Ralph Nicoletti	$ 840,000	$ 210,000	$ 1,050,000	$ 420,000
Jean-Marc Bellaiche	$ 720,000	$ 180,000	$ 900,000	$ 315,000
Jennifer de Winter	$ 624,000	$ 156,000	$ 780,000	$ 273,000
Pamela H. Cloud	$ 552,000	$ 138,000	$ 690,000	$ 258,750

As a result of his pending retirement, effective March 31, 2015, Mr. Kowalski was not granted a short-term incentive award for Fiscal 2015.

Michael J. Kowalski Long-Term Incentive Awards

Under the applicable terms of the performance-based restricted stock unit awards granted to Mr. Kowalski in January 2013 and January 2014, and the unvested stock options granted to him in January 2012, 2013 and 2014, such units and options were all subject to forfeiture upon retirement on March 31, 2015.

In recognition of Mr. Kowalski's contributions to the Company, role in succession planning, and ongoing support of Mr. Cumenal in his transition to CEO, the Committee took action in March 2015 to amend the terms of award for those performance-based restricted stock units granted in January 2013 and January 2014, and scheduled to vest contingent on Company performance in March 2016 and March 2017, respectively. The sole purpose of the amended terms of awards was to provide for continued vesting of such awards following Mr. Kowalski's retirement on the terms and conditions previously established by the Committee. The performance goals established by the Committee in each of 2013 and 2014 were not amended in any respect and payment of such awards continues to be based on performance at the end of the performance period.

Performance-Based Restricted Stock Units

The performance-based restricted stock unit awards made to executive officers in January 2013, for the three-year period ended January 31, 2016, vested at 108.2% of target shares (54.1% of maximum shares). This was based on cumulative earnings-per-share ("EPS") of $11.76 for the three-year period, against the EPS threshold, target and maximum of $7.62, $11.86 and $13.87, respectively, for the three-year period; and on the average return-on-assets ("ROA") target of 9.8% having been met for the three-year period ended January 31, 2016. The achievement of goals resulted in pay-outs to the named executive officers (other than Messrs. Nicoletti and Bellaiche and Ms. de Winter, who were not yet employed by the Company when the January 2013 grants were awarded) as follows:

	Potential Performance-Based Restricted Stock Units under January 2013 Award (200% of target)	**Actual Performance-Based Restricted Stock Units to Vest under January 2013 Award, in accordance with achievement of pre-established goals**
Frederic Cumenal	26,800	14,499
Michael J. Kowalski	47,600	25,752
Pamela H. Cloud	12,200	6,601

Target Compensation for Named Executive Officers in Fiscal 2016

The Committee approved the following target direct compensation for Fiscal 2016, at its January 2016 meeting:

	Annual Base Salary	Target Short-Term Incentive Award (% of base salary)	Target Long-Term Incentive Award (% of base salary)	Total Target Direct Compensation
Frederic Cumenal	$1,250,000	$1,875,000 (150%)	$6,250,000 (500%)	$9,375,000
Ralph Nicoletti	$775,000	$542,000 (70%)	$1,550,000 (200%)	$2,867,000
Jean-Marc Bellaiche	$750,000	$450,000 (60%)	$1,125,000 (150%)	$2,325,000
Jennifer de Winter	$650,000	$390,000 (60%)	$975,000 (150%)	$2,015,000
Pamela H. Cloud	$600,000	$360,000 (60%)	$1,050,000 (175%)	$2,010,000

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:

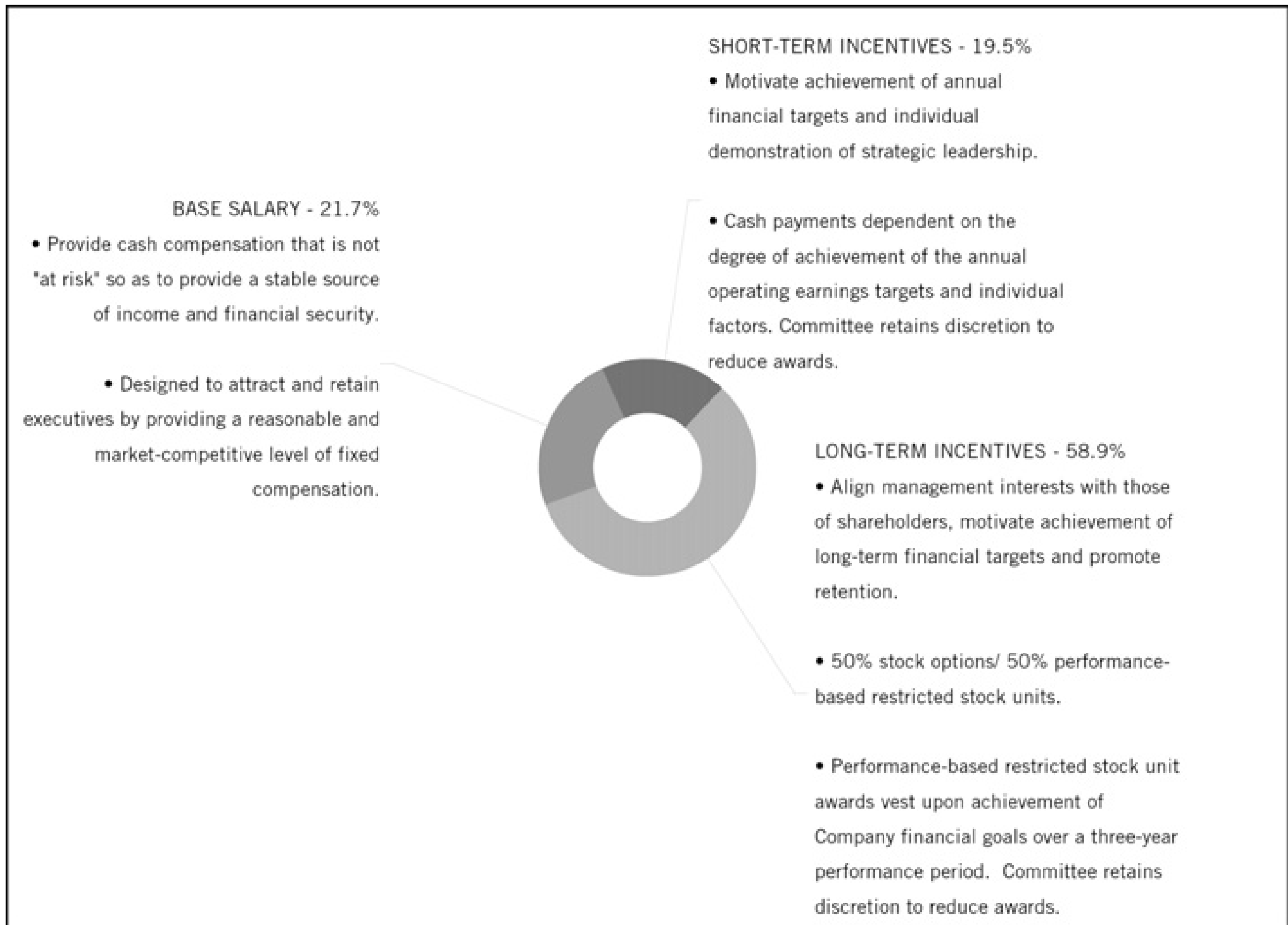
WHAT WE DO	WHAT WE DON'T DO
☑ **Pay for performance:** 87% of CEO compensation and, on average, 70% of other named executive officer compensation, is tied to the Company's financial performance and/or the performance of the stock price.	☒ **Tax gross-ups:** No tax gross-ups, for example for life insurance benefits, are paid to executive officers, other than for one-time relocation expenses.
☑ **Limited use of employment agreements**: Employment agreements and formal severance arrangements are used only as necessary to attract newly recruited executives.	☒ **Pay current dividends on unvested long-term incentives:** Current dividends are not paid on unvested restricted stock units and stock options.
☑ **Independent Executive Compensation Consultant**: The Committee retains an independent compensation consultant to advise on the executive compensation program and practices.	☒ **Repricing of underwater stock options without shareholder approval:** The Company's shareholder-approved employee and director incentive plans do not permit repricing of underwater stock options without shareholder approval.
☑ **Share Ownership Policy:** Executive officers are expected to acquire and hold Company common stock worth two to five times their annual base salary. Non-employee directors are expected to own Company common stock worth five times their annual retainer.	☒ **Allow pledged shares to count under Share Ownership Policy:** Shares of the Company's common stock that are pledged to a third party do not count toward the share ownership requirements.
☑ **"Dual trigger" requirement for Change in Control severance benefits:** Following a change in control, outstanding equity awards and unvested retirement benefits will only be accelerated, and cash severance benefits will only be paid, in the event of an involuntary termination of employment, or if the Company does not survive the transaction.	☒ **Grant stock options below 100% of fair market value:** The Company's shareholder-approved employee and director incentive plans do not permit stock options to be granted below 100% of fair market value.
☑ **Provide limited perquisites:** Perquisites provided to executive officers on a limited basis only (for example, life insurance benefits and executive long-term disability benefits).	☒ **Permit hedging of Company stock:** The Company's policy on insider information, applicable to all employees, officers, and directors, 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.
☑ **Clawback policy**: Incentive-based compensation such as cash incentive awards and performance-based restricted stock units is subject to recoupment in the event of an accounting restatement due to material noncompliance with financial reporting requirements.	

Say on Pay

In May 2015, the Company's Say on Pay proposal passed with 97.8% 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 executive compensation design and philosophy, and that significant changes were not warranted. The Committee will continue to consider Say on Pay results, as well as shareholder feedback, in the design of the compensation program.

OVERVIEW OF COMPENSATION COMPONENTS

The Committee has established an executive compensation program that contains the following key components:



The above chart reflects the average percentage contribution of key compensation components for all named executive officers, including the CEO, for Fiscal 2016. See charts of "CEO Target Pay Mix" and "Named Executive Officer Target Pay Mix" under "Relative Values of Key Compensation Components" at PS-49.

The Company also offers the following compensation components, in addition to the annual compensation program described above:

Time-vesting restricted stock units	Used periodically on a selective basis, typically in connection with a promotion or new hire, to recognize prior performance or to attract or retain key talent. These awards vest according to their terms.
Benefits	Used to attract and retain executives. Includes a comprehensive program of benefits that includes retirement benefits and life insurance benefits that build cash value.

SHORT- AND LONG-TERM PLANNING

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 financial and "brand stewardship" objectives (see below); and
- An annual operating plan for the fiscal year.

Each plan must incorporate goals which are both challenging and realistic for sales, gross margins, selling, general and administrative expenses (including marketing, staffing and other expenses), inventory management, 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, luxury, the highest levels of customer service, compelling store design and product display and responsible product sourcing practices.

The Committee recognizes that trade-offs between near-term financial objectives and brand stewardship are often difficult. For example, introducing new designs can enhance brand image and attract new customers, but affect overall margin negatively in the short term; and increased staffing can positively affect customer service while negatively affecting earnings in the short term. 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 operating plan and the strategic plan;
- 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, time-vesting restricted stock units and benefits.

SETTING EXECUTIVE COMPENSATION

The Committee determines all remuneration arrangements for executive officers and compensation plans in which officers 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

The following are key components of the Committee's 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 Consultant

In connection with carrying out its responsibilities, the Committee considers the advice of Cook & Co., its independent compensation consultant, and the competitive compensation analysis provided by Cook & Co. See "Board of Directors and Corporate Governance - Committees of the Board - Role of Compensation Consultants" at PS-27 for discussion of the 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. The tally sheets provide a historical view of multiple compensation elements, as further context for compensation decisions.

Consultations with the Chief Executive Officer

In periodic meetings with the Committee, the CEO 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, capacity for growth, expected future contributions, complexity of role, demonstrated success and desirability to the Company's competitors.

Coordination with Financial Results and Annual Operating 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 ("CFO") 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. After the public disclosure of financial results, the calculations are confirmed, and management makes payment on the prior year's short-term incentive awards and causes the applicable percentage of performance-based restricted stock unit awards for which the three-year performance period ended in the prior year to vest, in each case pursuant to the Committee's authorization.

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. Performance-based restricted stock units are granted, and annual incentive awards are made, at the January meeting with reference to preliminary drafts of the Company's strategic plan and annual operating plan, respectively, although the specific financial goals are not set until the March meeting when the strategic plan and annual operating plan are adopted.

COMPETITIVE COMPENSATION ANALYSIS - NO BENCHMARKS

Each year the Committee refers to competitive compensation data because the Committee believes that such data is helpful in assessing the competitiveness of the total compensation offered to the Company's executive officers. However, the Committee does not consider such 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 compensation program falls between the 25th and 75th percentile of competitive 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 also reviews a competitive compensation analysis by Cook & Co., which includes 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;
- target total direct compensation (target total cash compensation plus target long-term incentive); and
- target total compensation (target total direct compensation plus all other compensation, above market interest on deferred compensation and change in pension value).

DEFINING APPROPRIATE COMPARATORS

Defining an appropriate comparator group within the retail industry is a challenge because there are few U.S.-based 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, composed 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

The Committee reviewed comparisons of the Company's named executive officers to the named executive officers of the peer group. In selecting the peer group, the Committee sought to include companies similar to the Company across a range of factors, including size, business model (e.g., significant international sales, manufacturing/sourcing operations), products and customers. The peer group used in Fiscal 2015 consists of the following 20 companies:

	Financial Data			Common Factors			
	Revenue (Millions)	Net Income (Millions)	Market Cap (Millions)	Multi-Channel Retailing	Mfg. Operations	Significant Foreign Sales	Similar Products/ Customers
Burberry	$ 3,749	$ 500	$ 9,048	✓	✓	✓	✓
Coach	$ 4,183	$ 380	$ 8,658	✓		✓	✓
Coty	$ 4,325	$ 348	$ 10,388	✓	✓	✓	✓
Elizabeth Arden	$ 967	$ (215)	$ 375	✓		✓	✓
Fossil	$ 3,424	$ 351	$ 2,620	✓	✓	✓	✓
Hanesbrands	$ 5,845	$ 399	$ 12,515		✓		
L Brands	$ 11,665	$ 1,150	$ 27,871				✓
Estee Lauder	$ 10,984	$ 1,170	$ 29,824	✓	✓	✓	✓
Lululemon Athletica	$ 1,898	$ 267	$ 6,911	✓		✓	
Michael Kors	$ 4,512	$ 854	$ 7,474	✓			
Nordstrom	$ 14,099	$ 736	$ 12,275	✓			✓
Pier 1 Imports	$ 1,890	$ 61	$ 643	✓			✓
PVH	$ 8,045	$ 494	$ 7,507	✓		✓	✓
Ralph Lauren	$ 7,506	$ 563	$ 9,487	✓		✓	✓
Restoration Hardware	$ 1,997	$ 99	$ 4,144	✓			✓
Signet Jewelers	$ 6,613	$ 408	$ 12,014	✓		✓	✓
Sotheby's	$ 933	$ 119	$ 2,408	✓		✓	✓
Starwood Hotels	$ 3,107	$ 557	$ 13,498	✓		✓	✓
VF Corporation	$ 12,543	$ 1,041	$ 28,739		✓	✓	
Williams-Sonoma	$ 4,843	$ 310	$ 6,692	✓			✓

Source: S&P Capital IQ; revenue and net income based on the most recent four quarters as of October 31, 2015; market capitalization data as of October 31, 2015.

In terms of size, the Company's revenues were between the 25th percentile and median of the peer companies, and net income and market capitalization were between the median and 75th percentile.

For Fiscal 2015, target total direct compensation was at the median for Messrs. Cumenal, Nicoletti and Bellaiche and Ms. Cloud, and in the median to 75th percentile range for Ms. de Winter. Target total compensation, which includes the value of pension accruals and all other compensation, was at the median for Messrs. Cumenal and Bellaiche, between the 25th percentile and the median for Mr. Nicoletti, and between the median and the 75th percentile for Mmes. de Winter and Cloud.

Survey Data

The Committee used third-party survey data to evaluate compensation for the CEO 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 all named executive officers was at or above the 75th percentile.

RELATIVE VALUES OF KEY COMPENSATION COMPONENTS

In January 2016, 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 target incentive opportunities expressed as a percentage of base salary. 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.

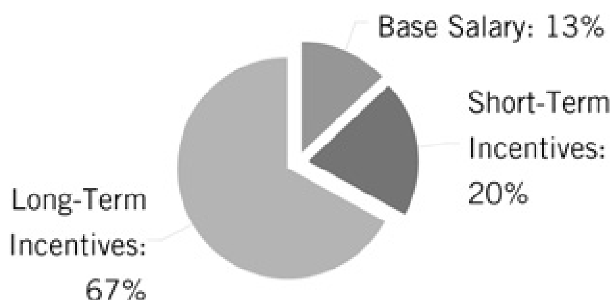
Executive	Position	Target Short-term Incentive as a Percent of Salary	Target Long-term Incentive as a Percent of Salary
Frederic Cumenal	CEO as of April 1, 2015	150%	500%
Ralph Nicoletti	EVP - CFO	70%	200%
Jean Marc Bellaiche	SVP - Strategy and Business Development	60%	150%
Jennifer de Winter	SVP - Northern America	60%	150%
Pamela H. Cloud	SVP - Global Category Marketing	60%	175%

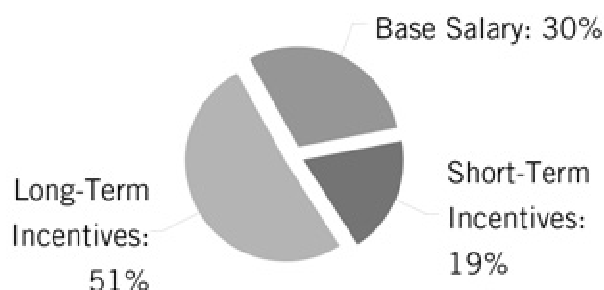
The Committee did not grant short-term or long-term incentive awards to Mr. Kowalski for Fiscal 2015 or Fiscal 2016, due to his retirement effective March 31, 2015.

Ms. Cloud's target long-term incentive as a percentage of salary decreased from 200% for Fiscal 2015 to 175% for Fiscal 2016. The Fiscal 2016 target incentive opportunities as a percentage of salary for the remaining named executive officers are unchanged from Fiscal 2015.

The Committee believes that a minimum of 60% of the target total direct compensation of the CEO and 50% of the target total direct compensation of the other executive officers should be composed of long-term incentives to link realized compensation to the Company's longer-term operating and stock price performance.

Based on target levels for incentive compensation for Fiscal 2016, the mix of pay for the CEO and named executive officers (other than Mr. Kowalski), on average, is shown below:





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 2016, the Committee reviewed base salaries for all executive officers. The Committee increased the base salaries for Mr. Nicoletti and Ms. Cloud and three other executive officers.

Executive	Position	Fiscal 2015 Base Salary	Fiscal 2016 Base Salary	Percent Increase from Fiscal 2015 to Fiscal 2016
Frederic Cumenal	Promoted to CEO, effective April 1, 2015	$ 1,250,000	$ 1,250,000	—%
Michael J. Kowalski - salary ceased upon retirement as of March 31, 2015	Retirement from CEO role, effective March 31, 2015	$ 1,000,000	$ —	—%
Ralph Nicoletti	EVP-CFO	$ 750,000	$ 775,000	3.33%
Jean-Marc Bellaiche	SVP - Strategy and Business Development	$ 750,000	$ 750,000	—%
Jennifer de Winter - salary beginning upon appointment on March 1, 2015	Appointed SVP - Northern America, effective March 1, 2015	$ 650,000	$ 650,000	—%
Pamela H. Cloud	SVP - Global Category Marketing	$ 575,000	$ 600,000	4.35%

Base salaries for Fiscal 2016 for recently hired executive officers as well as for longer tenured executive officers were determined based on multiple factors, including competitive market compensation levels for comparable positions; executive experience and skill set; expected contributions; breadth, scope and complexity of role; internal equity; and overall shareholder support as evidenced by the 2015 Say on Pay vote.

SHORT-TERM INCENTIVES

The Committee uses short-term incentives to motivate executive officers to achieve the annual operating earnings targets and to demonstrate strategic leadership. Short-term incentives for the executive officers consist of annual cash incentive awards under the 2014 Employee Incentive Plan. Short-term incentive awards have an individual component but are primarily formula-driven, with payments based on the degree of achievement of the annual operating earnings targets (which agree to the Company's annual operating plan) set by the Committee under the plan. The 2014 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-75.

For short-term incentives paid in respect of Fiscal 2015, 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 Business Conduct Policy – 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 2016.

The Committee did not increase short-term incentive award opportunities for any of the named executive officers, as a percentage of base salary, for Fiscal 2016.

The maximum short-term incentive established by the Committee for each of the named executive officers is equal to twice the target.

Fiscal 2015

For Fiscal 2015, the Committee established target and maximum short-term incentive opportunities for the executive officers, the payment of which would be wholly contingent on the Company meeting an operating earnings threshold. The Committee also determined that, if the operating 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 based 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 operating earnings threshold at $533 million (subject to permitted adjustments). Achievement of this threshold could result in potential pay-out of up to 200% of the target short-term incentives, with the Committee retaining negative discretion to determine actual pay-outs based on corporate and individual performance. The Committee expressed its intention to pay up to 160% of the target short-term incentives based on corporate performance, and up to 40% of the target short-term incentives based on individual performance, provided the threshold is met.

Corporate Portion

Performance Goals. The Committee advised the executive officers that it intended to use its discretion to determine pay-out of the Corporate Portion of the award based on the following operating earnings targets, subject to proration if Fiscal 2015 operating earnings fell between the amounts in the first column:

If Operating Earnings, as adjusted, Equal:	Then Percentage Pay-out of Incentive Award Will Be:
Below $710 million	0%
$710 million	25% of Target Short-term Incentive Award
$888 million	80% of Target Short-term Incentive Award
At least $1,066 million	160% of Target Short-term Incentive Award

Actual Pay-out. In March 2016, after reviewing and concurring with the recommendation of the CEO, the Committee determined that the pay-out percentage for the Corporate Portion would be 55% of the target short-term incentive award, as Fiscal 2015 operating earnings, excluding certain charges as permitted under the 2014 Employee Incentive Plan, were $806.8 million (see Appendix I at PS-105).

Individual Portion

Actual Pay-out. In March 2016, the Committee reviewed and concurred with the CEO'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 CEO 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 2015 (or for Ms. de Winter, upon hire). The Committee determined to pay each named executive officer who was granted a short-term incentive award for Fiscal 2015 15-25% of his or her target award based on the Individual Portion.

Based on the Committee's determination as to the Corporate and Individual Portions, each named executive officer who was granted a short-term incentive award for Fiscal 2015 was paid 70-80% of his or her target award for Fiscal 2015.

Fiscal 2016

For Fiscal 2016, the Committee decided to retain the short-term incentive structure from Fiscal 2015. In March 2016, the Committee established $457 million as the operating earnings threshold necessary for a pay-out of the Fiscal 2016 short-term incentive awards. As in Fiscal 2015, the Committee expressed its intention to pay the executive officers 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, provided the threshold is met.

Corporate Portion

For Fiscal 2016, the Committee advised the executive officers that it intends to use its discretion to determine payout of the Corporate portion of the award based on the following operating earnings targets, subject to proration if Fiscal 2016 operating earnings fall between the amounts in the first column:

If Operating Earnings, as adjusted, Equal:	Then Percentage Pay-Out of Incentive Award Will Be:
Below $609 million	0%
$609 million	25% of Target Short-term Incentive Award
$762 million	80% of Target Short-term Incentive Award
At least $914 million	160% of Target Short-term Incentive Award

As reflected in the tables above, incentive award targets for the Fiscal 2016 incentive awards are below those for the Fiscal 2015 incentive awards. Incentive award targets are established by the Committee each year to agree to the Company's annual operating plan, which is developed as part of each year's planning process and seeks to incorporate goals for the Company's financial performance that are both challenging and realistic. See "Short- and Long-Term Planning" at PS-45. Accordingly, incentive award targets may vary from year to year as a result of variances in the Company's annual operating plan from year to year. The reduction in incentive award targets from Fiscal 2015 to Fiscal 2016 reflects changes in the Company's annual operating plan for those years. Please see page K-52 of the Annual Report on Form 10-K for the outlook and underlying assumptions for Fiscal 2016.

Individual Portion

Executive officers may receive up to 40% of the target short-term incentives based on the factors described at PS-51.

Five-year History of Short-term Incentive Pay-outs

The following is the record of short-term incentive pay-outs (including bonuses) for the executive officers as a group average as a percent of target over the past five fiscal years (without giving effect to payments that were prorated in light of mid-year individual hire dates):

Fiscal Year	Total Pay-Out as a Percentage of Target Short-term Incentive Award/Bonus
2015	75%
2014	101%
2013	124%
2012	15%
2011	121%
Five-Year Average	87%

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" at PS-75.

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 long-term incentive grant each year is based on a percentage of base salary as indicated above for named executive officers under "Relative Values of Key Compensation Components" at PS-49 for Fiscal 2015, and the ratio of long-term incentive target 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* reward executives in a rising market and provide returns aligned 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 has determined that the ratio of the estimated value of performance-based restricted stock unit awards to the estimated value of stock option awards should be as nearly 50/50 as practicable. For purposes of achieving this mix, 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 higher of (i) the simple arithmetic mean of the high and low sale 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; and assuming that units would vest at the EPS target described under "Performance-Based Restricted Stock Unit Grants" below. Achievement of the ROA goal was not considered in making this allocation.

Performance-Based Restricted Stock Unit Grants

Vesting of performance-based restricted stock units granted to named executive officers in 2016, 2015, 2014 and 2013 is dependent upon achievement of an EPS threshold. If the EPS threshold is 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 EPS goal and an average 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 with reference to the Company’s strategic plan as approved by the Board.
- The EPS goal is cumulative over the three-year performance period and on a diluted basis. The ROA goal is calculated for each year, as a percentage, and then averaged over each of the three years in the performance period.

For the Fiscal 2016, Fiscal 2015 and Fiscal 2014 awards, the Committee established 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, subject to interpolation if actual EPS falls between the EPS Threshold and EPS Target, or between the EPS Target and EPS Maximum:

<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 grants, the ROA adjustment was applied on an all-or-nothing basis (10% upward/10% downward adjustment if ROA Target is met/not met).

Performance Targets, Thresholds and Maximums— Outstanding Performance-Based Grants

For the performance-based restricted stock units granted in 2013, 2014, 2015 and 2016, the Committee established the following in March of each respective year, subject to adjustments as permitted under the applicable employee incentive plan.

For Performance Period:	EPS Threshold	EPS Target	EPS Maximum	ROA Target
February 2013 - January 2016	$ 7.62	$ 11.86	$ 13.87	9.8%
February 2014 - January 2017	$ 10.18	$ 14.17	$ 16.26	11.0%
February 2015 - January 2018	$ 10.38	$ 13.89	$ 15.76	10.6%
February 2016 - January 2019	$ 8.80	$ 11.79	$ 12.58	9.2%

As reflected in the table above, the EPS threshold, EPS target, EPS maximum and ROA target for the performance-based restricted stock units granted in January 2016 are below those established for the performance-based restricted stock units granted in January 2015. Those performance targets are established by the Committee each year with reference to the Company's strategic plan, which is developed as part of each year's planning process and seeks to incorporate goals for the Company's financial performance that are both challenging and realistic. See “Short- and Long-Term Planning” at PS-45.

Accordingly, targets for performance-based restricted stock units may vary from grant year to grant year as a result of variances in the Company's strategic plan from year to year. The reduction in targets from Fiscal 2015 to Fiscal 2016 reflects changes in the Company's strategic plans for those years. Please see page K-52 of the Annual Report on Form 10-K for the Fiscal 2016 outlook and underlying assumptions.

In March 2016, the performance-based restricted stock unit awards made to the executive officers in January 2013, for the three-year period ended January 31, 2016, vested at 108.2% of target shares (54.1% of maximum shares). This was based on cumulative EPS of $11.76 for the three-year period ended January 31, 2016, against the EPS target of $11.86 for such three-year period, and on average the ROA target having been met for the three-year period ended January 31, 2016.

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, retirement, a change in control or at the initiative of the Company 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-77.

Stock Option Grants

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 stock price and to support the brand stewardship over the long term.

The 2014 Employee Incentive Plan under which stock options are granted, and the 2005 Employee Incentive Plan under which stock options were previously granted, require 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. The Committee calculates 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 underwater options at a later date without shareholder approval.

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-79.

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 March 2015, the Committee granted a time-vesting restricted stock unit award to Ms. de Winter of 7,600 restricted stock units, in connection with her recruitment and appointment to the role of Senior Vice President - Northern America. Subject to certain conditions, Ms. de Winter's award will not vest unless she remains employed through March 18, 2017.

In July 2014, the Committee granted a time-vesting restricted stock unit award to Mr. Bellaiche of 5,589 restricted stock units, in connection with his recruitment and appointment to the role of Senior Vice President - Strategy and Business Development. Subject to certain conditions, Mr. Bellaiche's award will vest in equal installments on the first, second and third anniversary of the grant, provided he remains employed at the time of each such anniversary.

In March 2014, the Committee granted a time-vesting restricted stock unit award to Mr. Nicoletti of 16,166 restricted stock units, in connection with his recruitment and appointment to the role of Executive Vice President - Chief Financial Officer. Subject to certain conditions, Mr. Nicoletti's award will not vest unless he remains employed through March 19, 2017.

In September 2013, the Committee granted a time-vesting restricted stock unit award to Mr. Cumenal of 12,419 restricted stock units, in connection with his promotion to President. Subject to certain conditions, Mr. Cumenal's award will not vest unless he remains employed as of two business days following the public announcement of the Company's financial results for Fiscal 2016.

RETIREMENT BENEFITS

Retirement benefits are offered to attract and retain qualified executive officers. Retirement benefits offer financial security in the future and are not entirely contingent upon corporate performance factors. It is the case, however, that the compensation on which the retirement benefits of each executive officer are based includes bonus and incentive awards made in the past; such awards are determined by corporate and individual performance factors in the year awarded.

Defined Contribution Retirement Benefit

For the named executive officers other than Mr. Kowalski and Ms. Cloud, a defined contribution retirement benefit is available through the Tiffany and Company Employee Profit Sharing and Retirement Savings Plan ("401k Plan"). Excess defined contribution retirement benefit contributions ("Excess DCRB Contributions") are credited to the Tiffany and Company Executive Deferral Plan (the "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. Messrs. Cumenal, Nicoletti, Bellaiche and Ms. de Winter are participants in each of these plans.

Mr. Cumenal 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.

Traditional Pension Retirement Benefit

Mr. Kowalski and Ms. Cloud 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 retention incentive for experienced executives by increasing the percentage of average final compensation provided as a benefit when the executive reaches specified service milestones.

For a further description of these traditional pension retirement benefits see "Pension Benefits Table–Features of the Pension Benefit Plans" at PS-88.

Equity Grants - Retirement Provisions

Prior to 2015, the terms applicable to awards of performance-based restricted stock units did not provide for continued vesting beyond retirement.

The Committee amended the terms applicable to the performance-based restricted stock units awarded to executive officers beginning in January 2015 to provide for continued vesting beyond retirement. A recipient of these awards who retires from employment during the applicable performance period, will vest in a pro-rated portion of the award, reflective of the number of months worked during the performance period, and contingent on the satisfaction of pre-determined performance goals.

LIFE INSURANCE BENEFITS

Internal Revenue Service 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-79.) Life insurance premiums are taxable to the executives and no gross-up is paid. Mr. Nicoletti and Ms. de Winter declined this benefit upon joining the Company, and are not participants.

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 enhance alignment of management's interests with those of shareholders over the long term.

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
Executive Vice President	Three Times
Senior Vice President	Two Times

Equity Used to Meet Stock Ownership Guidelines

The share ownership policy counts shares owned as follows:

Shares Counted:	Shares not Counted:
Outstanding shares that the person beneficially owns or is deemed to beneficially own, directly or indirectly, under the federal securities laws, including shares held in the 401K Plan.	Rights to acquire shares of the Company's common stock through derivative securities, including stock options.
Restricted stock units issued under the Company's 2008 Directors Incentive Plan, which have vested but will not be delivered until retirement of the applicable director from the Board.	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).

For purposes of determining the amount of shares constituting a Significant Portfolio, shares will be valued at the mean of the high and low trading prices on the New York Stock Exchange on the relevant calculation date.

The officer's or director's attainment of a Significant Portfolio is measured annually on April 1 or the first trading day thereafter. 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 50% of the net 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.

As of January 31, 2016, the CEO and three other named executive officers did not hold Significant Portfolios. These executives were appointed to their current positions in Fiscal 2014 or later. Each of the nine non-executive directors held Significant Portfolios.

HEDGING NOT PERMITTED

The Board 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 (as defined below), 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–Explanation of Potential Payments on a Termination following a Change in Control–Severance Arrangements" at PS-94. For a description of Mr. Cumenal’s employment agreement, which

contains comparable provisions to those of the retention agreements, see "Other Employment Agreements or Severance Plans for Named Executive Officers" 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 in 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 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 AGREEMENTS OR SEVERANCE PLANS FOR NAMED EXECUTIVE OFFICERS

The Company generally does not commit to severance benefits for its executive officers, absent a change in control, other than as necessary to recruit appropriate candidates for key roles. Apart from the retention agreements, the employment agreement entered into with Mr. Cumenal discussed below, and offer letters extended from Tiffany to Mr. Bellaiche and Ms. de Winter, the Company is not party to any employment agreement with a named executive officer that provides for severance benefits on termination of employment.

The arrangements concerning Messrs. Cumenal and Bellaiche and Ms. de Winter were negotiated in connection with the recruitment of those individuals to the Company. The Company is not obligated to pay cash severance benefits to any other named executive officer upon termination, 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, Mr. 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 Product and Store Design, Marketing and Merchandising functions in connection with his appointment to the role of President. He was promoted to CEO effective April 1, 2015.

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 "Discussion of Summary Compensation Table and Grants of Plan-Based Awards – Frederic Cumenal Employment Agreement" at PS-80.

Ralph Nicoletti Offer Letter

On March 19, 2014, Mr. Nicoletti commenced employment with Tiffany and was appointed as CFO effective April 2, 2014. In connection with Mr. Nicoletti's recruitment, an offer letter was extended to him. No severance benefits were made available to Mr. Nicoletti under the terms of the offer letter, and the Company has no severance obligation to Mr. Nicoletti in the absence of a Change in Control. The offer letter extended to Mr. Nicoletti captured the key terms negotiated in connection with his recruitment:

- compensatory terms relating to base salary, short-term incentive award, and long-term incentive award; and
- a one-time sign-on equity award of time-vesting restricted stock units, equal in value to $1,500,000, to vest in full on the third anniversary of the grant date.

For a more detailed discussion of Mr. Nicoletti's compensatory arrangements, see "Discussion of Summary Compensation Table and Grants of Plan-Based Awards - Ralph Nicoletti Compensatory Arrangement" at PS-81.

Jean-Marc Bellaiche Offer Letter

On June 2, 2014, Jean-Marc Bellaiche commenced employment with Tiffany with the title "Senior Vice President - Strategy and Business Development." He was designated an executive officer of the Company effective April 1, 2015. The offer letter extended to Mr. Bellaiche captured the key terms negotiated in connection with his recruitment:

- compensatory terms relating to base salary, short-term incentive award, and long-term incentive award;
- a one-time sign-on equity award of time-vesting stock options and time-vesting restricted stock units equal in total value to $1,125,000, to vest in equal installments on the first, second and third anniversary of the grant date;
- a one-time sign-on cash bonus equal to $900,000 intended to offset the loss of an expected bonus payment from his prior employer, with half to be paid within 30 days of his commencement date, and the remaining half to be paid on or about April 1, 2015, in each case subject to recoupment in the event of resignation without good reason or termination with cause on or before January 31, 2016; and
- severance benefits, absent a change in control, in the event of his termination without cause or resignation for good reason, prior to the second year anniversary of his date of hire.

For a more detailed discussion of Mr. Bellaiche's compensatory arrangements, see "Discussion of Summary Compensation Table and Grants of Plan-Based Awards - Jean-Marc Bellaiche Compensatory Arrangement" at PS-81.

Jennifer de Winter Offer Letter

On March 1, 2015, Jennifer de Winter commenced employment with Tiffany with the title "Senior Vice President - Northern America" and was designated an executive officer of the Company effective July 16, 2015. The offer letter extended to Ms. de Winter captured the key terms negotiated in connection with her recruitment:

- compensatory terms relating to base salary, short-term incentive award, and long-term incentive award;
- a one-time sign-on cash bonus equal to $440,000, subject to recoupment in the event of resignation without good reason or termination with cause prior to the first anniversary of her date of hire;
- a one-time sign-on equity award of restricted stock units equal in value to $650,000, to vest in full on the second anniversary of the grant date, subject to conditions (including continued employment); and
- severance benefits, absent a change in control, in the event of her termination without cause or resignation for good reason, prior to the second year anniversary of her date of hire.

For a more detailed discussion of Ms. de Winter's compensatory arrangements, see "Discussion of Summary Compensation Table and Grants of Plan-Based Awards - Jennifer de Winter Compensatory Arrangement" at PS-81.

CHANGE IN CONTROL PROVISIONS

Equity awards and certain executive retirement benefits provide certain entitlements following a Change in Control, which entitlements will only be triggered on a loss of employment (a "dual trigger") or if the Company does not survive the transaction. For a more detailed discussion of applicable change in control provisions, see "Potential Payments on Termination or Change in Control – Explanation of Potential Payments on a Termination following a Change in Control" at PS-94.

TERMINATION FOR CAUSE

Stock options granted under the 2005 Employee Incentive Plan or the 2014 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. Likewise, time-vesting restricted stock units will not vest if termination for cause occurs before the vesting date provided for in the award.

RESTRICTIVE COVENANTS

All executive officers other than Mr. Cumenal have signed restrictive 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 after 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 in Control will result in an early end to the term.

The restrictive covenants include a non-compete restriction, a non-solicitation restriction with respect to employees and customers and a no-hire restriction with respect to employees.

Violation of the covenants will result in:

- loss of benefits under the non-qualified retirement plans;
- loss of all rights under stock options and restricted stock units (whether or not vested); 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.

Mr. Cumenal is subject to other restrictions, as described under "Discussion of Summary Compensation and Grants of Plan-Based Awards – Frederic Cumenal Employment Agreement" at PS-80.

CLAWBACK POLICY

The executive officers are subject to 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 and onward.

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.

COMPENSATION RISK ASSESSMENT

The Committee has reviewed an assessment by management of the Company's compensation programs and practices for employees, including executive and non-executive programs and practices. Selected key areas that were reviewed, together with management's assessment of these elements, included pay mix, performance metrics, performance goals and pay-out curves, payment timing and adjustments, equity incentives, stock ownership requirements and trading policies, and leadership and culture. Sound practices were identified in each of these respective areas. As a result of the review, the Committee determined that any risks that may result from the Company's compensation programs and practices are not reasonably likely to have a material adverse effect on the Company.

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 $1,000,000 per year paid to any of the named executive officers other than the CFO or any officer who ceases employment prior to the end of the tax year. 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 $1,000,000 in any single year for any single named executive officer to whom Section 162(m) applies, consisting of the following elements: "Salary" and "All Other Compensation" in the Summary Compensation Table at PS-66, 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.

* * *

REPORT OF THE COMPENSATION COMMITTEE

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, 2016.

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 16, 2016

SUMMARY COMPENSATION TABLE
Fiscal 2015, Fiscal 2014 and Fiscal 2013

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 ($) (g)	Total ($)
Frederic Cumenal	2015	$ 1,239,931	$ —	$ 2,886,364	$ 3,131,796	$ 1,406,250	$ —	$ 757,709	$ 9,422,050
*CEO**	2014	$ 896,625	$ —	$ 2,919,875	$ 3,041,032	$ 1,136,250	$ —	$ 789,184	$ 8,782,966
	2013	$ 847,718	$ —	$ 2,227,096	$ 2,253,929	$ 910,350	$ —	$ 729,610	$ 6,968,703
Michael J. Kowalski	2015	$ 184,119	$ —	$ 3,931,166	$ 80,142	$ —	$ 496,393	$ 466,748	$ 5,158,568
*Chairman and CEO**	2014	$ 997,315	$ —	$ —	$ —	$ 1,515,000	$ 5,488,904	$ 100,539	$ 8,101,758
	2013	$ 997,315	$ —	$ 1,883,925	$ 1,939,516	$ 1,200,000	$ —	$ 126,365	$ 6,147,121
Ralph Nicoletti	2015	$ 747,986	$ —	$ 715,840	$ 776,779	$ 420,000	$ —	$ 33,667	$ 2,694,272
*Executive Vice President - CFO***	2014	$ 642,117	$ —	$ 2,851,466	$ 1,484,359	$ 530,250	$ —	$ 166,913	$ 5,675,105
Jean-Marc Bellaiche *Senior Vice President - Strategy and Business Development*	2015	$ 747,986	$ —	$ 519,542	$ 563,737	$ 315,000	$ —	$ 597,105	$ 2,743,370
Pamela H. Cloud	2015	$ 572,977	—	$ 484,952	$ 526,151	$ 258,750	$ —	$ 64,667	$ 1,907,497
Senior Vice President - Global Category Marketing	2014	$ 547,852	$ —	$ 534,625	$ 560,758	$ 333,300	$ 1,576,062	$ 86,572	$ 3,639,169
	2013	$ 513,617	$ 321,875	$ 519,126	$ 534,113	$ —	$ 8,388	$ 80,509	$ 1,977,628
Jennifer de Winter *Senior Vice President - Northern America****	2015	$ 585,922	$ —	$ 1,538,244	$ 974,513	$ 273,000	$ —	$ 452,870	$ 3,824,549

* Michael J. Kowalski held the role of Chief Executive Officer prior to retiring from the Company effective March 31, 2015. Frederic Cumenal assumed responsibilities as Chief Executive Officer on April 1, 2015. ** Ralph Nicoletti assumed responsibilities as Chief Financial Officer on April 2, 2014. *** Jennifer de Winter assumed responsibilities as Senior Vice President - Northern America, on March 1, 2015.

Notes to Summary Compensation Table:

(a) **Salary.** Salary amounts include amounts deferred at the election of the executive under the Deferral Plan and under the 401(k) Plan. Amounts deferred to the Deferral Plan are also shown in the "Nonqualified Deferred Compensation Table" at PS-91.

(b) **Bonus.** 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 as soon as reasonably practicable following the March meeting of the Committee, at which the Committee determines the pay-out of short-term incentive awards.

(c) **Stock Awards.** Except to the extent otherwise noted below in this note, 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"), disregarding any estimates of forfeitures related to service-based vesting conditions, for the fiscal year in which the award was granted (which includes grants made on January 20, 2016). 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. Kowalski, the 2015 amount reflects (i) the grant date fair value of restricted stock units awarded to him in connection with his service as a non-executive director ($78,957) (see "Director Compensation Table" at PS-98), and (ii) the fair value of performance-based restricted stock units granted to him in January 2013 and January 2014 on the date the terms of those awards were amended in March 2015 to permit continued vesting, subject to the other terms and conditions previously established for those awards. See "2015 Incentive Compensation - Michael J. Kowalski Long-Term Incentive Awards" at PS-41. The fair value on that date of the January 2013 award and the January 2014 award was $1,997,534 and $1,854,675, respectively.

For Ms. de Winter, the 2015 amount includes, in addition to the grant date fair value for the performance-based restricted stock unit award made on January 20, 2016, (i) the grant date fair value of a one-time time-vesting restricted stock unit award of $626,468, made on March 18, 2015 in connection with her recruitment to the Company; and (ii) the grant date fair value of a performance-based restricted stock unit award of $461,472, made on March 18, 2015 in lieu of the Fiscal 2015 performance-based restricted stock unit award that would have been made to her on January 14, 2015, had she commenced employment at that time.

For Mr. Nicoletti, the 2014 amount includes, in addition to the grant date fair value for the performance-based restricted stock unit award made on January 14, 2015, (i) the grant date fair value of a one-time time-vesting restricted stock unit award of $1,434,894, made on March 19, 2014 in connection with his recruitment to the Company; and (ii) the grant date fair value of a performance-based restricted stock unit award of $717,447, made on March 19, 2014 in lieu of the Fiscal 2014 performance-based restricted stock unit award that would have been made to him on January 16, 2014, had he commenced employment at that time.

For Mr. Cumenal, the 2013 amount includes the grant date fair value of a one-time promotion time-vesting restricted stock unit award of $954,400.

Maximum Value of Stock Awards at Grant Date Value

Executive	2015	2014	2013
Frederic Cumenal	$ 5,772,729	$ 5,839,750	$ 3,499,792
Michael J. Kowalski	$ —	$ —	$ 3,767,850
Ralph Nicoletti	$ 1,431,681	$ 4,268,038	Not a named executive officer
Jean-Marc Bellaiche	$ 1,039,084	Not a named executive officer	Not a named executive officer
Pamela H. Cloud	$ 969,903	$ 1,069,250	$ 1,038,252
Jennifer de Winter	$ 2,450,020	Not a named executive officer	Not a named executive officer

(d) **Option Awards.** Amounts shown represent the dollar amount of the grant date fair value of the stock option award (which includes the grants made on January 20, 2016) calculated in accordance with Codification Topic 718 for the fiscal year in which the award was granted, disregarding any estimates of forfeitures related to service-based vesting conditions.

For Mr. Kowalski, the 2015 amount is the grant date fair value of a stock option award made to him in connection with his service as a non-executive director. In valuing such award, the Company made certain assumptions. See "Director Compensation Table" and the notes thereto at PS-98.

PROXY STATEMENT

For Ms. de Winter, the 2015 amount includes, in addition to the grant date fair value for the stock option award made on January 20, 2016, the grant date fair value of a stock option award of $485,948. This grant was awarded to Ms. de Winter on March 18, 2015, in lieu of the Fiscal 2015 stock option award that would have been made to her on January 14, 2015, had she commenced employment at that time.

For Mr. Nicoletti, the 2014 amount includes, in addition to the grant date fair value for the stock option award made on January 14, 2015, the grant date fair value of a stock option award of $751,061. This grant was awarded to Mr. Nicoletti on March 19, 2014, in lieu of the Fiscal 2014 stock option award that would have been made to him on January 16, 2014, had he commenced employment at that time.

For Mr. Cumenal, the 2013 amount includes the grant date fair value of a one-time promotion stock option award of $941,026.

(e) **Non-Equity Incentive Plan Compensation.** This column reflects cash short-term incentive awards under the 2005 Employee Incentive Plan or 2014 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" at PS-75.) 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) **Change in Pension Value and Nonqualified Deferred Compensation Earnings.** 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.

For each fiscal year reported, the present value of the benefit is affected by a number of factors including compensation levels, credited years of service, the discount rate used to determine the present value of the benefit, the executive's age, and the applicable mortality table. For the reported fiscal years, applicable discount rates were as follows:

	Discount Rate Applicable to Benefits Accrued under Qualified Pension Plan	Discount Rate Applicable to Benefits Accrued under Non-Qualified Pension Plans
Fiscal 2015	4.50%	4.25%
Fiscal 2014	3.75%	3.75%
Fiscal 2013	4.75%	5.00%

In addition to the above changes in applicable discount rates, the 2014 change in pension value also reflects an update to the applicable mortality tables. These newly applicable tables extended life expectancy, resulting in increased present values. The applicable mortality tables are the RP-2014 Mortality Tables with White Collar Adjustments and generational projections using the Scale MP-2014.

The 2015 change in pension value for Mr. Kowalski reflects benefits accumulated through his retirement date of March 31, 2015, as well as the form in which he has elected to receive his benefits.

The 2015 change in pension value was a negative amount for Ms. Cloud (-$82,253) due to an increase in applicable discount rates (4.50% for the qualified plan, 4.25% for the non-qualified plans).

The 2013 change in pension value was a negative amount for Mr. Kowalski (-$185,874) due to an increase in applicable discount rates (4.75% for the qualified plan, 5.0% for the non-qualified plans).

(g) **All Other Compensation.** The table below shows a detailed description of all other compensation paid to the named executive officers. In addition to the payments reported below, executive officers are from time to time permitted to borrow merchandise for their personal use to support the Company's marketing efforts.

		Leadership Benefits		Broad-Based Retirement Benefits			Other	Total
Name	**Year**	**Premium on Additional Disability Insurance ($)**	**Premium on Life Insurance ($)**	**401(k) Plan Company Match ($)**	**Defined Contribution Retirement Benefit ($) (i)**	**Excess Defined Contribution Retirement Benefit ($)**		
Frederic Cumenal	**2015**	12,475	178,671	7,800	7,800	46,294	504,669 (ii)	757,709
	2014	12,475	178,671	7,650	26,220	20,332	543,836 (iii)	789,184
	2013	12,475	150,000	7,500	7,500	39,532	512,603 (iv)	729,610
Michael J. Kowalski	**2015**	650	—	7,800			458,298 (v)	466,748
	2014	15,600	77,289	7,650				100,539
	2013	15,600	103,265	7,500				126,365
Ralph Nicoletti	**2015**	8,330	—	7,800	7,800	9,737	—	33,667
	2014	7,948	—	—	—	—	158,965 (vi)	166,913
Jean-Marc Bellaiche	**2015**	9,669	109,788	5,610	6,500	15,538	450,000 (vii)	597,105
Pamela H. Cloud	**2015**	9,366	47,001	7,800			500 (viii)	64,667
	2014	8,909	70,013	7,650				86,572
	2013	8,909	64,100	7,500				80,509
Jennifer de Winter	**2015**	12,870	—	—	—	—	440,000 (ix)	452,870

(i) This amount reflects the benefit paid under the defined contribution retirement benefit ("DCRB") feature of the 401(k) Plan.

(ii) For Mr. Cumenal, the amount reported as "other compensation" for Fiscal 2015 includes: defined contribution to the French pension scheme ($75,017); payment to a special retirement account ($406,757); and payment towards tax preparation consultation services ($22,895). Please see the discussion of Mr. Cumenal's Senior Executive Employment Agreement and compensation paid thereunder, in connection with the commencement of employment in March 2011, under "Discussion of Summary Compensation Table and Grants of Plan-Based Awards - Frederic Cumenal Employment Agreement" at PS-80.

(iii) For Mr. Cumenal, the amount reported as "other compensation" for Fiscal 2014 includes: defined contribution to the French pension scheme ($84,655); payment to a special retirement account ($435,291); and payment towards tax preparation consultation services ($23,890).

(iv) For Mr. Cumenal, the amount reported as "other compensation" for Fiscal 2013 includes: defined contribution to the French pension scheme ($88,333); payment to a special retirement account ($397,270); and payment towards tax preparation consultation services ($27,000).

(v) For Mr. Kowalski, the amount reported as "other compensation" for Fiscal 2015 includes a distribution paid under the Excess Plan ($352,315), a payment of accrued vacation time as of his retirement ($15,983) and the retainers paid to him in connection with his service as a non-executive director. See "Director Compensation Table" at PS-98.

(vi) For Mr. Nicoletti, the amount reported as "other compensation" for Fiscal 2014 reflects relocation expenses incurred by Mr. Nicoletti in his relocation to New York in connection with his commencement of employment with the Company.

(vii) For Mr. Bellaiche, the amount reported as "other compensation" for Fiscal 2015 reflects the second payment of a one-time sign-on cash bonus in connection with his recruitment in 2014. For a more detailed discussion of Mr. Bellaiche's compensatory arrangements, see "Discussion of Summary Compensation Table and Grants of Plan-Based Awards - Jean-Marc Bellaiche Compensatory Arrangement" at PS-81.

(viii) For Ms. Cloud, the amount reported as "other compensation" for Fiscal 2015 reflects a payment made pursuant to a Company travel policy.

(ix) For Ms. de Winter, the amount reported as "other compensation" for Fiscal 2015 reflects a one-time sign-on cash bonus in connection with her recruitment. For a more detailed discussion of Ms. de Winter's compensatory arrangements, see "Discussion of Summary Compensation Table and Grants of Plan-Based Awards - Jennifer de Winter Compensatory Arrangement" at PS-81.

GRANTS OF PLAN-BASED AWARDS
Fiscal 2015

2014 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 (b)			All Other Option/ Stock Awards: Number of Securities Underlying Options/ Awards (#)	Exercise or Base Price of Option/ Stock Awards ($/Sh) (c)	Grant Date Fair Value of Equity Awards (d)
			Thres hold ($)	Target ($)	Maximum ($)	Threshold Number of Shares (assuming actual EPS equals EPS Threshold, and ROA Target is under-achieved by 10%)	Target Number of Shares (assuming actual EPS equals EPS Target, with no adjustment for ROA because ROA Target is met at 100.0%)	Maximum Number of Shares (assuming EPS Target is exceeded by $2.09 and ROA Target is exceeded by 10%)			
Frederic Cumenal	Annual Incentive		$ —	$ 1,875,000	$ 3,750,000						
	Performance-Based RSU	1/20/2016				12,642	50,567	101,134			$ 2,886,364
	Stock Option	1/20/2016							230,972	$ 61.80	$ 3,131,796
Michael J. Kowalski (a)	Annual Incentive		$ —	$ —	$ —						
	January 2014 Performance-Based RSU	3/18/2015				5,625	22,500	45,000			$ 1,854,675
	January 2013 Performance-Based RSU	3/18/2015				5,950	23,800	47,600			$ 1,997,534
	Time-Vesting RSU	5/28/2015							848	$ 93.11	$ 78,957
	Stock Option	5/28/2015							3,409	$ 94.63	$ 80,142
Ralph Nicoletti	Annual Incentive		$ —	$ 542,000	$ 1,084,000						
	Performance-Based RSU	1/20/2016				3,136	12,541	25,082			$ 715,840
	Stock Option	1/20/2016							57,288	$ 61.80	$ 776,779
Jean-Marc Bellaiche	Annual Incentive		$ —	$ 450,000	$ 900,000						
	Performance-Based RSU	1/20/2016				2,276	9,102	18,204			$ 519,542
	Stock Option	1/20/2016							41,576	$ 61.80	$ 563,737
Pamela H. Cloud	Annual Incentive		$ —	$ 360,000	$ 720,000						
	Performance-Based RSU	1/20/2016				2,124	8,496	16,992			$ 484,952
	Stock Option	1/20/2016							38,804	$ 61.80	$ 526,151

Name	Award Type	Grant Date	Estimated Future Pay-outs Under Non-Equity Incentive Plan Awards			Estimated Future Pay-outs Under Equity Incentive Plan Awards (b)			All Other Option/ Stock Awards: Number of Securities Underlying Options/ Awards (#)	Exercise or Base Price of Option/ Stock Awards ($/Sh) (c)	Grant Date Fair Value of Equity Awards (d)
			Thres hold ($)	Target ($)	Maximum ($)	Threshold Number of Shares (assuming actual EPS equals EPS Threshold, and ROA Target is under-achieved by 10%)	Target Number of Shares (assuming actual EPS equals EPS Target, with no adjustment for ROA because ROA Target is met at 100.0%)	Maximum Number of Shares (assuming EPS Target is exceeded by $2.09 and ROA Target is exceeded by 10%)			
Jennifer de Winter	Annual Incentive		$ —	$ 390,000	$ 780,000						
	January 2016 Performance-Based RSU	1/20/2016				1,973	7,889	15,778			$ 450,304
	March 2015 Performance-Based RSU	3/18/2015				1,425	5,700	11,400			$ 461,472
	Time-Vesting RSU	3/18/2015							7,600	$ 82.43	$ 626,468
	January 2016 Stock Option	1/20/2016							36,032	$ 61.80	$ 488,565
	March 2015 Stock Option	3/18/2015							23,100	$ 85.45	$ 485,948

Notes to Grants of Plan-Based Awards Table

(a) The equity awards reported for Mr. Kowalski reflect (i) performance-based restricted stock units granted to him in January 2013 and January 2014, the terms of which were amended in March 2015 to permit continued vesting of those awards following his retirement, subject to the other terms and conditions previously established by the Committee (see "2015 Incentive Compensation - Michael J. Kowalski Long-Term Incentive Awards" at PS-41); and (ii) time-vesting restricted stock units and stock options granted to him in May 2015 in connection with his service as a non-executive director. See "Director Compensation Table" at PS-98.

(b) Other than the time-vesting restricted stock units granted to Ms. de Winter in March 2015, which will vest in March 2017 provided she remains employed through that time, and time-vesting restricted stock units granted to Mr. Kowalski in May 2015 in connection with his service as a non-executive director, no portion of these awards will pay out unless the EPS Threshold is attained over the three-year Performance Period ending January 31, 2019. If the EPS 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, subject to interpolation if actual EPS falls between the EPS Threshold and EPS Target, or between the EPS Target and EPS Maximum:

<table>
<tr><th rowspan="2">EPS Performance</th><th rowspan="2">Percentage of Target Shares Earned under EPS Goal</th><th colspan="4">ROA ADJUSTMENT TO SHARES EARNED UNDER EPS GOAL</th><th rowspan="2">Percentage of Target Shares Earned with Impact of ROA Adjustment</th></tr>
<tr><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></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>

In March 2016, the Committee set the threshold, target, and maximum in terms of the Company's aggregate net EPS on a diluted basis (subject to adjustments as permitted under the 2014 Employee Incentive Plan) over the three-year Performance Period.

- The EPS Threshold is $8.80 per diluted share.
- The EPS Target is $11.79 per diluted share.
- The EPS Maximum is $12.58 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 9.2%.

Amounts listed in the sub-column labeled "Target Number of Shares" reflect the Target Number of Shares, assuming the EPS Target is met at 100.0% and the ROA Target is achieved at 100.0% (resulting in no ROA adjustment). By contrast, if the EPS Target is met at 100.0%, 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): Frederic Cumenal, 53,096; Michael J. Kowalski, 24,990 for the January 2013 grant and 23,625 for the January 2014 grant (as amended on March 18, 2015); Ralph Nicoletti, 13,169; Jean-Marc Bellaiche, 9,558; Pamela H. Cloud, 8,921, and Jennifer de Winter, 5,985 for the March 18, 2015 grant and 8,284 for the January 20, 2016 grant.

(c) The exercise price of all options was the closing price of the underlying shares on the New York Stock Exchange on the grant date. The base price of the time-vesting restricted stock units is calculated in

accordance with Codification Topic 718 for the fiscal year in which the award was granted, disregarding any estimates of forfeitures related to service-based vesting conditions.

(d) The grant date fair value of each option award was computed in accordance with Codification Topic 718 for the fiscal year in which the award was granted, disregarding any estimates of forfeitures related to service-based vesting conditions.

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" at PS-83. The amount reported for the performance-based restricted stock units awarded to Mr. Kowalski represents the fair value of those grants as of March 18, 2015, the date on which the terms of those awards were amended to permit continued vesting following his retirement, computed using the same assumptions. See note (a) above and “2015 Incentive Compensation - Michael J. Kowalski Long-Term Incentive Awards” at PS-41.

DISCUSSION OF SUMMARY COMPENSATION TABLE AND GRANTS OF PLAN-BASED AWARDS

NON-EQUITY INCENTIVE PLAN AWARDS

Fiscal 2015

Operating Earnings Threshold & Performance Goals

At the beginning of Fiscal 2015, the Committee granted cash (non-equity) short-term incentive awards to the named executive officers other than Ms. de Winter and Mr. Kowalski. Ms. de Winter was granted a short-term incentive award pursuant to her compensatory arrangements when she joined the Company in March 2015. In each case the awards granted would be paid subject to the achievement of certain performance goals. The Committee established target and maximum short-term incentive opportunities for the named executive officers who were granted short-term incentive awards, the payment of which would be wholly contingent on the Company meeting an operating earnings threshold. The Committee advised the executive officers that, if the operating earnings threshold was met, award pay-outs would be determined in part based on corporate performance (the "Corporate Portion", up to 160% of the target award) and in part based on individual performance (the "Individual Portion", up to 40% of the target award). Further, for the Corporate Portion of the award, the Committee exercised its discretion to establish operating earnings targets which were substantially in excess of the threshold amount.

Corporate Portion

The Committee advised the executive officers that it intended to use its discretion to determine pay-out of the Corporate Portion of the award based on the following operating earnings targets, subject to interpolation if Fiscal 2015 operating earnings fall between the amounts in the first column:

If Operating Earnings, as adjusted, Equal:	Then Percentage Pay-out of Incentive Award Will Be:
Below $710 million	0%
$710 million	25% of Target Short-term Incentive Award
$888 million	80% of Target Short-term Incentive Award
At least $1,066 million	160% of Target Short-term Incentive Award

Individual Portion

The Committee advised the executive officers that it intended to use its discretion to determine pay-out of the Individual Portion of the award based on the following factors:

- strategic thinking;
- leadership, including development of effective management teams and employee talent;
- demonstrated adherence to the Company's Business Conduct Policy - Worldwide, and professionalism;
- financial metrics relevant to the executive's specific areas of responsibility; and
- specific objectives set for the executive officer by the CEO, or, in the case of the CEO, by the Board.

Permissible Adjustments to Evaluation of Performance

The 2014 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, (v) extraordinary non-recurring items as described in Accounting

Principles Board Opinion No. 30 (subsequently 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 the Annual Report for the applicable year (starting in March 2016, the 2014 Employee Incentive Plan refers to unusual or infrequently occurring items, rather than extraordinary non-recurring items, as described in the 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.

Fiscal 2015 Performance & Pay-out

The Fiscal 2015 threshold of $533 million was met. As a result, each named executive officer who was granted a short-term incentive award for Fiscal 2015 was eligible to receive an award equal to 200% of target.

In March 2016, after reviewing and concurring with the recommendation of the CEO, the Committee exercised its discretion to award a percentage less than 200% and, in accordance with its previously expressed intention, determined that the pay-out percentage for the Corporate Portion would be 55% of the target short-term incentive award, as Fiscal 2015 operating earnings were $806.8 million, excluding certain charges as permitted under the 2014 Employee Incentive Plan (see Appendix I at PS-105).

The Committee also reviewed and concurred with the CEO'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 CEO 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 2015 (or for Ms. de Winter, upon hire).

Based on the above, the Committee determined to pay each named executive officer who was granted a short-term incentive award for Fiscal 2015 15-25% of his or her target award based on the Individual Portion.

As a result of the Committee's determination as to the Corporate and Individual Portions, each named executive officer who was granted a short-term incentive award for Fiscal 2015 was paid 70-80% of his or her target award.

Fiscal 2014 and Fiscal 2013

In Fiscal 2014 and 2013, short-term incentive awards were paid out as follows:

- In Fiscal 2014, the Company's consolidated operating earnings exceeded the target established by the Committee, and short-term incentive awards were paid out at 101% of the target amount, on average, other than for one executive who was not granted a short-term incentive award pursuant to her compensatory arrangements.
- In Fiscal 2013, the Company's consolidated net earnings, excluding certain charges as permitted under the 2005 Employee Incentive Plan, exceeded the target established by the Committee, and short-term incentive awards were paid out at 124% of the target amount, on average.

Difference between Bonus Awards and Annual Incentive Awards

Prior to 2015, annual incentive awards paid to named executive officers differed from bonuses paid to other executive officers as follows:

- Annual incentive awards to named executive officers were paid under the terms of the 2005 Employee Incentive Plan and were paid only if the Company met objective performance goals. This promise was set out in written agreements.
- Bonuses were not subject to written agreements. The Committee had the discretion to increase, decrease or withhold such bonuses. It had been the Committee's practice to align bonuses with annual incentive awards.
- Annual incentive awards to named executive officers were designed so that the amounts paid out would be deductible to the Company and would not count against the $1,000,000 limitation under Section 162(m) of the Internal Revenue Code.
- If a bonus was paid, and the total annual cash compensation paid to that executive in the year of bonus exceeded the $1,000,000 limitation, the excess would not have been deductible to the Company for federal income tax purposes.

Beginning in 2015, and under the 2014 Employee Incentive Plan, annual incentive awards as described above were granted to all executive officers. These awards are paid only if the Company meets objective performance goals, are set out in written agreements and are designed so that amounts paid out will be deductible to the Company and not count against the $1,000,000 limitation under Section 162(m) of the Internal Revenue Code, if applicable.

EQUITY INCENTIVE PLAN AWARDS – PERFORMANCE-BASED RESTRICTED STOCK UNITS

The Committee's practice has been to award Performance-Based Restricted Stock Units ("Units") to executive officers in January of each year. The January 2016 award (and a March 2015 grant made to Ms. de Winter upon her hire) 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 grants are:

- 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 (including for retirement, subject to the change made in 2015 described immediately below) 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;
- For awards granted prior to January 2015, a retirement event is treated as a voluntary resignation, resulting in forfeiture. For awards granted in January 2015 or later, Units vest on a pro-rated basis in the event of retirement, reflective of the portion of the performance period worked, but remaining wholly contingent on the pre-established performance goals;
- 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 an 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 2013, 2014, 2015 and 2016

In 2013 through 2016, 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 EPS 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 2013 - January 2016	$ 7.62	$ 11.86	$ 13.87	9.8%
February 2014 - January 2017	$ 10.18	$ 14.17	$ 16.26	11.0%
February 2015 - January 2018	$ 10.38	$ 13.89	$ 15.76	10.6%
February 2016 - January 2019	$ 8.80	$ 11.79	$ 12.58	9.2%

As reflected in the table above, the EPS threshold, EPS target, EPS maximum and ROA target for the performance-based restricted stock units granted in January 2016 are below those established for the performance-based restricted stock units granted in January 2015. Performance targets are established by the Committee each year with reference to the Company's strategic plan, which is developed as part of each year's planning process and seeks to incorporate goals for the Company's financial performance that are both challenging and realistic. See "Short- and Long-Term Planning" at PS-45. Accordingly, targets for performance-based restricted stock units may vary from grant year to grant year as a result of variances in the Company's strategic plan from year to year. The reduction in targets from Fiscal 2015 to Fiscal 2016 reflects changes in the Company's strategic plans for those years. Please see page K-52 of the Annual Report on Form 10-K for the Fiscal 2016 outlook and underlying assumptions.

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), with interpolation if actual EPS falls between the EPS threshold and EPS target, or between the EPS target and EPS maximum:

25% of Target Shares if EPS Threshold is achieved
100% of Target Shares if EPS Target is achieved
190% of Target Shares if EPS Maximum is achieved

After vesting based on EPS goals is determined, an ROA modifier is applied as described in the table at PS-73, for those Units granted in 2014, 2015 and 2016.

For Units granted in January 2013:

If EPS Threshold is met or exceeded, achievement of ROA Target will result in a 10% increase in vesting.
If EPS Target is met or exceeded, but ROA Target is not achieved, the tentatively vested Units will be reduced 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).

Vesting of Performance-Based Restricted Stock Units for February 2013 - January 2016 Performance Period

In March 2016, for the three-year performance period ending January 31, 2016, it was determined that a cumulative net EPS of $11.76 per diluted share was achieved, compared to the EPS Target of $11.86, and the ROA Target was achieved. As a result, vesting of 108.2% of target shares (54.1% of the maximum shares granted) occurred.

General Note: As permitted under the 2005 Employee Incentive Plan and 2014 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 2016 excluded charges of approximately $299 million, most notably an after-tax charge of approximately $293 million in connection with the adverse arbitration ruling in favor of the Swatch Group Ltd. and certain of its affiliates. For Fiscal 2014, the EPS considered for the purpose of those performance-based restricted stock units scheduled to vest in March 2016 excluded a charge of approximately $61 million related to the redemption of certain senior notes prior to their scheduled maturities. For Fiscal 2015, the EPS considered for the purpose of those performance-based restricted stock units scheduled to vest in March 2016 excluded $24.3 million associated with impairment charges related to a financing arrangement with Koidu Limited and $5.6 million of expenses associated with specific cost-reduction initiatives.

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 "Potential Payments on Termination or Change in Control - Explanation of Potential Payments on Termination following a Change in Control" at PS-94). 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 at PS-72.)

Stock options expire no later than the tenth anniversary of the grant date. Stock options expire earlier on:

- termination of employment, other than for cause (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, other than Mr. Nicoletti and Ms. de Winter, who declined this benefit, 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;
- 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 award;
- the amount of the premiums paid by the Company is taxable income to the executive officer; and

- the Company does not pay 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, the Company and Mr. Cumenal as part of his recruiting process in March 2011. That employment agreement was approved by the Committee and included the following key compensatory features, subject to increase:

- Term: Three-year initial term with sequential one-year extensions thereafter. Any party may give prior notice of non-extension. In the event of a change in control, the term will continue for at least two years;
- Compensatory terms related to base salary, short-term incentive award, long-term incentive award, and a sign-on three-year time-vesting restricted stock unit grant;
- One-time relocation award of $650,000, subject to a partial claw-back in the event of resignation without good reason within 18 months of employment;
- Deferred compensation: Credit of $365,000 per year for the first 10 years of employment to an interest-bearing account for retirement. Mr. Cumenal became fully vested in this account after three years of employment. Together with the sign-on equity awards, these payments were intended as "make whole" payments for amounts Mr. Cumenal forfeited at his prior employer. Mr. Cumenal had accrued significant long-term pension benefits with his prior employer;
- French pension scheme payments: Payment of approximately $75,000 annually for the benefit of Mr. Cumenal's account with the French social security and complementary pension schemes. This payment as intended to avoid loss of Mr. Cumenal's accruals under the French social security and complementary pension schemes;
- Tax consultation: Income tax preparation assistance up to a maximum of $30,000 for each of 2011 and 2012;
- Severance absent a Change in Control - Applicable in the event of termination without Cause or resignation for Good Reason, including Tiffany's refusal to extend the term: $605,000, subject to increase based on annual cost of living adjustments; base salary for the balance of the term (minimum of one year; maximum of two years); any unpaid short-term incentive award for the last completed fiscal year; and continuation of medical and dental benefits for one year;
- Severance following a Change in Control - Applicable in the event of termination without Cause; resignation for Good Reason, including Tiffany's refusal to extend the term: $1,210,000, subject to increase based on annual cost of living adjustments; plus two times base salary; and continuation of medical and dental benefits for two years; and
- Absent termination with Cause or for disability, upon termination of employment, Tiffany would pay an additional $200,000 if it wished Mr. Cumenal to continue to comply with non-competition covenants.

The employment agreement contains definitions of "Change in Control," "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. As disclosed in the Summary Compensation Table at PS-66, since being hired in Fiscal 2011 under the terms of his employment agreement, Mr. Cumenal has received various compensation increases and promotions outside of the original terms of his agreement.

RALPH NICOLETTI COMPENSATORY ARRANGEMENT

Elements of Mr. Nicoletti's compensation disclosed in the Summary Compensation Table are provided pursuant to the terms of the offer letter extended to Mr. Nicoletti in connection with his recruitment. The key terms of the offer letter were:

- Initial Base Salary: $750,000 per year;
- Initial Target Annual Incentive Award: $525,000 (70% of Base Salary);
- Initial Target Long-term Incentive Award: $1,500,000 (200% of Base Salary);
- One-time sign-on equity award of time-vesting restricted stock units, equal in value to $1,500,000, to vest in full on the third anniversary of the grant date; and
- Relocation benefits in support of Mr. Nicoletti's relocation for the role.

JEAN-MARC BELLAICHE COMPENSATORY ARRANGEMENT

Elements of Mr. Bellaiche's compensation disclosed in the Summary Compensation Table are provided pursuant to the terms of the offer letter extended to Mr. Bellaiche in connection with his recruitment. The key terms of the offer letter were:

- Initial Base Salary: $750,000 per year;
- Initial Target Annual Incentive Award: 60% of base salary;
- Initial Target Long-term Incentive Award: 150% of base salary;
- One-time sign-on awards of (i) time-vesting restricted stock units equal in value to $562,500, to vest in equal installments on the first, second and third anniversary of the grant date; (ii) stock options equal in value to $562,500, to vest in equal installments on the first, second and third anniversary of the grant date; and (iii) a $900,000 cash bonus, half of which was to be paid within 30 days of his date of hire, and the remaining half on or about April 1, 2015, in each case subject to recoupment in the event of resignation without good reason or termination with cause on or before January 31, 2016; and
- Severance benefits, absent a change in control, in the event of termination without Cause or resignation for Good Reason prior to the second year anniversary of hire: one year of base salary; any unpaid short-term incentive award for the last completed fiscal year; pro-rated short-term incentive award for the current year (calculated at target); plus reimbursement of continued health coverage for one year.

The offer letter contains definitions of "Cause" and "Good Reason" and has been filed with the Securities and Exchange Commission as Exhibit 10.32 to the Company's Annual Report on Form 10-K dated March 28, 2016.

JENNIFER DE WINTER COMPENSATORY ARRANGEMENT

Elements of Ms. de Winter's compensation disclosed in the Summary Compensation Table are provided pursuant to the terms of the offer letter extended to Ms. de Winter in connection with her recruitment. The key terms of the offer letter were:

- Initial Base Salary: $650,000 per year;
- Initial Target Annual Incentive Award: 60% of base salary;
- Initial Target Long-term Incentive Award: 150% of base salary;
- One-time sign-on awards of (i) time-vesting restricted stock units equal in value to $650,000, to vest in full on the second anniversary of the grant date, subject to conditions (including continued

employment); and (ii) a $440,000 cash bonus subject to recoupment in the event of resignation without good reason or termination with cause prior to the first anniversary of her date of hire; and

- Severance benefits, absent a change in control, in the event of termination without Cause or resignation for Good Reason prior to the second year anniversary of hire: one year of base salary; any unpaid short-term incentive award for the last completed fiscal year; pro-rated short-term incentive award for the current year (calculated based on actual results); plus reimbursement of continued health coverage for one year.

The offer letter contains definitions of "Cause" and "Good Reason" and has been filed with the Securities and Exchange Commission as Exhibit 10.33 to the Company's Annual Report on Form 10-K dated March 28, 2016.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END
January 31, 2016

	Option Awards				Stock Awards			
Name	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price ($)	Option Expiration Date (a)	Equity Incentive Plan Awards Number of Unearned Shares, Units, or Other Rights That Have Not Vested (#) (b)		Equity Incentive Plan Awards Market or Payout Value of Unearned Shares, Units, or Other Rights That Have Not Vested ($)	
Frederic Cumenal								
	37,168	—	$ 62.44	3/10/2021				
	40,000	—	$ 60.54	1/18/2022				
	29,250	9,750	$ 63.76	1/16/2023				
	—	36,523	$ 80.52	9/19/2023				
	22,000	22,000	$ 88.77	1/16/2024				
	35,250	105,750	$ 86.74	1/14/2025				
	—	230,972	$ 61.80	1/20/2026				
					14,499/26,800	(c)	$ 925,616	(k)
					6,810/30,400	(d)	$ 434,750	(l)
					13,845/71,000	(e)	$ 883,865	(m)
					50,567/101,134	(f)	$ 3,228,197	(n)
					12,419/12,419	(g)	$ 792,829	(o)
Michael J. Kowalski								
	67,000	—	$ 58.00	4/1/2017				
	53,250	—	$ 60.54	4/1/2017				
	34,500	—	$ 63.76	4/1/2017				
	16,250	—	$ 88.77	4/1/2017				
	3,409	—	$ 94.63	5/28/2025				
					25,752/47,600	(c)	$ 1,644,008	(k)
					10,080/45,000	(d)	$ 643,507	(l)
					848/848	(p)	$ 54,136	(o)
Ralph Nicoletti								
	7,494	22,482	$ 92.79	3/19/2024				
	8,500	25,500	$ 86.74	1/14/2025				
	—	57,288	$ 61.80	1/20/2026				
					3,621/16,166	(d)	$ 231,165	(l)
					3,315/17,000	(e)	$ 211,630	(m)
					12,541/25,082	(f)	$ 800,617	(n)
					16,166/16,166	(h)	$ 1,032,037	(o)

	Option Awards				Stock Awards			
Name	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price ($)	Option Expiration Date (a)	Equity Incentive Plan Awards Number of Unearned Shares, Units, or Other Rights That Have Not Vested (#) (b)		Equity Incentive Plan Awards Market or Payout Value of Unearned Shares, Units, or Other Rights That Have Not Vested ($)	
Jean-Marc Bellaiche								
	7,000	14,000	$ 100.65	7/16/2024				
	6,250	18,750	$ 86.74	1/14/2025				
	—	41,576	$ 61.80	1/20/2026				
					2,496/12,800	(e)	$ 159,345	(m)
					9,102/18,204	(f)	$ 581,072	(n)
					3,726/3,726	(i)	$ 237,868	(o)
Pamela H. Cloud								
	20,000	—	$ 43.37	1/20/2020				
	17,000	—	$ 58.00	1/20/2021				
	18,000	—	$ 60.54	1/18/2022				
	13,500	4,500	$ 63.76	1/16/2023				
	8,950	8,950	$ 88.77	1/16/2024				
	6,500	19,500	$ 86.74	1/14/2025				
	—	38,804	$ 61.80	1/20/2026				
					6,601/12,200	(c)	$ 421,408	(k)
					2,778/12,400	(d)	$ 177,348	(l)
					2,535/13,000	(e)	$ 161,834	(m)
					8,496/16,992	(f)	$ 542,385	(n)
Jennifer de Winter								
	—	23,100	$ 85.45	3/18/2025				
	—	36,032	$ 61.80	1/20/2026				
					2,223/11,400	(e)	$ 141,916	(m)
					7,889/15,778	(f)	$ 503,634	(n)
					7,600/7,600	(j)	$ 485,184	(o)

Notes to Outstanding Equity Awards at Fiscal Year-End Table

(a) The first four grants shown for Mr. Kowalski were granted on January 20, 2011, January 18, 2012, January 16, 2013 and January 16, 2014, respectively. For all other option grants reported, the grant date was 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 September 23, 2023 (to Mr. Cumenal's benefit, which vest on a three-year cliff-vesting basis) and July 16, 2024 (to Mr. Bellaiche's benefit, which vest in three equal installments). Additionally, the grants reported for Mr. Kowalski include options granted to him in connection with his service as a non-executive director, which vest immediately. See "Director Compensation Table" at PS-98.

(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) through (p) 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 2013 grant vested three business days following the date on which the Company's audited financial results for Fiscal 2015 were publicly reported.

(d) 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.

(e) This 2015 grant will vest three business days following the date on which the Company's audited financial results for Fiscal 2017 are publicly reported.

(f) This 2016 grant will vest three business days following the date on which the Company's audited financial results for Fiscal 2018 are publicly reported.

(g) This one-time time-vesting restricted stock unit award, granted to Mr. Cumenal in connection with his promotion to President, will vest three business days following the date on which the Company's audited financial results for Fiscal 2016 are publicly reported.

(h) This one-time time-vesting restricted stock unit award, granted to Mr. Nicoletti in connection with his recruitment, will vest on March 19, 2017.

(i) This one-time time-vesting restricted stock unit award, granted to Mr. Bellaiche in connection with his recruitment, vests in equal installments over a three-year period ending July 16, 2017. The number of shares shown is the portion of the award that had not vested as of January 31, 2016.

(j) This one-time time-vesting restricted stock unit award, granted to Ms. de Winter in connection with her recruitment, will vest in full on March 18, 2017.

(k) This value has been computed at 54.1% of maximum based on Company EPS and ROA performance in Fiscal 2013, Fiscal 2014 and Fiscal 2015. The resulting value was computed on the basis of the closing stock price of $63.84 on January 29, 2016.

(l) This value has been computed at 22.4% of maximum based upon Company EPS and ROA performance in Fiscal 2014 and Fiscal 2015 and projections for Fiscal 2016. The resulting value was computed on the basis of the closing stock price of $63.84 on January 29, 2016.

(m) This value has been computed at 19.5% of maximum based upon Company EPS and ROA performance in Fiscal 2015 and projections for Fiscal 2016 and Fiscal 2017. The resulting value was computed on the basis of the closing stock price of $63.84 on January 29, 2016.

(n) This value has been computed on the assumption that the EPS target will be met at 100.0% 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 closing stock price of $63.84 on January 29, 2016.

(o) The value was computed on the basis of the Company's closing stock price of $63.84 on January 29, 2016.

(p) This time-vesting restricted stock unit award was granted to Mr. Kowalski in connection with his service as a non-executive director. See "Director Compensation Table" at PS-98.

OPTION EXERCISES AND STOCK VESTED
Fiscal 2015

Name	Option Awards			Stock Awards	
	Number of Shares Acquired on Exercise (#)		Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Frederic Cumenal	—		—	7,150	$ 626,447
Michael J. Kowalski	—		—	12,500	$ 1,095,188
Ralph Nicoletti	—		—	—	$ —
Jean-Marc Bellaiche	—		—	1,863	$ 174,982
Pamela H. Cloud	—		—	3,250	$ 284,749
Jennifer de Winter	—		—	—	$ —

PENSION BENEFITS TABLE

Name	Plan Name (a)	Number of Years Credited Service		Actuarial Present Value of Accumulated Benefits	Payments During Last Fiscal Year
Frederic Cumenal	Pension Plan	—	(b)	$ —	$ —
	Excess Plan	—		$ —	$ —
	Supplemental Plan	—		$ —	$ —
Michael J. Kowalski	Pension Plan	36.9	(c)	$ 1,580,672	$ 79,946
	Excess Plan	36.9	(c)	$ 18,064,737	$ 887,975
	Supplemental Plan	36.9	(c)	$ 1,418,714	$ 69,737
Ralph Nicoletti	Pension Plan	—	(b)	$ —	$ —
	Excess Plan	—		$ —	$ —
	Supplemental Plan	—		$ —	$ —
Jean-Marc Bellaiche	Pension Plan	—	(b)	$ —	$ —
	Excess Plan	—		$ —	$ —
	Supplemental Plan	—		$ —	$ —
Pamela H. Cloud	Pension Plan	21.5		$ 443,688	$ —
	Excess Plan	21.5		$ 1,321,936	$ —
	Supplemental Plan	21.5		$ 666,320	$ —
Jennifer de Winter	Pension Plan	—	(b)	$ —	$ —
	Excess Plan	—		$ —	$ —
	Supplemental Plan	—		$ —	$ —

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) Executive officers hired prior to January 1, 2006 are eligible for participation in the Pension Plan, Excess Plan, and Supplemental Plan. Messrs. Cumenal, Nicoletti, Bellaiche and Ms. de Winter accordingly do not participate in these plans.

(c) Mr. Kowalski was credited with 6.4 years of service 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 "Features of the Pension Retirement Plans - Supplemental Plan" below). Because Mr. Kowalski attained 25 years of service with Tiffany as of October 14, 2009, the total retirement benefit available to him did not increase as a result of the credited 6.4 years of service described above. Rather, the effect of this credited service was to augment the present value of his accumulated benefit under the Pension Plan and Excess Plan only as follows, resulting in a reduced obligation under the Supplemental Plan:

	Michael J. Kowalski
Pension Plan	$ 274,720
Excess Plan	$ 3,139,637
Supplemental Plan	$ (3,414,357)

In addition, Mr. Kowalski retired from the Company effective March 31, 2015 at the age of 63. At the time of his separation from the Company, he was eligible for early retirement under the Pension Plan, the Excess Plan and the Supplemental Plan because he had reached age 55 and accumulated at least 10 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.

The present value of Mr. Kowalski's benefits under the Pension Plan, Excess Plan, and Supplemental Plan, reported in this table, reflect his accrued benefit at his retirement date of March 31, 2015, his election for commencement of reduced benefits prior to the normal retirement age of 65, and his election to receive retirement benefits as a 100% annuity over the lives of himself and his spouse.

Pursuant to the terms of the Excess Plan and Supplemental Plan, payments under these plans were held in escrow for six months following Mr. Kowalski's separation from the Company. He commenced receiving benefits under these plans effective April 1, 2015 and, following the expiration of the six-month period, received a catch-up payment equal to the accumulated value of the six months of missed payments, with interest. This six-month catch-up payment is incorporated into the present value of benefits as of January 31, 2016.

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 RP-2014 Male/Female Mortality Table with White Collar Adjustments regressed to base year 2006 and projected generationally from 2006 with Scale MP-2015; and a discount rate of 4.50% for the Pension Plan and 4.25% for the Excess and Supplemental Plans. All assumptions

were consistent with those used to prepare the financial statements for Fiscal 2015, except for the retirement age assumption, which represents the normal retirement age under these plans.

Features of the Pension Benefit Plans

Tiffany established three traditional pension retirement plans for eligible employees hired before January 1, 2006: the Pension Plan, the Excess Plan and the Supplemental Plan. Mr. Kowalski and Ms. Cloud are eligible to participate in these plans.

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 10 years of creditable service.

In general, compensation reported in the Summary Compensation Table at PS-66 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 by Tiffany before January 1, 2006;
- executive officers hired before January 1, 2006 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 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 who participate in the Pension Plan;
- 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 hired before January 1, 2006;
- 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 age 65 while employed, or age 55 if he or she has provided 10 years of service (benefits will vest earlier on a termination from employment following a change in control - see "Potential Payments on Termination or Change in Control - Explanation of Potential Payments on Termination following a Change in Control - Definition of a Change in Control" at PS-96);
- 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, 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 10 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-87 for a discussion of the early retirement features of the Pension, Excess and Supplemental Plans.

Tiffany does not have a policy or practice of granting extra years of credited service under the Excess, Pension and Supplemental Plans. Mr. Kowalski was credited with service with Tiffany's former parent corporation. This credit was arranged in 1984 when the Company purchased Tiffany.

Retirement Benefits for Executive Officers hired on or after January 1, 2006

Executive officers hired on or after January 1, 2006 are eligible for a defined contribution retirement benefit through the 401(k) Plan, and for an Excess DCRB Contribution, credited on their behalf to an account under the Deferral Plan. For details about the Excess DCRB Contribution, see "Excess DCRB Feature of the Executive Deferral Plan" at PS-92. Messrs. Cumenal, Nicoletti, Bellaiche and Ms. de Winter are eligible to receive an Excess DCRB Contribution.

Mr. Cumenal receives additional retirement benefits under his employment agreement, which benefits were intended as "make whole" payments for amounts Mr. Cumenal forfeited at his prior employer. For details about Mr. Cumenal's additional retirement benefits, see "Frederic Cumenal Employment Agreement" at PS-80.

NONQUALIFIED DEFERRED COMPENSATION TABLE
(Fiscal 2015)

Name	Executive Contribution In Last Fiscal Year (a) ($)	Registrant Contribution In Last Fiscal Year (b) ($)	Aggregate Earnings In Last Fiscal Year (c) ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance At Last Fiscal Year End (d) ($)
Frederic Cumenal	$ 795,375	$ 46,294	$ (147,684)	$ —	$ 1,831,246
Michael J. Kowalski	$ —	$ —	$ (9,784)	$ 352,315	$ —
Ralph Nicoletti	$ —	$ 9,737	$ —	$ —	$ 9,737
Jean-Marc Bellaiche	$ 435,544	$ 15,538	$ (35,203)	$ —	$ 564,578
Pamela H. Cloud	$ —	$ —	$ —	$ —	$ —
Jennifer de Winter	$ —	$ —	$ —	$ —	$ —

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 at PS-66.

(b) Under the terms of the Deferral Plan, and as noted under "Registrant Contribution in Last Fiscal Year" in the table above, Messrs. Cumenal, Nicoletti and Bellaiche received Excess DCRB Contributions of $46,294, $9,737 and $15,538, respectively, in Fiscal 2015. As of January 31, 2016, Mr. Cumenal was vested in 60% of the Excess DCRB Contributions credited to him under the Deferral Plan, based on his years of service. Messrs. Nicoletti and Bellaiche were not vested in Excess DCRB Contributions credited to them. See "Excess DCRB Feature of the Deferral Plan" below.

(c) Amounts shown in this column are not reported as compensation in the Summary Compensation Table because the Deferral Plan does not pay above-market or preferential earnings on compensation that is deferred.

(d) Amounts shown in this column include amounts that were reported as compensation in the Summary Compensation Table to the extent that such amounts were contributed by the executive but not to the extent that such amounts represent earnings. See Note (c) above.

PROXY STATEMENT

Features of the Deferral Plan

These are the key features of the Company's 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;

- The value in the participant’s account depends on the return on investments in various mutual funds that may be 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 of Directors;
- 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 Deferral Plan

The Deferral Plan provides for an Excess DCRB Contribution each year with respect to certain eligible employees under the DCRB feature of the 401(k) Plan. If an eligible employee under the DCRB feature (i) holds a title of Vice President or above, (ii) receives a DCRB Contribution under the 401(k) Plan in a given year, and (iii) such DCRB Contribution is curtailed by reason of the limitations under Sections 401(a)(17) or 415 of the Internal Revenue Code, the eligible employee shall have an Excess DCRB Contribution credited to his or her Deferred Benefit Accounts under the Deferral Plan.

The Excess DCRB feature is intended to benefit those eligible employees who were hired on or after January 1, 2006, and accordingly were precluded from participation in the Pension Plan, Excess Plan and Supplemental Plan. Messrs. Cumenal, Nicoletti and Bellaiche and Ms. de Winter are eligible for benefits under the Excess DCRB feature of the Deferral Plan.

The Excess DCRB Contribution vests in accordance with the vesting schedule for DCRB Contributions under the 401(k) Plan, as follows:

Years of Service	Vested Percentage
Less than 2 Years	—%
2 years or more	20%
3 years or more	40%
4 years or more	60%
5 years or more	80%
6 years or more	100%

POTENTIAL PAYMENTS ON TERMINATION OR CHANGE IN CONTROL

The following table shows benefits payable to the named executive officers, other than Mr. Kowalski, upon involuntary termination, absent a Change in Control (defined below), and benefits payable to the named executive officers upon involuntary termination, subsequent to a Change in Control. In either case, the values below assume the named executive officer was involuntarily terminated on January 31, 2016. An "involuntary termination" does not include a termination for cause, but does include a resignation for good reason. No information is shown for Mr. Kowalski on the following table because his retirement date was prior to the date of the assumed involuntary termination.

	Involuntary Terminations Absent a Change in Control				Involuntary Terminations Following a Change in Control					
Name	Cash Severance Payment (a)	Welfare Benefit (a)	Early Vesting of Equity Awards (b)	Total	Early Vesting of Supplemental Plan (c)	Cash Severance Payment (d)	Welfare Benefits (e)	Early Vesting of Stock Options (f)	Early Vesting of Restricted Stock Units (g)	Total
Frederic Cumenal	$3,260,145	$ 21,496	$ 792,829	$4,074,470	$ —	$ 5,138,415	$ 43,901	$ 471,963	$ 4,353,186	$ 10,007,465
Ralph Nicoletti	$ —	$ —	$1,032,037	$1,032,037	$ —	$ 2,550,000	$ 43,901	$ 116,868	$ 3,089,492	$ 5,800,261
Jean-Marc Bellaiche	$1,059,150	$ 21,496	$ —	$1,080,646	$ —	$ 2,400,000	$ 43,901	$ 84,815	$ 687,302	$ 3,216,018
Pamela H. Cloud	$ —	$ —	$ —	$ —	$ 710,069	$ 1,840,000	$ 43,901	$ 79,520	$ 1,670,693	$ 4,344,183
Jennifer de Winter	$ 917,930	$ 21,496	$ 485,184	$1,424,610	$ —	$ 2,080,000	$ 43,901	$ 73,505	$ 892,225	$ 3,089,631

Notes to Potential Payments on Termination or Change in Control Table

(a) Messrs. Cumenal and Bellaiche and Ms. de Winter are the only named executive officers to whom the Company is committed to pay severance benefits in the event of involuntary termination, without cause, in the absence of a Change in Control. For a summary of these arrangements, see "Discussion of Summary Compensation Table and Grants of Plan-Based Awards" at PS-75.

(b) The terms applicable to the one-time awards of time-vesting restricted stock units made to Mr. Cumenal on September 19, 2013 (12,419), with respect to his promotion to President, to Mr. Nicoletti on March 19, 2014 (16,166), with respect to his joining the Company, and to Ms. de Winter on March 18, 2015 (7,600) with respect to her joining the Company, provide for acceleration of 100% of the outstanding shares in the event of an involuntary termination without cause.

(c) Following a change in control, the Supplemental Plan will vest upon involuntary termination, or if the participant has either attained age 65, or age 55 with 10 years of service. The value reported reflects the present value at age 55 of the benefit accrued as of January 31, 2016, reduced for early retirement.

(d) 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 the sum of (i) actual salary multiplied by two, and (ii) $1,256,540, pursuant to the terms of his employment agreement.

(e) 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.

(f) The value of early vesting of stock options granted in 2013, 2014, 2015 and 2016 was determined using $63.84, the closing value of the Company's common stock on January 29, 2016. In the event of a Change in Control that is not a Terminating Transaction (as defined below), 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 early vesting of 100% of the special promotion-related stock option grant awarded to Mr. Cumenal in September 2013 (36,523) and the outstanding portion of the stock option grant awarded to Mr. Bellaiche upon his hire in July 2014 (14,001).

(g) The value of early vesting of restricted stock units granted in 2013, 2014 and 2015 was determined using $63.84, the closing value of the Company's common stock on January 29, 2016. 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 100% early vesting of performance-based restricted stock units granted in 2013; and 55% early vesting of performance-based restricted stock units granted in 2014 and 2015. This column also assumes 100% early vesting of the special time-vesting restricted stock grants awarded to Mr. Cumenal on September 19, 2013 (12,419), to Mr. Nicoletti on March 19, 2014 (16,166), to Mr. Bellaiche on July 16, 2014 (3,726) and to Ms. de Winter on March 18, 2015 (7,600).

Explanation of Potential Payments on a Termination absent a Change in Control

Severance Arrangements

The Company generally does not commit to severance benefits for its executive officers, absent a Change in Control, other than as necessary to recruit appropriate candidates for key roles. Messrs. Cumenal and Bellaiche and Ms. de Winter are party to formal severance arrangements with the Company, applicable in the event of an involuntary termination in the absence of a Change in Control. For a full discussion of these arrangements, see "Compensation Discussion and Analysis - Other Employment Agreements or Severance Plans for Named Executive Officers" at PS-60. The Company is not obligated to pay cash severance benefits to any other named executive officer upon termination, unless a Change in Control has occurred, although it is permitted to provide such benefits if it deems it appropriate to do so.

Time-Vesting Restricted Stock Unit Awards

Additionally, Messrs. Cumenal and Nicoletti and Ms. de Winter are eligible for accelerated vesting of outstanding time-vesting restricted stock units in the event of an involuntary termination absent a Change in Control, as described in note (b) above.

Performance-Based Restricted Stock Unit Awards

The terms applicable to outstanding performance-based restricted stock unit grants reserve the right of the Committee, under certain circumstances, to permit vesting of such units in the event of an involuntary termination absent a Change in Control. The terms set forth certain parameters for and limitations on such vesting. The amounts reported assume no units were vested in this manner.

Explanation of Potential Payments on Termination following a Change in Control

Severance Arrangements

The Company and Tiffany have entered into retention agreements with each of the executive officers, other than Mr. Cumenal, whose employment agreement with the Company addresses severance benefits following a change in control. These agreements would provide a covered executive with compensation if he or she should incur an involuntary termination after a Change in Control.

In the event that a Change in Control occurs, the covered executives would have fixed terms of employment under their retention agreements of 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, as severance; and
- Two years of benefits continuation under Tiffany's health and welfare plans.

Mr. Cumenal's employment agreement provides for severance benefits following a Change in Control as described at PS-80.

Vesting of Options and Restricted Stock Units on an Involuntary Termination following a Change in Control

Stock Option Grants

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 executive is involuntarily terminated from employment following the Change in Control.

Performance-Based Restricted Stock Unit Grants

Terms of Awards for Grants Made in January 2013:

For grants awarded in January 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 executive is involuntarily terminated following the Change in Control event.

Terms of Awards for Grants Made in 2014 and 2015:

In January 2014, the Committee modified the terms of award for performance-based restricted stock unit awards made in that month and afterwards, 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 2014 and 2015 grants, that would mean before February 1, 2014 and February 1, 2015, respectively), 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 2014 and 2015 grants would be in March 2017 and March 2018, respectively), or (ii) if the executive is earlier involuntarily terminated without cause, on such termination date.

For the grants awarded in January 2016, the three-year performance period began on February 1, 2016; because the Change in Control is assumed to have taken place before that date, no portion of the January 2016 grants are reflected as vested as a result of the assumed Change in Control.

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 executive is involuntarily terminated following the Change in Control event.

Supplemental Retirement Benefits Vest on a Change in Control

Ms. Cloud participates in the Pension Plan, Excess Plan, and Supplemental Plan. She is vested in the Pension Plan and Excess Plan but not in the Supplemental Plan. Aside from Mr. Kowalski, no other named executive officers as of January 31, 2016 were participants in these retirement plans.

Definition of a Change in Control

For purposes of the Supplemental Plan, outstanding equity awards made to the named executive officers, 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 (in the case of outstanding equity awards), March 17, 2016 (in the case of the Supplemental Plan) or the date of the agreement (in the case of the retention agreements); 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 the Company immediately prior to such transaction do not own more than 50% of the Company's outstanding shares; or
- 50% or more of the assets of the Company and its subsidiaries are sold or distributed, unless the shareholders of the Company continue to own those assets in the same percentage as their ownership of Company stock prior to the sale or liquidation (in the case of the Supplemental Plan); or all or substantially all assets of the Company or Tiffany are sold or disposed of to an unrelated party (in the case of outstanding equity awards and the retention agreements).

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.

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.

OTHER TERMINATIONS

Death or Disability

If any of the named executive officers had died or become disabled on January 31, 2016, stock options then unvested would have vested at the values disclosed in the column "Early Vesting of Stock Options" in the table above at PS-93. Further, time-vesting restricted stock units and certain performance-based restricted stock units would have vested under the terms of the outstanding awards at the following values: Mr. Cumenal, $2,223,228; Mr. Nicoletti, $1,567,399; Mr. Bellaiche, $376,784; Ms. de Winter, $608,906; and Ms. Cloud, $1,189,083.

PROXY STATEMENT

DIRECTOR COMPENSATION TABLE
Fiscal 2015

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	$ 78,750	$ 80,142	$ 78,957	$ 15,819	$ —	$ 253,668
Gary E. Costley	$ 98,750	$ 80,142	$ 78,957	N/A	$ —	$ 257,849
Lawrence K. Fish	$ 93,750	$ 80,142	$ 78,957	N/A	$ —	$ 252,849
Abby F. Kohnstamm	$ 78,750	$ 80,142	$ 78,957	N/A	$ —	$ 237,849
Michael J. Kowalski	$ 90,000	$ 80,142	$ 78,957	N/A	$ —	$ 249,099
Charles K. Marquis	$ 93,750	$ 80,142	$ 78,957	—	$ —	$ 252,849
Peter W. May	$ 78,750	$ 80,142	$ 78,957	N/A	$ —	$ 237,849
William A. Shutzer	$ 93,750	$ 80,142	$ 78,957	—	$ —	$ 252,849
Robert S. Singer	$ 98,750	$ 80,142	$ 78,957	N/A	$ —	$ 257,849

Notes to Director Compensation Table

(a) Includes amounts deferred under the Deferral Plan.

(b) Amounts shown represent the grant-date fair value for stock options granted for Fiscal 2015. 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, 2016. See Note M. "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	18,486
Gary E. Costley	18,486
Lawrence K. Fish	14,626
Abby F. Kohnstamm	43,203
Michael Kowalski	3,409
Charles K. Marquis	43,203
Peter W. May	43,203
William A. Shutzer	43,203
Robert S. Singer	12,149

The amount reported above and in the Director Compensation Table for Mr. Kowalski is limited to awards granted to him in connection with his service as a non-executive director. For information on outstanding equity awards granted to Mr. Kowalski in connection with his employment, see "Outstanding Equity Awards at Fiscal Year-End," at PS-83.

(d) The actuarial valuation shown takes into account the current age of the director and is based on the following assumptions: RP2014 Male/Female Mortality Table with White Collar Adjustments regressed to base year 2006 and projected generationally from 2006 with Scale MP-2014; discount rate of 4.25%; and assumed retirement age of 65 (if the director is over age 65, the director is assumed to retire on January 31, 2016). These assumptions are consistent with those used to prepare the Company's financial statements, except for the retirement age assumption. 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. The pension benefit for Messrs. Marquis and Shutzer decreased in value in Fiscal 2015 by $40,298 and $41,468, respectively. In addition, this column does not include changes in pension value or nonqualified deferred compensation earnings for Mr. Kowalski that are attributable to his employment. For information on such changes and earnings, see the "Pension Benefits Table" and the "Nonqualified Deferred Compensation Table" at PS-86 and PS-91, respectively.

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:

Board Fees		
Annual Cash Retainer	$	80,000
Annual Cash Retainer for Non-Executive Chairperson	$	30,000
Stock Options - 10-year option vested immediately; options have a strike price equal to fair market value on date of grant		targeted at approximately $80,000
Restricted Stock Units - payable after one year of service or on retirement, at the prior election of the director		targeted at approximately $80,000
Committee Fees		
Audit Committee Chair	$	20,000
Compensation Committee Chair	$	20,000
Corporate Social Responsibility Committee Chair	$	15,000
Finance Committee Chair	$	15,000
Nominating/Corporate Governance Committee Chair	$	15,000

Directors are also reimbursed for expenses they incur in attending Board and committee meetings, including expenses for travel, food and lodging.

The Nominating/Corporate Governance Committee of the Board reviews comparisons of the compensation of the Company's directors to the compensation of directors of peer companies. See "Defining Appropriate Comparators - Peer Group" at PS-48. For Fiscal 2015, compensation of the Company's directors approximated the peer group median.

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.

Under the 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/ (Losses) In Last Fiscal Year ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance At Last Fiscal Year End ($)
Gary E. Costley	$ —	$ —	$ (8,579)	$ 252,694	$ —
Charles K. Marquis	$ —	$ —	$ (24,420)	$ —	$ 632,745
William A. Shutzer	$ —	$ —	$(125,603)	$ —	$ 1,289,463

Mr. Cumenal, as an employee, receives no separate compensation for service as a director.

EQUITY COMPENSATION PLAN INFORMATION
(As of Fiscal Year 2015)

	Column A	Column B	Column C
Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	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	1,230,443 [a]	$ 67.59	7,313,897 [b]
Equity compensation plans not approved by security holders	—	—	—
Total	1,230,443 [a]	$ 67.59	7,313,897 [b]

(a) Shares indicated are the aggregate of those issuable upon exercise of outstanding options awarded under the Company's 2014 Employee Incentive Plan (the "2014 Plan") and the 2008 Directors Equity Plan (the "Directors Plan"). They do not include 713,451 shares issuable with respect to stock units awarded under those plans. They also do not include shares issuable under options or stock units that were awarded and remain outstanding under the Company's 2005 Employee Incentive Plan, which total 888,861 and 690,968 shares, respectively.

(b) Shares indicated are the aggregate of those available for grant under the 2014 Plan and the Directors Plan. Under the Directors plan, the maximum number of shares that may be issued (1,000,000) 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.

ITEM 4. SHAREHOLDER PROPOSAL THAT THE COMPANY ADOPT A GENERAL PAYOUT POLICY THAT GIVES PREFERENCE TO SHARE REPURCHASES (RELATIVE TO CASH DIVIDENDS) AS A METHOD TO RETURN CAPITAL TO SHAREHOLDERS

Jonathan Kalodimos, 725 NW 29th Street, Corvallis, Oregon 97330, owner of 26 shares of the Company's common stock, has notified the Company that he intends to submit the following proposal at the Annual Meeting. The Company is not responsible for the contents of this proposal.

"*Resolved:* Shareholders of Tiffany & Co. ask the board of directors to adopt and issue a general payout policy that gives preference to share repurchases (relative to cash dividends) as a method to return capital to shareholders. If a general payout policy currently exists, we ask that it be amended appropriately.

Supporting statement: Share repurchases as a method to return capital to shareholders have distinct advantages relative to dividends. Share repurchases should be preferred for the following reasons:

1. Financial flexibility. Four professors from Duke University and Cornell University studied executives' decisions to pay dividends or make repurchases by surveying hundreds of executives of public companies. They found that "maintaining the dividend level is on par with investment decisions, while repurchases are made out of the residual cash flow after investment spending."[1] Further, in follow up interviews as part of the study, executives "state[d] that they would pass up some positive net present value (NPV) investment projects before cutting dividends." The creation of long-term value is of paramount importance; I believe that repurchases have the distinct advantage that they do not create an incentive to forgo long-term value enhancing projects in order to preserve a historic dividend level.

2. Tax efficiency. Share repurchases have been described in the Wall Street Journal[2] as "akin to dividends, but without the tax bite for shareholders." The distribution of a dividend may automatically trigger a tax liability for some shareholders. The repurchase of shares does not necessarily trigger that automatic tax liability and therefore gives a shareholder the flexibility to choose when the tax liability is incurred. Shareholders who desire cash flow can choose to sell shares and pay taxes as appropriate. (This proposal does not constitute tax advice.)

3. Market acceptance. Some may believe that slowing the growth rate or reducing the level of dividends would result in a negative stock market reaction. However, a study published in the Journal of Finance finds that the market response to cutting dividends by companies that were also share repurchasers was not statistically distinguishable from zero.[3] I believe this study provides evidence that there is market acceptance that repurchases are valid substitutes for dividends.

Some may worry that share repurchases could be used to prop up metrics that factor into the compensation of executives. I believe that any such concern should not interfere with the choice of optimal payout mechanism because compensation packages can be designed such that metrics are adjusted to account for share repurchases.

In summary, I strongly believe that adopting a general payout policy that gives preference to share repurchases would enhance long-term value creation. I urge shareholders to vote FOR this proposal.

[1] http://www.sciencedirect.com/science/article/pii/S0304405X05000528
[2] http://www.wsj.com/articles/companies-stock-buybacks-help-buoy-the-market-1410823441
[3] http://afajof.org/details/journalArticle/2893861/Dividends-Share-Repurchases-and-the-Substitution-Hypothesis.html"

PROXY STATEMENT

THE BOARD RECOMMENDS A VOTE "AGAINST" THIS PROPOSAL FOR THE FOLLOWING REASONS:

The Board firmly believes that adopting the proposed policy is not in the best interests of the Company's shareholders. The decision as to how to return excess cash to shareholders and, specifically, whether share repurchases should be given preference over cash dividends, belongs to the Company.

The Company manages its cash and capital structure to maintain a strong financial position that provides flexibility to pursue its long-term strategic objectives and to invest in the growth of its business. It balances these strategic and growth investments with returning capital to its shareholders. The Board believes the Company's solid record of delivering cash to shareholders in the form of substantial share repurchases and steady growth in dividends is a testament to the success of its approach.

The Board remains committed to growing long-term shareholder value and regularly discusses with management the Company's plans and objectives for the use of capital, including to return excess cash to shareholders. At least annually, the Board reviews the Company's policies and programs with respect to dividends and share repurchases, taking into consideration a variety of factors, including the Company's actual and projected net earnings, cash flows, liquidity and capital requirements, as well as the Company's short-term plans and long-term capital goals and strategies. The Board believes that, when a decision is to be made regarding the most prudent method of returning capital to shareholders, that determination must give consideration to then-current market conditions, liquidity, cash flow and other salient factors.

In light of this, we strongly believe that, to best serve the interests of the Company and its shareholders, the Board should retain full authority over, and maintain flexibility with respect to, the decision regarding the manner and periods in which the Company returns capital to shareholders. As such, the decision of whether and when to give preference to repurchases of shares over cash dividends should appropriately rest with the Company.

THEREFORE, THE BOARD RECOMMENDS A VOTE "AGAINST" THIS PROPOSAL (Item 4).

OTHER MATTERS

Shareholder Proposals for Inclusion in the Proxy Statement for the 2017 Annual Meeting

If you wish to submit a proposal to be included in the Proxy Statement for our 2017 Annual Meeting, we must receive it no later than December 9, 2016. 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. We will have discretionary voting authority with respect to any such proposals to be considered at the 2017 Annual Meeting unless the proposal is submitted to us no earlier than January 26, 2017 and no later than February 25, 2017 and the shareholder otherwise satisfies the requirements of SEC Rule 14a-4.

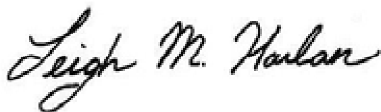
Householding

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 proxy card or voting instruction form, as applicable, in the return envelope provided or call in your instructions or vote via the Internet as soon as you can so that your vote may be recorded and counted.

BY ORDER OF THE BOARD OF DIRECTORS



Leigh M. Harlan
Secretary

New York, New York
April 8, 2016

NON-GAAP MEASURES

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:

	2015		
	GAAP Reported	Translation Effect	Constant-Exchange-Rate Basis
Net Sales:			
Worldwide	(3)%	(5)%	2%
Americas	(4)	(2)	(2)
Asia-Pacific	(2)	(5)	3
Japan	(2)	(12)	10
Europe	(1)	(13)	12
Other	(13)	—	(13)

Net 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 millions, except per share amounts)	GAAP	Impairment charges [a]	Specific cost-reduction initiatives [b]	Non-GAAP
Year Ended January 31, 2016				
Selling, general and administrative expenses	$ 1,731.2	$ (37.9)	$ (8.8)	$ 1,684.5
As a % of sales	42.2%			41.0%
Earnings from operations	760.1	37.9	8.8	806.8
As a % of sales	18.5%			19.7%
Net earnings	463.9	24.3	5.6	493.8
Diluted earnings per share	$ 3.59	$ 0.19	$ 0.05	$ 3.83

[a] Expenses associated with impairment charges related to a financing arrangement with Koidu Limited. See "Item 8. Financial Statements and Supplementary Data - Note J - Commitments and Contingencies" in our Annual Report on Form 10-K, filed with the SEC on March 28, 2016, 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 millions, except per share amounts)	GAAP	Debt extinguishment [c]	Non-GAAP
Year Ended January 31, 2015			
Loss on extinguishment of debt	$ 93.8	$ (93.8)	$ —
Provision for income taxes	253.4	32.8	286.2
Net earnings	484.2	60.9	545.1
Diluted earnings per share	$ 3.73	$ 0.47	$ 4.20

[c] Expenses associated with the redemption of $400.0 million in aggregate principal amount of certain senior notes prior to their scheduled maturities. See "Item 8. Financial Statements and Supplementary Data - Note G - Debt" in our Annual Report on Form 10-K, filed with the SEC on March 28, 2016, for further information.

PROXY STATEMENT

CORPORATE INFORMATION

BOARD OF DIRECTORS

MICHAEL J. KOWALSKI
Chairman of the Board,
Tiffany & Co.
(1995) 5

ROSE MARIE BRAVO, CBE
Chief Executive Officer (Retired),
Burberry Limited
(1997) 2 and 3

GARY E. COSTLEY, Ph. D.
Chairman and Chief Executive Officer (Retired),
International Multifoods Corporation
(2007) 2*, 3 and 5

FREDERIC CUMENAL
Chief Executive Officer,
Tiffany & Co.
(2013) 5 and 6

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 Inc.
(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.

FREDERIC CUMENAL
Chief Executive Officer

RALPH NICOLETTI
Executive Vice President – Chief Financial Officer

JEAN-MARC BELLAICHE
Senior Vice President – Strategy and Business Development

VICTORIA BERGER-GROSS
Senior Vice President – Global Human Resources

PAMELA H. CLOUD
Senior Vice President – Global Category Marketing

JENNIFER DE WINTER
Senior Vice President – Northern America

PHILIPPE GALTIÉ
Senior Vice President – International

LEIGH M. HARLAN
Senior Vice President – Secretary and General Counsel

ANDREW W. HART
Senior Vice President – Diamond and Jewelry Supply

CAROLINE D. NAGGIAR
Senior Vice President – Chief Brand 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 26, 2016, 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

	2015	2014	2013	2012	2011
Stock price at end of fiscal year	$ 63.84	$ 86.64	$ 83.19	$ 65.75	$ 63.80

	Price Ranges of Tiffany & Co. Common Stock						Cash Dividends Per Share	
	2015			2014			2015	2014
Quarter	High	Low	Close	High	Low	Close		
First	$ 90.83	$82.64	$87.48	$94.88	$80.38	$87.49	$0.38	$0.34
Second	96.33	84.83	95.70	103.38	85.75	97.61	0.40	0.38
Third	96.43	74.28	82.44	105.66	85.69	96.12	0.40	0.38
Fourth	84.19	59.73	63.84	110.60	85.15	86.64	0.40	0.38

On March 23, 2016, the closing price of Tiffany & Co. Common Stock was $71.98 and there were 14,640 holders of record of the Company's Common Stock.

Certifications

Frederic Cumenal and Ralph Nicoletti 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, 2016.

As required by the New York Stock Exchange ("NYSE"), on June 25, 2015, Frederic Cumenal 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 AND OTHERS ARE TRADEMARKS OF TIFFANY (NJ) LLC. AND TIFFANY AND COMPANY.

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CLOCKWISE, FROM LEFT: *Tiffany CT60® Chronograph 42 mm watch, Tiffany Keys petals key and Tiffany Victoria® diamond necklace.*

MIX
Paper from
responsible sources
FSC® C101537