TIFFANY & CO.

ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED JANUARY 31, 2017
NOTICE OF 2017 ANNUAL MEETING AND PROXY STATEMENT

CLOCKWISE, FROM TOP LEFT: *the Tiffany® Setting with Tiffany Embrace® band ring, Elsa Peretti® Diamonds by the Yard® pendant and necklace, Tiffany Embrace® band ring, Tiffany & Co. Schlumberger® Sixteen Stone ring, Tiffany Victoria® band ring, Tiffany T wire bracelet with diamonds, Tiffany T square bracelet.*

TIFFANY & CO.

727 FIFTH AVENUE
NEW YORK NEW YORK 10022
212 755 8000

MICHAEL J. KOWALSKI
CHAIRMAN OF THE BOARD AND
INTERIM CHIEF EXECUTIVE OFFICER

April 7, 2017

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of Tiffany & Co. on Thursday, May 25, 2017. This year's meeting will be held at The Rubin Museum of Art, 150 West 17th Street (at Seventh Avenue) in New York, and will begin at 9:30 a.m.

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.

Fiscal 2016 was a year of significant challenges. However, we made progress in pursuing strategies that we expect will drive sales, earnings growth and long-term shareholder value. We are focused on increasing the rate of our new product introductions and innovations, maximizing our marketing effectiveness, strengthening relationships with customers, optimizing our store network, and improving our business operations and processes, all while effectively managing our capital and costs.

Worldwide net sales of $4 billion were 3% lower than a year ago and comparable store sales declined 5% due to varying degrees of softness in most regions. There was no translation effect on sales on a full-year worldwide basis.

Net earnings of $446 million, or $3.55 per diluted share, were modestly below the prior year, as the sales decline was mitigated by a higher gross margin and prudent expense management. Excluding charges recorded in the current and prior years, net earnings per diluted share declined 2% to $3.75 in 2016 (see "Non-GAAP Measures" on page K-29).

We remained focused on capital stewardship and managing our balance sheet with discipline, and we generated strong cash flow that is available to reinvest in our business and return to shareholders through dividends and share repurchases.

Last May, our Board of Directors approved a 12.5% increase in the quarterly cash dividend, representing the 15th increase in the past 14 years, and, during the last fiscal year, we repurchased $184 million of shares. Our strong balance sheet provides us with the flexibility to pursue our growth strategies while enabling us to deliver cash returns to shareholders.

Tiffany and the broader luxury industry were faced with macroeconomic challenges, geopolitical uncertainties, and volatile currencies in 2016, which we believe affected spending by both local customers and foreign tourists. While we anticipate that these factors will continue to be relevant in 2017, our management team continues to believe in our core strategies and is focused on accelerating execution of those strategies.

We introduced new products in 2016 across a wide range of materials and price points – including magnificent high jewelry crafted in diamonds and platinum, beautiful jewelry designs in gold and sterling silver, and our growing collection of watches. We remain committed to a more active pace of new product introductions and innovations.

Our marketing communications reached an increasingly global audience through print, digital and social media, and we aired our first-ever commercial during the Super Bowl.

We further optimized our worldwide distribution in 2016 by opening 11 stores, relocating five, closing five, and renovating many additional stores, as well as adding visually appealing and informative features to our website – all of which are intended to enhance engagement with our customers and better their experiences with Tiffany.

The focus on advancing our business operations through supply chain excellence, systems enhancements and our global procurement strategy is helping to ensure product availability, streamlined operations and cost efficiency.

We also continued to demonstrate our commitment to corporate social responsibility and environmental sustainability, an area of great importance to us and our customers. It is one of the core values of our brand, and I encourage you to learn more about our practices and objectives on Tiffany's website.

In sum, Tiffany's Board and management team remain focused on strengthening the Company's position as one of the world's most important luxury brands, and delivering attractive total shareholder returns over time.

Our Board of Directors also believes that our recent change in leadership and our intention to accelerate the execution of our strategic initiatives is paramount to delivering on these objectives. We are committed to hiring a new chief executive officer who has the right combination of skills and experience to help us improve our financial performance in the long term by executing on our core business strategies, and realizing the many opportunities before us.

We appreciate your ongoing interest and support.

Sincerely,

FINANCIAL HIGHLIGHTS

(in millions, except percentages, per share amounts and stores)	2016	2015
Net sales	$ 4,001.8	$ 4,104.9
Decrease from prior year	(3)%	(3)%
On a constant-exchange-rate basis: *		
Net sales (decrease) increase from prior year *	(3)%	2 %
Comparable store sales (decrease) increase from prior year *	(5)%	— %
Net earnings	$ 446.1	$ 463.9
Decrease from prior year	(4)%	(4)%
As a percentage of net sales	11 %	11 %
Per diluted share	$ 3.55	$ 3.59
Net earnings, as adjusted *	$ 470.1	$ 493.8
Decrease from prior year	(5)%	(9)%
As a percentage of net sales *	12 %	12 %
Per diluted share *	$ 3.75	$ 3.83
Weighted-average number of diluted common shares	125.5	129.1
Cash flow from operating activities	$ 702.1	$ 813.6
Free cash flow *	$ 479.3	$ 560.9
Total debt-to-equity ratio	37 %	37 %
Cash dividends paid per share	$ 1.75	$ 1.58
Company-operated TIFFANY & CO. stores	313	307

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 2016 and 2015 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.

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, 2017

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, 2016, the aggregate market value of the registrant's voting and non-voting stock held by non-affiliates of the registrant was approximately $8,002,474,636 using the closing sales price on July 29, 2016 of $64.52. See Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

As of March 13, 2017, the registrant had outstanding 124,564,854 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 7, 2017 (Part III).

Tiffany & Co. Year-End Report 2016

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FORM 10-K

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The historical trends and results reported in this annual report on Form 10-K should not be considered an indication of future performance. Further, statements contained in this annual report on Form 10-K that are not statements of historical fact, including those that refer to plans, assumptions and expectations for future periods, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, the statements under "2017 Outlook" as well as statements that can be identified by the use of words such as 'expects,' 'projects,' 'anticipates,' 'assumes,' 'forecasts,' 'plans,' 'believes,' 'intends,' 'estimates,' 'pursues,' 'continues,' 'outlook,' 'may,' 'will,' 'can,' 'should' and variations of such words and similar expressions. Examples of forward-looking statements include, but are not limited to, statements we make regarding the Company's plans, assumptions, expectations, beliefs and objectives with respect to store openings and closings; product introductions; sales; sales growth; sales trends; store traffic; the Company's strategy and initiatives and the pace of execution thereon; the Company's objectives to compete in the global luxury market and to improve financial performance; retail prices; gross margin; operating margin; expenses; interest expense and financing costs; effective income tax rate; net earnings and net earnings per share; share count; inventories; capital expenditures; cash flow; liquidity; currency translation; macroeconomic conditions; growth opportunities; litigation outcomes and recovery related thereto; the collectability of amounts due under financing arrangements with diamond mining and exploration companies; contributions to Company pension plans; and certain ongoing or planned real estate, product, marketing, retail, customer experience, manufacturing, supply chain, information systems development, upgrades and replacement, and other operational and strategic initiatives.

These forward-looking statements are based upon the current views and plans of management, speak only as of the date on which they are made and are subject to a number of risks and uncertainties, many of which are outside of our control. Actual results could therefore differ materially from the planned, assumed or expected results expressed in, or implied by, these forward-looking statements. While we cannot predict all of the factors that could form the basis of such differences, key factors include, but are not limited to: global macroeconomic and geopolitical developments; changes in interest and foreign currency rates; changes in taxation policies and regulations; shifting tourism trends; regional instability; violence (including terrorist activities); political activities or events; weather conditions that may affect local and tourist consumer spending; changes in consumer confidence, preferences and shopping patterns, as well as our ability to accurately predict and timely respond to such changes; shifts in the Company's product and geographic sales mix; variations in the cost and availability of diamonds, gemstones and precious metals; adverse publicity regarding the Company and its products, the Company’s third-party vendors or the diamond or jewelry industry more generally; any non-compliance by third-party vendors and suppliers with the Company’s sourcing and quality standards, codes of conduct, or contractual requirements as well as applicable laws and regulations; changes in our competitive landscape; disruptions impacting the Company's business and operations; failure to successfully implement or make changes to the Company's information systems; gains or losses in the trading value of the Company's stock, which may impact the amount of stock repurchased; and our ability to successfully control costs and execute on, and achieve the expected benefits from, the operational and strategic initiatives referenced above; and any difficulties or delays encountered in identifying a successor chief executive officer. Developments relating to these and other factors may also warrant changes to the Company's operating and strategic plans, including with respect to store openings, closings and renovations, capital expenditures, information systems development, inventory management, and continuing execution on, or timing of, the aforementioned initiatives. Such changes could also cause actual results to differ materially from the expected results expressed in, or implied by, the forward-looking statements.

Additional information about potential risks and uncertainties that could affect the Company’s business and financial results is included under "Item 1A. Risk Factors" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in this annual report on Form 10-K for the fiscal year ended January 31, 2017. Readers of this annual report on Form 10-K should consider the risks, uncertainties and factors outlined above and in this Form 10-K in evaluating, and are cautioned not to place undue reliance on, the forward-looking statements contained herein. 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 AND NARRATIVE DESCRIPTION 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.

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, which carries a lower overall gross margin; 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;
- While the classic positioning of much of Tiffany's product line supports the Brand and requires sufficient display space in its stores, management's strategy also includes an active pace of new product introductions which could result in a necessary reallocation of product display space;
- 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.

FINANCIAL INFORMATION ABOUT REPORTABLE SEGMENTS

The Company has four reportable segments: (i) Americas, (ii) Asia-Pacific, (iii) Japan and (iv) Europe. All non-reportable segments are included within Other. The Company transacts business within certain of its segments through the following channels: (i) retail, (ii) Internet, (iii) catalog, (iv) business-to-business (products drawn from the retail product line and items specially developed for the business market) and (v) wholesale distribution

(merchandise sold to independent distributors for resale). The Company's segment information for the fiscal years ended January 31, 2017, 2016 and 2015 is reported in "Item 8. Financial Statements and Supplementary Data - Note P. Segment Information."

Americas

Sales in the Americas were 46% of worldwide net sales in 2016, while sales in the U.S. represented 88% of net sales in the Americas. Sales are transacted through the following channels: retail, Internet and catalog (in the U.S. and Canada), business-to-business (in the U.S.) and wholesale distribution (in Central/South America and the Caribbean).

Retail sales in the Americas are transacted in 125 Company-operated TIFFANY & CO. stores in (number of stores at January 31, 2017 included in parentheses): the U.S. (95), Canada (13), Mexico (11), Brazil (5) and Chile (1). Included within these totals are 13 Company-operated stores located within various department stores in Canada and Mexico. Included in the U.S. retail stores is the New York Flagship store, which represented less than 10% of worldwide net sales in 2016.

Asia-Pacific

Sales in Asia-Pacific represented 25% of worldwide net sales in 2016, while sales in Greater China represented more than half of Asia-Pacific's net sales. Sales are transacted through the following channels: retail, Internet (in Australia) and wholesale distribution.

Retail sales in Asia-Pacific are transacted in 85 Company-operated TIFFANY & CO. stores in (number of stores at January 31, 2017 included in parentheses): China (31), Korea (15), Australia (9), Hong Kong (9), Taiwan (8), Singapore (5), Macau (4), Malaysia (2), New Zealand (1) and Thailand (1). Included within these totals are 30 Company-operated stores located within various department stores.

Japan

Sales in Japan represented 15% of worldwide net sales in 2016. Sales are transacted through the following channels: retail, Internet, business-to-business and wholesale distribution.

Retail sales in Japan are transacted in 55 Company-operated TIFFANY & CO. stores. Included within this total are 50 stores located within department stores, generating approximately 75% 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, 2017 included in parentheses): Isetan Mitsukoshi Ltd. (13), J. Front Retailing Co., Ltd. (Daimaru and Matsuzakaya department stores) (9), Takashimaya Co., Ltd. (8) and Seven & i Holding Co., Ltd. (Sogo and Seibu department stores) (5). The Company also operates 15 stores in other department stores.

Europe

Sales in Europe represented 11% of worldwide net sales in 2016, while sales in the United Kingdom ("U.K.") represented approximately 40% of European net sales. Sales are transacted through the following channels: retail, Internet and wholesale distribution.

Retail sales in Europe are transacted in 43 Company-operated TIFFANY & CO. stores in (number of stores at January 31, 2017 included in parentheses): the U.K. (10), Italy (9), Germany (6), France (5), Spain (3), Switzerland (3), the Netherlands (2), Austria (1), Belgium (1), the Czech Republic (1), Ireland (1), and Russia (1). Included within these totals are eight Company-operated stores located within various department stores. Internet sales are conducted within the following countries: U.K., Austria, Belgium, France, Germany, Ireland, Italy, the Netherlands and Spain.

Other

Other consists of all non-reportable segments, including: (i) retail sales and wholesale distribution in the Emerging Markets region (which represented approximately 60% of Other net sales in 2016); (ii) wholesale sales of diamonds

(see "PRODUCT SUPPLY CHAIN – Supply of Diamonds" below); and (iii) licensing agreements. Retail sales are transacted in five Company-operated TIFFANY & CO. stores in the United Arab Emirates.

Licensing Agreements. 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 2016.

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 or 2016, and does not expect any earnings in 2017 to be significant.

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 2012:

	Americas						
Year:	U.S.	Canada & Latin America	Asia-Pacific	Japan	Europe	Emerging Markets	Total
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
2016	95	30	85	55	43	5	313

As part of the Company's strategy, management plans to increase gross retail square footage by approximately 3%, net through the addition of new stores, relocations, renovations and closings in 2017. For a summary of the Company's existing retail square footage, see "Item 2. Properties".

E-Commerce

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 2016, 2015 and 2014. The Company invests in ongoing website enhancements and is evaluating opportunities to expand its e-commerce sites to additional countries. 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 92%, 93% and 92% of worldwide net sales in 2016, 2015 and 2014. 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 2016, 2015 and 2014. 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

2016	% of total Americas Sales	% of total Asia-Pacific Sales	% of total Japan Sales	% of total Europe Sales	% of total Reportable Segment Sales
High, fine & solitaire jewelry [a]	21%	22%	14%	15%	20%
Engagement jewelry & wedding bands [b]	22%	35%	39%	26%	28%
Fashion jewelry [c]	34%	35%	19%	46%	33%
Designer jewelry [d]	12%	6%	21%	10%	12%
2015					
High, fine & solitaire jewelry [a]	22%	24%	16%	16%	21%
Engagement jewelry & wedding bands [b]	23%	35%	39%	25%	28%
Fashion jewelry [c]	33%	33%	18%	45%	33%
Designer jewelry [d]	12%	7%	20%	10%	11%
2014					
High, fine & solitaire jewelry [a]	21%	23%	17%	16%	21%
Engagement jewelry & wedding bands [b]	23%	37%	41%	24%	29%
Fashion jewelry [c]	33%	31%	14%	47%	32%
Designer jewelry [d]	12%	7%	21%	10%	12%

a) This category includes high, 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 2016. The average price of merchandise sold in 2016, 2015 and 2014 in this category was approximately $6,300, $6,300 and $5,800 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 10% of sales in 2016. The average price of merchandise sold in 2016, 2015 and 2014 in this category was approximately $3,400, $3,500 and $3,800 for total reportable segments.

c) This category generally consists of non-gemstone jewelry, primarily containing sterling silver and gold jewelry, although small gemstones are used as accents in some pieces. The average price of merchandise sold in 2016, 2015 and 2014 in this category was approximately $350, $335 and $310 for total reportable segments.

d) This category includes only items that are attributed to one of the Company’s "named" designers: Elsa Peretti (refer to "MATERIAL DESIGNER LICENSE" below) and Paloma Picasso. Merchandise primarily consists of sterling silver and gold jewelry, although platinum was used as the primary metal in approximately 15% of sales in 2016. Some of the items sold contain diamonds, other gemstones or a combination of both. The average price of merchandise sold in 2016, 2015 and 2014 in this category was approximately $530, $525 and $535 for total reportable segments.

Items bearing the name of and attributed to one of the Company's "named" designers: Elsa Peretti and Paloma Picasso, which were previously reported across the high, fine & solitaire jewelry, engagement jewelry & wedding bands and fashion jewelry categories, have been reclassified into the designer jewelry category to conform with management's current internal analysis of product sales. Additionally, certain reclassifications within the jewelry categories have been made to the prior years' amounts to conform to the current year category presentation.

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 2016, 2015 and 2014, the Company spent $299.0 million, $302.0 million and $284.0 million, representing 7.5%, 7.4% and 6.7% 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.

FORM 10-K

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 9%, 8% and 8% of the Company's worldwide net sales in 2016, 2015 and 2014.

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 and Kentucky, polishes jewelry in the Dominican Republic and crafts silver hollowware in Rhode Island. The Company processes, cuts and polishes rough diamonds at facilities outside the U.S. In total, these internal manufacturing facilities produce approximately 60% of the jewelry 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 access to or mastery of various product-making skills and technology, support for alternative capacity, product cost and the cost of capital investments. To supply its internal manufacturing facilities, the Company sources precious metals, rough diamonds, polished diamonds and other gemstones, as well as certain fabricated components, from third parties.

Supply of Diamonds. The Company regularly purchases parcels of rough diamonds for polishing and further processing. The vast majority of diamonds acquired by the Company originate from Botswana, Canada, Namibia, Russia, Sierra Leone and South Africa. The Company has diamond processing operations in Belgium, Botswana, Cambodia, Mauritius and Vietnam that prepare and/or cut and polish rough diamonds for its use. The Company conducts operations in Botswana through a subsidiary in which local third-parties own minority, non-controlling interests, allowing the Company to access rough diamond allocations reserved for local manufacturers. 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 secures supplies of rough diamonds primarily through arrangements with diamond producers and, to a lesser extent, on the secondary market. These arrangements include purchase agreements under which the Company agrees to purchase a minimum volume of rough diamonds, as well as arrangements in which the Company maintains access to rough diamonds that are offered for sale (including as a sightholder), although with no contractual obligation to purchase such rough diamonds. Additionally, the Company has a limited number of arrangements under which the Company, having provided loans to, or made equity investments in, mining projects, has agreed to, or has the right to, purchase a defined portion of a mine's output. All such supply arrangements are generally at the market

price prevailing at the time of purchase. Management anticipates that its minimum purchase obligations of rough diamonds under all of these arrangements will be approximately $60.0 million in 2017.

As a result of the manner in which rough diamonds are typically assorted for sale, it is occasionally necessary for the Company to knowingly purchase, as part of a larger assortment, rough diamonds that do not meet the Company's quality standards or assortment needs. The Company seeks to recover its costs related to these diamonds by selling such diamonds to third parties (generally other diamond polishers), which has the effect of modestly reducing the Company's overall gross margins. Any such sales are included in the Other non-reportable segment.

In recent years, approximately 65% - 75% (by dollar value) of the polished diamonds used in the Company's 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%, 59% and 58% of worldwide net sales in 2016, 2015 and 2014. Products containing one or more diamonds of one carat or larger accounted for 13%, 14% and 14% of worldwide net sales in each of those years.

Conflict Diamonds. Media attention has been drawn to the issue of "conflict" diamonds. This term is 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" 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, Angola and the Democratic Republic of the Congo underscore that the aforementioned system has not deterred the production of diamonds in state-sanctioned mines under poor working conditions. The Company has informed its vendors that it does not intend to purchase Zimbabwean, Angolan or Congolese-produced diamonds. Accordingly, the Company has implemented the Diamond Source Warranty Protocol, which requires vendors to provide a warranty, and a qualified independent audit certificate, that loose polished diamonds were not obtained from Zimbabwean, Angolan or Congolese 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 2016 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 Precious Metals and Other Polished Gemstones. Precious metals and other polished gemstones used in making jewelry are purchased from a variety of sources for use in the Company's internal manufacturing operations and/or 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 Company-supplied precious metals.

The Company generally enters into purchase orders for fixed quantities with precious metals and other polished gemstone vendors. Purchases are generally made at prevailing market prices, which have, with respect to precious metals, experienced substantial volatility in recent years. 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 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 45 manufacturers. 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. In 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 both 2016 and 2015. While management anticipates an increase in these sales in 2017, it does not expect this new watch business to increase the Company's profitability in 2017, as the Company expects to continue to invest significant resources in marketing to continue to build customer awareness and further establish product differentiation.

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, 2017, the Company employed an aggregate of approximately 11,900 full-time and part-time persons. Of those employees, approximately 5,200 are employed in the United States.

AVAILABLE INFORMATION

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

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 inventories in the short-term.

(iii) The Company conducts operations globally, the risks of which could increase its costs, reduce its profits or disrupt its business.

The Company operates globally and generates a majority of its worldwide net sales outside the United States. It also has both U.S. and foreign manufacturing operations, and relies on certain U.S. and 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 globally, including:

- the laws, regulations and policies of 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;
- uncertainties from changes in U.S. or foreign taxation policies, including, for example, as a result of recent proposals to reform the manner in which the earnings of U.S. multinational corporations are taxed by the U.S. government;
- compliance by third party vendors and suppliers with the Company’s sourcing and quality standards, codes of conduct, or contractual requirements as well as applicable laws and regulations;
- import and export licensing requirements and regulations, as well as unforeseen changes in regulatory requirements;
- political or economic instability in foreign countries, including the potential for rapid and unexpected changes in government, economic and political policies (including diplomatic and trade relations with other countries), political or civil unrest, acts of terrorism or the threat of international boycotts or U.S. anti-boycott legislation – as a result of, for example, (1) the United Kingdom's referendum vote to exit the European Union, as discussed below, or (2) changes in government policies resulting from the recent change in the U.S. Presidential administration;
- challenges inherent in oversight of foreign operations, systems and controls; for example, in the fourth quarter of 2015, management identified inaccuracies in the 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 the Company's annual or quarterly financial statements, including the reported financial information for the Japan segment. However, management has reviewed the processes and personnel involved and completed appropriate remediation activities;
- potential negative consequences from foreign governments' currency management practices;
- uncertainties as to enforcement of certain contract and other rights; and
- inventory risk exposures.

In June 2016, voters in the United Kingdom approved an advisory referendum to withdraw from the European Union, commonly referred to as "Brexit." If passed into law, negotiations will commence to determine the United Kingdom's future relationship with the European Union, including terms of trade. Such negotiations will likely be complex and

protracted, and there can be no assurance regarding the terms or timing of any such arrangements. A withdrawal could significantly disrupt the free movement of goods, services, and people between the United Kingdom and the European Union, and result in increased legal and regulatory complexities, as well as potential higher costs of conducting business in Europe. There may be similar referendums or votes in other European countries in which the Company does business. The uncertainty surrounding the terms of the United Kingdom's withdrawal and its consequences, as well as the impact of any similar circumstances that may arise elsewhere in Europe, could increase the Company's costs and adversely impact consumer and investor confidence, and the level of consumer discretionary purchases, including purchases of the Company's products.

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) A strengthening of the U.S. dollar against 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, British Pound, Chinese yuan and the Hong Kong dollar. In 2016, 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 strengthening of the U.S. dollar against foreign currencies 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 strengthening of the U.S. dollar would result in reduced sales and profitability. In addition, a continued weakening of any foreign currency relative to other currencies 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) Political activities, regional instability and/or conflict or similar events could disrupt tourist travel and local consumer spending.

Regional and global conflicts or crises, such as military actions, terrorist activities (like those that occurred in several major European cities in 2016 and 2015) and natural disasters, geopolitical or regulatory developments (and any related protests) and other similar events and conditions in the various regions and cities where the Company operates retail stores may negatively affect spending by both foreign tourists and local consumers. The Company's retail stores, many of which are located in major metropolitan areas globally, may in fact have close proximity to the locations of such events – for example, the Company's New York Flagship store is located adjacent to a private residence of the U.S. President which has, at times, impacted consumer access as a result of security measures. The occurrence of the types of events or conditions described above, or the related effect of security measures implemented to address the possibility of such occurrences, could affect consumer traffic and/or spending in one or more of the Company's locations, which could adversely affect the Company's sales and earnings. While sales in the Company's largest store (the New York Flagship) represent less than 10% of worldwide net sales, the impact of significant sales declines in any one store could still be meaningful to consolidated results.

(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. The increasing availability of, and ease of access to, retail price information across markets, primarily through the Internet, may affect consumers' decisions regarding in which geographies to shop. 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 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, demand for and prices for natural diamonds may be affected.

(viii) The Company may be unable to secure and retain sufficient space for its retail stores in prime locations, and maintaining the Company's brand image and desirability to consumers requires significant investment in store construction, maintenance and periodic renovation.

The Company, positioned as a luxury goods retailer, has established its retail presence in choice store locations. Management regularly evaluates opportunities to optimize its retail store base, including potential markets for new TIFFANY & CO. stores, as well as the renovation and relocation of its existing stores. Maintaining the Company's brand image and desirability to consumers requires that stores be constructed and maintained in a manner consistent with that brand image. This requires significant capital investment, including for periodic renovations of existing stores. Renovations of existing stores may also result in temporary disruptions to an individual store's business. For example, the Company has begun the conceptual phase of a multi-year effort to renovate its New York Flagship store, which may result in business and/or consumer traffic disruptions to that store once such renovations begin. If the Company cannot secure and retain store locations on suitable terms in prime and desired luxury shopping locations, or if its investments to construct and/or renovate existing stores do not generate sufficient incremental sales and/or profitability, the Company's sales and/or earnings performance could be jeopardized.

(ix) 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 or merchandise that infringes the Company's trademarks 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.

(x) 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 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. and its products, as well as adverse publicity in respect of, or resulting from, the Company's third-party vendors or the diamond or jewelry industries more generally, could adversely affect the Company's business. For example, the Company sources from third-party vendors certain products that, from time to time, may not, or may contain raw materials that do not, meet the Company's sourcing and quality standards as well as applicable requirements and regulations. In such instances, although the Company may have recourse against such third-party vendors, the Company may self-report to the relevant regulatory agencies, recall affected products and/or pay potential fines. By way of further example, during the Company's regular internal quality testing, the Company identified a potential breach of the Company's sourcing and quality standards applicable to third party vendors. The Company is currently in the early stages of assessing the composition of certain of its gold products manufactured by certain U.S. third-party vendors, which contain gold solder manufactured by other U.S. vendors, to determine whether such products are in compliance with applicable consumer products requirements and regulations.

Any of the above could harm the TIFFANY & CO. brand and reputation, cause a loss of consumer confidence in the TIFFANY & CO. brand, its products and the industry, and/or negatively affect the Company's results of operations.

The considerable expansion in the use of social media in recent years has compounded the potential scope of any negative publicity.

(xi) 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 its 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. While the Company's contractual arrangements with such third-party vendors provide for the protection of Company data, the Company cannot control these vendors or their systems and 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.

(xii) 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. For example, in 2016 the Company recorded a pre-tax impairment charge of $25.4 million related to software costs capitalized in connection with the development of a new finished goods inventory management and merchandising information system. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Information Systems Assessment" for a discussion of this impairment charge.

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, could undermine the Company's ability to execute on its strategic and operational initiatives, and could also affect the Company's reputation, its ability to compete effectively, its relationship with customers and the TIFFANY & CO. brand, which could result in reduced sales and profitability.

(xiii) 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.

(xiv) 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.

(xv) 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.

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. 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. 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.

For example, in 2016 and 2015, the Company recorded impairment charges, and related valuation allowances, of $4.2 million and $37.9 million, respectively, associated with a $43.8 million financing arrangement with Koidu Limited (previously Koidu Holdings S.A.). See "Item 8. Financial Statements and Supplementary Data – Note J. Commitments and Contingencies" for additional information.

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

In 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 of this 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; and (v) production and distribution inefficiencies. Sales of these new TIFFANY & CO. brand watches represented approximately 1% of worldwide net sales in 2016 and 2015. While management anticipates an increase in these sales in 2017, it does not expect this new watch business to significantly contribute to the Company's profitability in the near term. 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. 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 the Company is unable to effectively anticipate and respond to changes in consumer preferences and shopping patterns, or introduce new products or marketing programs that appeal to new or existing customers, 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. The Company's product development strategy is to introduce new design collections, primarily jewelry, and/or expand certain existing collections annually. In addition, 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. There can be no assurance these strategies will appeal to new or existing customers or will result in increased sales or profitability. Further, 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.

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.

(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) Recent changes in the Company's executive management team may be disruptive to, or cause uncertainty in, its business, results of operations and the price of the Company's common stock.

On February 5, 2017, Frederic Cumenal stepped down from his position as Chief Executive Officer of the Company, and the Company's Board of Directors appointed Michael J. Kowalski, Chairman of the Board, as the Company's Interim Chief Executive Officer. The Company's Board of Directors has commenced an external search to recruit a successor with the assistance of a leading executive search firm. In addition to this recent change, certain members

of the Company's executive management team have left the Company in recent years, which has required the Company to focus time and resources on recruiting the new members of its current executive management team. These changes in the Company's executive management team, may be disruptive to, or cause uncertainty in, the Company's business, and any additional changes to the executive management team could have a negative impact on the Company's ability to manage and grow its business effectively. In addition, if the Company is not effective in succession planning, there may be a negative impact on the Company's ability to successfully hire for key executive management roles, including the Chief Executive Officer position, in a timely manner. Any such disruption or uncertainty or difficulty in efficiently and effectively filling key roles could have a material adverse impact on the Company's results of operations and the price of the Company's common stock.

(xx) Environmental and climate changes could affect the Company's business.

The Company operates retail stores in more than 20 countries and has both domestic and foreign manufacturing operations that are susceptible to the risks associated with climate change, including the potential for more frequent and severe weather events. Such events could result in social, cultural and economic disruptions in these areas, including the disruption of local infrastructure and transportation systems that could limit the ability of the Company's employees and/or its customers to access the Company's stores or manufacturing locations. Despite the fact that the Company is pursuing numerous initiatives to reduce its environmental footprint, including its recent pledge to achieve net-zero greenhouse gas emissions by the year 2050, there remains the risk that insufficient global cooperation could lead to heightened levels of climate change. While the Company has a program for reviewing its vulnerability to the impacts of severe weather events and other risks associated with climate change, these events could nonetheless negatively affect the Company's business and operations.

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, 2017:

	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	124	676,200	1,000 - 17,600	5,500
Asia-Pacific	85	240,600	400 - 12,800	2,800
Japan:				
Tokyo Ginza	1	13,300	13,300	13,300
Other stores	54	140,100	1,600 - 7,500	2,600
Europe:				
London Old Bond Street	1	22,400	22,400	22,400
Other stores	42	135,300	600 - 9,600	3,200
Emerging Markets	5	7,900	400 - 3,600	1,600
Total	313	1,281,300	400 - 45,500	4,100

NEW YORK FLAGSHIP STORE

The Company owns the building, but not the air rights above 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 a jewelry manufacturing facility in Pelham, New York as well as a facility in the Dominican Republic which performs certain functions such as jewelry polishing. Lease expiration dates range from 2019 to 2023. The owned and leased facilities total approximately 225,000 square feet.

The Company leases a facility in Belgium and owns facilities in Botswana, Cambodia, Mauritius and Vietnam (although the land in Botswana, 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 $73.0 million at January 31, 2017) (based on its alleged wasted investment) to CHF 3.8 billion (or approximately $3.8 billion at January 31, 2017) (calculated based on alleged future lost profits of the Swatch Parties and their affiliates over the entire term of the Agreements).

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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 $121.0 million at January 31, 2017) (based on its wasted investment) to approximately CHF 540.0 million (or approximately $542.0 million at January 31, 2017) (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 took action in the Dutch courts to appeal the District Court's decision, and a three-judge panel presided over an appellate hearing in respect of the annulment, and the related claim by the Tiffany Parties for return of the Arbitration Damages and related costs, on June 29, 2016. That panel's decision, which may be appealed to the Supreme Court of the Netherlands, is pending. As a result of this ongoing appellate process, the Arbitration Award may ultimately be upheld by the courts of the Netherlands. Registrant's management expects that the annulment action is not likely to be ultimately resolved until, at the earliest, Registrant's fiscal year ending January 31, 2018.

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.

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 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, 2017 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 and sales of watches manufactured by Watch Company and sold in TIFFANY & CO. stores were not significant in any year.

In 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.

Gain Contingency. On February 14, 2013, Tiffany and Company and Tiffany (NJ) LLC (collectively, the "Tiffany plaintiffs") initiated a lawsuit against Costco Wholesale Corp. ("Costco") for trademark infringement, false designation of origin and unfair competition, trademark dilution and trademark counterfeiting (the "Costco Litigation"). The Tiffany plaintiffs sought injunctive relief, monetary recovery and statutory damages on account of Costco's use of "Tiffany" on signs in the jewelry cases at Costco stores used to describe certain diamond engagement rings that were not manufactured by Tiffany. Costco filed a counterclaim arguing that the TIFFANY trademark was a generic term for multi-pronged ring settings and seeking to have the trademark invalidated, modified or partially canceled in that respect. On September 8, 2015, the U.S. District Court for the Southern District of New York (the "Court") granted the Tiffany plaintiffs' motion for summary judgment of liability in its entirety, dismissing Costco's genericism counterclaim and finding that Costco was liable for trademark infringement, trademark counterfeiting and unfair competition under New York law in its use of "Tiffany" on the above-referenced signs. On September 29, 2016, a civil jury rendered its verdict, finding that Costco's profits on the sale of the infringing rings should be awarded at $5.5 million, and further finding that an award of punitive damages was warranted. On October 5, 2016, the jury awarded $8.25 million in punitive damages. The aggregate award of $13.75 million is not final, and is subject to post-verdict motion practice and ultimately to adjustment by the Court. In such post-verdict motion practice, the Tiffany plaintiffs asserted that the profits award should be trebled and that Costco should also pay the Tiffany plaintiffs' legal fees in respect of this matter. Management expects that the Court will enter its final judgment as to the damages and other monetary recovery that Costco will be ordered to pay to the Tiffany plaintiffs during the Company's 2017 fiscal year. Management also expects that Costco will appeal this judgment, and that the Tiffany plaintiffs will be unable to enforce the judgment while the appeal is pending. As such, the Company has not recorded any amount in its consolidated financial statements related to this gain contingency as of January 31, 2017, and expects that this matter will not ultimately be resolved until, at the earliest, the Company's fiscal year ending January 31, 2018.

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, 860,775 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, as amended.

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 2016 were:

	High	Low
First Quarter	$ 74.06	$ 59.75
Second Quarter	$ 72.18	$ 56.99
Third Quarter	$ 74.81	$ 58.77
Fourth Quarter	$ 85.44	$ 71.86

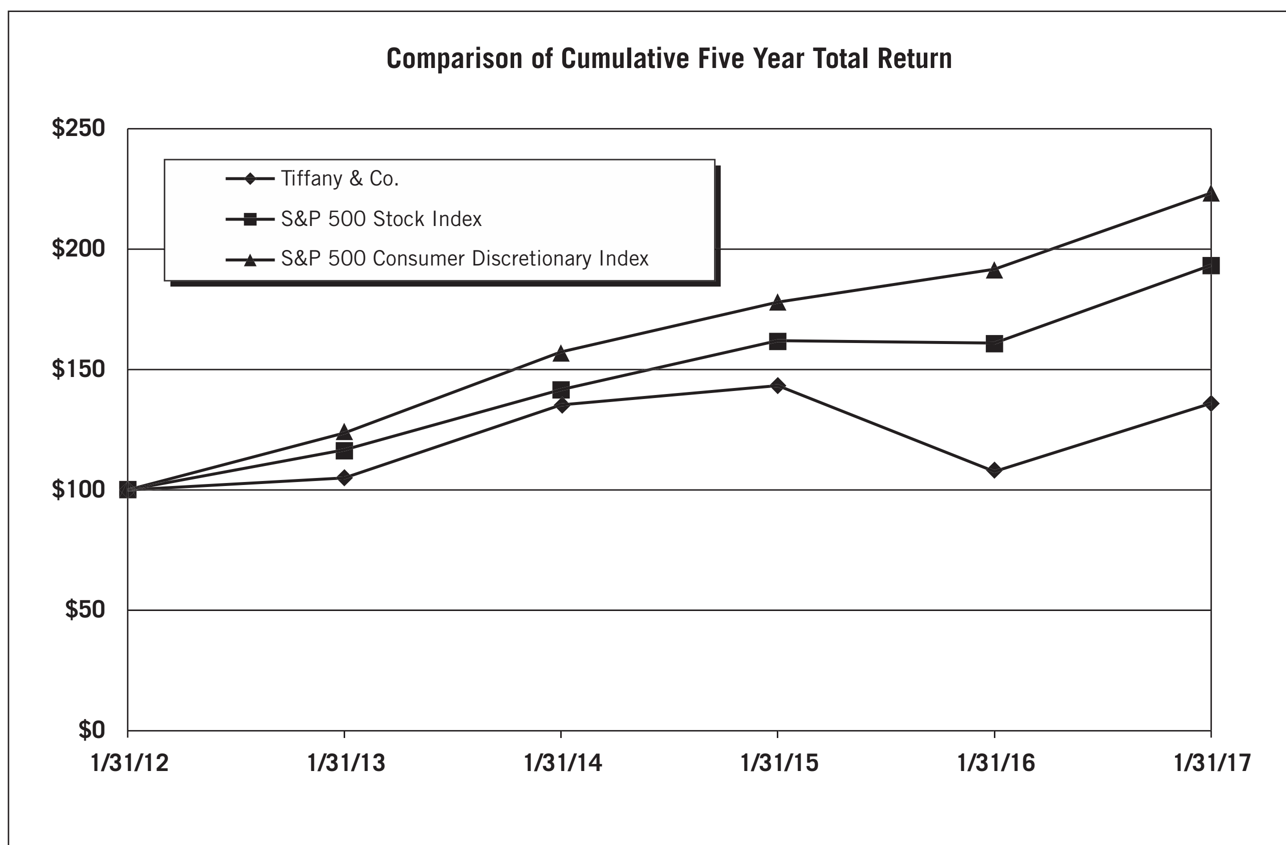
On March 13, 2017, the high and low selling prices quoted on such exchange were $88.93 and $88.29. On March 13, 2017, there were 14,241 holders of record of the Registrant's Common Stock.

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

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, 2012 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.



	1/31/12	1/31/13	1/31/14	1/31/15	1/31/16	1/31/17
Tiffany & Co.	$ 100.00	$ 105.24	$ 135.48	$ 143.26	$ 107.59	$ 136.00
S&P 500 Stock Index	100.00	116.78	141.91	162.09	161.01	193.28
S&P 500 Consumer Discretionary Index	100.00	123.67	157.51	178.00	191.84	223.45

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 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.

In 2016, a dividend of $0.40 per share of Common Stock was paid on April 11, 2016. On May 26, 2016, the Company announced a 12.5% increase in its regular quarterly dividend rate to a new rate of $0.45 per share of Common Stock which was paid on July 11, 2016, October 11, 2016 and January 10, 2017.

Issuer Purchases of Equity Securities

In January 2016, the Registrant's Board of Directors approved the termination of the Company's then-existing share repurchase program, which was approved in March 2014 and had authorized the Company to repurchase up to $300.0 million of its Common Stock through open market transactions (the "2014 Program"), in favor of a new share repurchase program ("2016 Program"). The 2016 Program, which will expire on January 31, 2019, authorizes the Company to repurchase up to $500.0 million of its Common Stock through open market transactions, block trades or privately negotiated transactions. 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. Approximately $310.4 million remained available for repurchase under the 2016 Program at January 31, 2017.

The following table contains the Company's purchases of equity securities in the fourth quarter of 2016:

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, 2016 to November 30, 2016	39,480	$ 73.10	39,480	$ 310.4
December 1, 2016 to December 31, 2016	—	$ —	—	$ 310.4
January 1, 2017 to January 31, 2017	—	$ —	—	$ 310.4
TOTAL	39,480	$ 73.10	39,480	$ 310.4

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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 2012-2016, which ended on January 31 of the following calendar year:

(in millions, except per share amounts, percentages, ratios, stores and employees)	2016 [a]	2015 [b]	2014 [c]	2013 [d]	2012
EARNINGS DATA					
Net sales	$ 4,001.8	$ 4,104.9	$ 4,249.9	$ 4,031.1	$ 3,794.2
Gross profit	2,490.3	2,491.3	2,537.2	2,340.4	2,163.3
Selling, general & administrative expenses	1,769.1	1,731.2	1,645.8	1,555.9	1,466.1
Net earnings	446.1	463.9	484.2	181.4	416.2
Net earnings per diluted share	3.55	3.59	3.73	1.41	3.25
Weighted-average number of diluted common shares	125.5	129.1	129.9	128.9	127.9
BALANCE SHEET AND CASH FLOW DATA					
Total assets *	$ 5,097.6	$ 5,121.6	$ 5,171.8	$ 4,745.1	$ 4,628.9
Cash and cash equivalents	928.0	843.6	730.0	345.8	504.8
Inventories, net	2,157.6	2,225.0	2,362.1	2,326.6	2,234.3
Short-term borrowings and long-term debt (including current portion) *	1,107.1	1,095.8	1,107.8	996.3	957.4
Stockholders' equity	3,028.4	2,929.5	2,850.7	2,734.0	2,611.3
Working capital	2,940.8	2,778.5	2,850.8	2,431.1	2,485.4
Cash flows from operating activities	702.1	813.6	615.1	154.7	328.3
Capital expenditures	222.8	252.7	247.4	221.4	219.5
Stockholders' equity per share	24.33	23.10	22.04	21.31	20.57
Cash dividends paid per share	1.75	1.58	1.48	1.34	1.25
RATIO ANALYSIS AND OTHER DATA					
As a percentage of net sales:					
Gross profit	62.2%	60.7%	59.7%	58.1%	57.0%
Selling, general & administrative expenses	44.2%	42.2%	38.7%	38.6%	38.6%
Earnings from operations	18.0%	18.5%	21.0%	7.5%	18.4%
Net earnings	11.1%	11.3%	11.4%	4.5%	11.0%
Capital expenditures	5.6%	6.2%	5.8%	5.5%	5.8%
Return on average assets *	8.7%	9.0%	9.8%	3.9%	9.5%
Return on average stockholders' equity	15.0%	16.1%	17.3%	6.8%	16.8%
Total debt-to-equity ratio *	36.6%	37.4%	38.9%	36.4%	36.7%
Dividends as a percentage of net earnings	49.0%	43.8%	39.5%	93.9%	38.1%
Company-operated TIFFANY & CO. stores	313	307	295	289	275
Number of employees	11,900	12,200	12,000	10,600	9,900

* The Company adopted ASU No. 2015-03 – *Simplifying the Presentation of Debt Issuance Costs* retrospectively as of February 1, 2016. Accordingly, debt issuance costs were reclassified from an asset to a direct deduction from long-term debt 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 2016 include the following amounts, totaling $38.0 million of pre-tax expense ($24.0 million net after tax expense, or $0.19 per diluted share):

- $25.4 million of net pre-tax expense ($16.0 million net after tax expense, or $0.13 per diluted share) associated with an asset impairment charge related to software costs capitalized in connection with the development of a new finished goods inventory management and merchandising information system. See "Item 8. Financial Statements and Supplementary Data - Note B. Summary of Significant Accounting Policies" and "Note E. Property, Plant and Equipment" for additional information; and
- $12.6 million of net pre-tax expense ($8.0 million net after tax expense, or $0.06 per diluted share) associated with impairment charges related to financing arrangements with diamond mining and exploration companies. See "Item 8. Financial Statements and Supplementary Data - Note B. Summary of Significant Accounting Policies" for additional information.

b. 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.

c. 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.

d. 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.

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 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 regularly develop and introduce new products.

  The Company's product development strategy is to introduce new design collections, primarily in jewelry, and/or 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 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 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 pursue opportunities to grow sales through its e-commerce websites and utilize the websites to drive store traffic. 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 improve its business operations and processes, while efficiently managing its capital and costs

  The Company is focused on improving its business operations and processes, including by realizing greater efficiencies in its product supply chain and other operations, and enhancing its global procurement capabilities.

- 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 adhering to the Company's quality and ethical standards. The Company will continue to supplement its internal capabilities through its network of external suppliers.

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

- To achieve improved operating margins, through both improved gross margin and efficient expense management.

  Management's long-term objective is to improve gross margin, including through controlling product input costs, realizing greater efficiencies in its product supply chain and adjusting retail prices when appropriate. Additionally, management is focused on efficient selling, general and administrative expense management, thereby generating sales leverage on fixed costs. These efforts are collectively intended to generate a higher rate of operating earnings growth relative to sales growth, and management targets an improvement in operating margin of 50 basis points per year over the long term.

- To increase store productivity and profitability.

  Management is focused on increasing the frequency of store visits and the percentage of store visitors who make a purchase, as well as optimal utilization of square footage, to grow sales and sales per square foot.

- To improve inventory and other 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 the ability to invest in strategic initiatives, while also allowing for the return of excess capital to shareholders.

2016 SUMMARY

- Worldwide net sales decreased 3% to $4.0 billion reflecting declines in the Americas and Europe partly offset by an increase in Japan and unchanged sales in Asia-Pacific, and comparable store sales decreased 5% due to declines in all regions except Japan. On a constant-exchange-rate basis (see "Non-GAAP Measures"), worldwide net sales decreased 3% and comparable store sales decreased 5% reflecting similar trends.

- The Company added a net of 6 TIFFANY & CO. stores (opening seven in Asia-Pacific, three in Europe and one in the Americas, while closing three in Asia-Pacific and one each in Japan and Europe and relocating 5 stores) resulting in a 3% net increase in gross retail square footage.

- The Company expanded its offerings within several existing jewelry collections, including its TIFFANY T and RETURN TO TIFFANY® LOVE collections, and introduced new watch designs.

- Earnings from operations as a percentage of net sales ("operating margin") decreased 0.5 percentage point. Excluding impairment charges recorded in 2016 and 2015 (see "Non-GAAP Measures"), operating margin decreased 0.7 percentage point. An improvement in gross margin was more than offset by a lack of sales leverage on selling, general and administrative ("SG&A") expenses.

- Net earnings decreased 4% to $446.1 million, or $3.55 per diluted share. Net earnings in 2016 included impairment charges of $0.19 per diluted share (see "Non-GAAP Measures") and an income tax benefit of $0.05 per diluted share (as a result of the conclusion of a tax examination). Net earnings in 2015 included charges of $0.24 per diluted share (see "Non-GAAP Measures"). Excluding these charges, net earnings per diluted share declined 2% to $3.75.

- Inventories, net decreased 3%.

- Cash flow from operating activities of $702.1 million in 2016, compared with $813.6 million in 2015. Free cash flow (see "Non-GAAP Measures") of $479.3 million in 2016, compared with $560.9 million in 2015. Cash flow from operating activities and free cash flow in 2016 include a voluntary cash contribution of

$120.0 million made by the Company to its U.S. pension plan (See "Item 8. Financial Statements and Supplementary Data - Note N. Employee Benefit Plans").

- The Company returned cash to shareholders by continuing to pay regular quarterly dividends (which were increased 12.5% effective July 2016 to $0.45 per share, or an annualized rate of $1.80 per share) and spending $183.6 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"). Internally, management also monitors and measures its performance using certain sales and earnings measures that include or exclude amounts, or are subject to adjustments that have the effect of including or excluding amounts, from the most directly comparable GAAP measure ("non-GAAP financial measures"). The Company presents such non-GAAP financial measures in reporting its financial results to provide investors with useful supplemental information that will allow them to evaluate the Company's operating results using the same measures that management uses to monitor and measure its performance. 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. 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"). Sales on a constant-exchange-rate basis are calculated by taking the current year's sales in local currencies and translating them into U.S. dollars using the prior year's foreign exchange rates. Management believes this constant-exchange-rate basis provides a useful supplemental basis for the assessment of sales performance and of 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:

	2016			2015		
	GAAP Reported	Translation Effect	Constant-Exchange-Rate Basis	GAAP Reported	Translation Effect	Constant-Exchange-Rate Basis
Net Sales:						
Worldwide	(3)%	—%	(3)%	(3)%	(5)%	2%
Americas	(5)	—	(5)	(4)	(2)	(2)
Asia-Pacific	—	(1)	1	(2)	(5)	3
Japan	12	12	—	(2)	(12)	10
Europe	(10)	(7)	(3)	(1)	(13)	12
Other	(8)	—	(8)	(13)	—	(13)
Comparable Store Sales:						
Worldwide	(5)%	—%	(5)%	(6)%	(6)%	—%
Americas	(6)	(1)	(5)	(6)	(2)	(4)
Asia-Pacific	(9)	(2)	(7)	(5)	(5)	—
Japan	16	11	5	(7)	(12)	5
Europe	(14)	(5)	(9)	(5)	(14)	9
Other	(15)	—	(15)	(15)	—	(15)

Statements of Earnings. Internally, management monitors and measures its earnings performance excluding certain items listed below. Management believes excluding such items provides a useful supplemental basis for the assessment of the Company's results relative to the corresponding period in the prior year. The following tables reconcile certain GAAP amounts to non-GAAP amounts:

(in millions, except per share amounts)	GAAP	Impairment charges [a]	Non-GAAP
Year Ended January 31, 2017			
SG&A expenses	$ 1,769.1	$ (38.0)	$ 1,731.1
As a % of sales	44.2%		43.3%
Earnings from operations	721.2	38.0	759.2
As a % of sales	18.0%		19.0%
Provision for income taxes [b]	230.5	14.0	244.5
Net earnings	446.1	24.0	470.1
Diluted earnings per share*	3.55	0.19	3.75

*Amounts may not add due to rounding.

[a] Expenses associated with the following:

- $25.4 million of net pre-tax expense ($16.0 million net after tax expense, or $0.13 per diluted share) associated with an asset impairment charge related to software costs capitalized in connection with the development of a new finished goods inventory management and merchandising information system (see "Information Systems Assessment"); and
- $12.6 million of net pre-tax expense ($8.0 million net after tax expense, or $0.06 per diluted share) associated with impairment charges related to financing arrangements with diamond mining and exploration companies (see "Financing Arrangements with Diamond Mining and Exploration Companies").

[b] The income tax effect resulting from the adjustments has been calculated as both current and deferred tax benefit (expense), based upon the tax laws and statutory income tax rates applicable in the tax jurisdiction(s) of the underlying adjustment.

(in millions, except per share amounts)	GAAP	Impairment charges [c]	Specific cost-reduction initiatives [d]	Non-GAAP
Year Ended January 31, 2016				
SG&A expenses	$ 1,731.2	$ (37.9)	$ (8.8)	$ 1,684.5
As a % of net sales	42.2%			41.0%
Earnings from operations	760.1	37.9	8.8	806.8
As a % of net sales	18.5%			19.7%
Provision for income taxes [b]	246.0	13.6	3.2	262.8
Net earnings	463.9	24.3	5.6	493.8
Diluted earnings per share	3.59	0.19	0.05	3.83

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

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

[e] 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").

Free Cash Flow. Internally, management monitors its cash flow on a non-GAAP basis. Free cash flow is calculated by deducting capital expenditures from net cash provided by operating activities. 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 useful supplemental basis for assessing the Company's 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*)		2017		2016
Net cash provided by operating activities	$	702.1	$	813.6
Less: Capital expenditures		(222.8)		(252.7)
Free cash flow [a]	$	479.3	$	560.9

[a] Free cash flow in 2016 reflects a voluntary cash contribution of $120.0 million made by the Company to its U.S. pension plan (See "Item 8. Financial Statements and Supplementary Data - Note N. Employee Benefit Plans").

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 was relocated from one department store to another or from a department store to a free-standing location. In all markets, the results of a store in which the square footage has been expanded or reduced remain in the comparable store base.

Net Sales

The Company generates sales through its retail, Internet, wholesale, business-to-business and catalog channels (see "Item 1. Business - Financial Information about Reportable Segments").

Net sales by segment were as follows:

(in millions)		2016		2015		2014	2016 vs 2015 % Change	2015 vs 2014 % Change
Americas [a]	$	1,841.9	$	1,947.0	$	2,033.5	(5)%	(4)%
Asia-Pacific [b]		999.1		1,003.1		1,025.2	—	(2)
Japan [c]		604.4		541.3		554.3	12	(2)
Europe [d]		457.6		505.7		513.3	(10)	(1)
Other		98.8		107.8		123.6	(8)	(13)
	$	4,001.8	$	4,104.9	$	4,249.9	(3)%	(3)%

a) Represented 46% of worldwide net sales in 2016, 47% in 2015 and 48% in 2014, while sales in the U.S. represented 88% of net sales in the Americas in those periods. Total sales in the Company's New York Flagship store represented less than 10% of worldwide net sales in 2016, 2015 and 2014.

b) Represented 25% of worldwide net sales in 2016 and 24% in 2015 and 2014, while sales in Greater China represented more than half of Asia-Pacific's net sales in those periods.

c) Represented 15% of worldwide net sales in 2016 and 13% in 2015 and 2014.

d) Represented 11% of worldwide net sales in 2016 and 12% in 2015 and 2014, while sales in the United Kingdom ("U.K.") represented approximately 40% of European net sales in those periods.

Net Sales — 2016 compared with 2015. In 2016, worldwide net sales decreased $103.1 million, or 3%, reflecting declines in the Americas and Europe, an increase in Japan and unchanged sales in Asia-Pacific. There was no significant impact from foreign currency translation on worldwide net sales.

In 2016, jewelry sales represented 92% of worldwide net sales. Changes in jewelry sales by product category relative to the prior year were as follows:

(in millions)		$ Change	% Change
High, fine & solitaire jewelry	$	(75.0)	(9)%
Engagement jewelry & wedding bands		(20.2)	(2)
Fashion jewelry		(11.8)	(1)
Designer jewelry		4.2	1

The decrease in sales of high, fine & solitaire jewelry reflected declines across the category, while the engagement jewelry & wedding bands category decreased due to a shift in sales mix towards wedding bands. The fashion jewelry category decreased as declines in silver jewelry, although at a smaller rate than in prior year, more than offset increases in gold jewelry.

Items bearing the name of and attributed to one of the Company's "named" designers: Elsa Peretti and Paloma Picasso, which were previously reported across the high, fine & solitaire jewelry, engagement jewelry & wedding bands and fashion jewelry categories, have been reclassified into a designer jewelry category to conform with management's current internal analysis of product sales. Additionally, certain reclassifications within the jewelry categories have been made to the prior years' amounts to conform to the current year category presentation.

Changes in net sales by reportable segment were as follows:

(in millions)	Comparable Store Sales	Non-comparable Store Sales	Wholesale/Other	Total
Americas	$ (96.1)	$ 2.3	$ (11.3)	$ (105.1)
Asia-Pacific	(80.1)	59.8	16.3	(4.0)
Japan	78.8	(1.3)	(14.4)	63.1
Europe	(59.7)	13.1	(1.5)	(48.1)

In 2016, jewelry sales represented 90%, 98%, 93% and 96% of total sales in the Americas, Asia-Pacific, Japan and Europe, respectively. Changes in jewelry sales relative to the prior year were as follows:

	Average Price per Unit Sold		
	As Reported	Impact of Currency Translation	Number of Units Sold
Change in Jewelry Sales			
Americas	1 %	— %	(6)%
Asia-Pacific	(5)%	(2)%	4 %
Japan	(2)%	11 %	13 %
Europe	(1)%	(6)%	(9)%

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Americas. In 2016, total sales decreased $105.1 million, or 5%, which management attributed to lower sales to U.S. customers and foreign tourist spending (primarily Chinese tourists). Comparable store sales decreased $96.1 million, or 6%. On a constant-exchange-rate basis, both total sales and comparable store sales decreased 5%.

The decrease in the number of jewelry units sold reflected declines across most categories, particularly in fashion silver jewelry.

Asia-Pacific. In 2016, total sales were approximately equal to the prior year, decreasing $4.0 million, partly reflecting new stores and increased wholesale sales; comparable store sales decreased $80.1 million, or 9%. Management attributed performance in this region to increased purchasing by local customers and declines in spending by foreign tourists. In addition, sales growth in China, increased wholesale sales in Korea, a decelerating rate of retail sales declines in Hong Kong and varying performance in other countries. On a constant-exchange-rate basis, total sales increased 1% and comparable store sales decreased 7%.

The increase in the number of jewelry units sold reflected increases in fashion jewelry, particularly in silver jewelry, and wedding bands within the engagement category. Management attributed the decrease in the average price per jewelry unit sold to a shift in mix away from high, fine & solitaire jewelry to fashion jewelry and within the engagement jewelry & wedding bands category toward wedding bands.

Japan. In 2016, total sales increased $63.1 million, or 12%, and comparable store sales increased $78.8 million, or 16%. On a constant-exchange-rate basis, total sales were in line with prior year and comparable store sales increased 5%. Management attributed this performance to higher spending by local customers and lower spending by Chinese tourists, as well as lower wholesale sales.

The increase in number of jewelry units sold primarily reflected increases in the fashion jewelry, designer jewelry and the engagement jewelry & wedding bands categories. Management attributed the decrease in the average price per jewelry unit sold to a shift away from the high, fine & solitaire jewelry category to designer jewelry, as well as a shift in sales mix within the fashion jewelry category towards silver jewelry.

Europe. In 2016, total sales decreased $48.1 million, or 10%, and comparable store sales decreased $59.7 million, or 14%, which management attributed to lower spending by foreign tourists and local customers across continental Europe. On a constant-exchange-rate basis, total sales decreased 3% and comparable store sales decreased 9%, as

softness across continental Europe was partially offset by sales increases in the U.K. (particularly in the second half of the year, largely attributable to foreign tourist spending).

The decrease in the number of jewelry units sold reflected decreases across all categories, especially in fashion silver jewelry. Management attributed the decrease in average price per unit sold to the negative effect of currency translation, which offset a favorable shift toward higher-priced products within the engagement jewelry & wedding bands category.

Other. In 2016, total sales decreased $9.0 million, or 8%, partly due to a $16.9 million, or 22%, sales decline in the Emerging Markets region partly offset by an increase in wholesale sales of diamonds.

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, jewelry sales represented 93% of worldwide net sales. Changes in jewelry sales by product category were as follows:

(in millions)		$ Change	% Change
High, fine & solitaire jewelry	$	(16.3)	(2)%
Engagement jewelry & wedding bands		(78.8)	(6)
Fashion jewelry		(16.9)	(1)
Designer jewelry		(20.7)	(4)

The decrease in the high, fine & solitaire jewelry category reflected lower sales of fine jewelry partly offset by increased high jewelry sales. The decrease in the engagement jewelry & wedding bands category reflected decreases in both solitaire diamond rings and wedding bands. The decrease in the fashion jewelry category reflected a decline in sales of entry-level price point jewelry, largely in silver, partly offset by growth in gold jewelry sales. The decrease in designer jewelry primarily reflected decreases in gold and silver jewelry.

Items bearing the name of and attributed to one of the Company's "named" designers: Elsa Peretti and Paloma Picasso, which were previously reported across the high, fine & solitaire jewelry, engagement jewelry & wedding bands and fashion jewelry categories, have been reclassified into the designer jewelry category to conform with management's current internal analysis of product sales. Additionally, certain reclassifications within the jewelry categories have been made to the prior years' amounts to conform to the current year category presentation.

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)

In 2015, jewelry sales represented 89%, 98%, 93% and 96% of total sales in the Americas, Asia-Pacific, Japan and Europe, respectively. Changes in jewelry sales relative to the prior year were as follows:

	Average Price per Unit Sold		
	As Reported	Impact of Currency Translation	Number of Units Sold
Change in Jewelry Sales			
Americas	6 %	(2)%	(11)%
Asia-Pacific	4 %	(5)%	(6)%
Japan	(2)%	(12)%	— %
Europe	— %	(14)%	(2)%

Americas. In 2015, total sales decreased $86.5 million, or 4%, and comparable store sales decreased $103.5 million, or 6%, 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 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. The strong sales growth in Canada and Latin America was more than offset by currency translation.

The decrease in the number of jewelry units sold reflected decreases across most categories, especially in entry-level price point silver jewelry. 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 high jewelry.

Asia-Pacific. In 2015, total sales decreased $22.1 million, or 2%, and comparable store sales decreased $46.0 million, or 5%, while on a constant-exchange-rate basis, total sales increased 3% and comparable store sales were unchanged. Sales rose in China and declined in Hong Kong; overall sales results were negatively affected by currency translation.

The decrease in the number of jewelry units sold primarily reflected declines in entry-level price point silver jewelry. 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 high jewelry.

Japan. In 2015, total sales decreased $13.0 million, or 2%, and comparable store sales declined $36.4 million, or 7%, while on a constant-exchange-rate basis, total sales increased 10% and comparable store sales increased 5%. Management attributed the decrease in sales to currency translation, which offset higher spending by foreign tourists.

Management attributed the decrease in average price per unit sold to currency translation, which offset the favorable effect of price increases and a shift in sales mix toward higher-priced products.

Europe. In 2015, total sales decreased $7.6 million, or 1%, and comparable store sales declined $24.0 million, or 5%, while on a constant-exchange-rate basis, total sales increased 12% and comparable store sales increased 9%. Growth across the region, which management attributed to higher spending by foreign tourists and, to a lesser extent, higher sales to local customers was entirely offset by currency translation.

The decrease in the number of jewelry units sold was attributed to soft demand for silver jewelry. Management attributed the increase in average price per jewelry unit sold to price increases and a shift in sales mix toward higher-priced products, entirely offset by currency translation.

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.

Store Data. In 2016, the Company increased gross retail square footage by 3%, net, through store openings, closings and relocations. The Company opened 11 stores and closed five: opening seven in Asia-Pacific (three in China, two

in Australia and one each in Korea and New Zealand), three in Europe (two in Italy and one in the Netherlands) and one in the Americas (in Canada) while closing three stores in Asia-Pacific (two in China and one in Singapore) and one each in Japan and Europe (in Germany). In addition, the Company relocated five existing stores.

In 2015, the Company increased gross retail square footage by 4%, net, through store openings, closings and relocations. 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.

Sales per gross square foot generated by all company-operated stores were approximately $2,700 in 2016, $2,900 in 2015 and $3,100 in 2014. The declines in 2016 and 2015 reflected the effects of decreased sales (which in 2015 were negatively affected by currency translation) and growth in retail square footage.

Gross Margin

(in millions)	2016	2015	2014
Gross profit	$ 2,490.3	$ 2,491.3	$ 2,537.2
Gross profit as a percentage of net sales	62.2%	60.7%	59.7%

Gross margin (gross profit as a percentage of net sales) increased 1.5 percentage points in 2016 reflecting favorable product input costs and the effect of price increases, and, to a lesser extent, favorable changes in product sales mix.

Gross margin 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.

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 2016 and 2015 across most geographic regions and product categories, some of which were intended to mitigate foreign currency fluctuations.

Selling, General and Administrative Expenses

(in millions)	2016	2015	2014
As reported:			
SG&A expenses	$ 1,769.1	$ 1,731.2	$ 1,645.8
SG&A expenses as a percentage of net sales	44.2%	42.2%	38.7%
Excluding items in "Non-GAAP Measures":			
SG&A expenses	$ 1,731.1	$ 1,684.5	$ 1,645.8
SG&A expenses as a percentage of net sales	43.3%	41.0%	38.7%

SG&A expenses increased $37.9 million, or 2%, in 2016 and $85.4 million, or 5%, in 2015. SG&A expenses in 2016 included various impairment charges and, in 2015, included loan impairment charges and certain expenses associated with specific cost-reduction initiatives. See "Non-GAAP Measures" for further details.

SG&A expenses in 2016 (excluding the 2016 and 2015 items noted in "Non-GAAP Measures") increased $46.6 million, or 3%, largely reflecting increased store occupancy and depreciation expenses and labor and incentive compensation costs. There was no significant effect on SG&A expense changes from foreign currency translation.

SG&A expenses in 2015 (excluding the 2015 items noted in "Non-GAAP Measures") increased $38.7 million, or 2%, largely reflecting increased marketing expenses and store occupancy and depreciation expenses partly offset by decreased labor costs (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%.

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.

Earnings from Operations

(dollars in millions)	2016	2015	2014
As reported:			
Earnings from operations	$ 721.2	$ 760.1	$ 891.4
Operating margin	18.0%	18.5%	21.0%
Percentage point change from prior year	(0.5)	(2.5)	13.5
Excluding other operating expenses:			
Earnings from operations	$ 759.2	$ 806.8	$ 891.4
Operating margin	19.0%	19.7%	21.0%
Percentage point change from prior year	(0.7)	(1.3)	1.3

The declines in both 2016 and 2015 resulted from sales deleveraging of SG&A expenses, which were only partly offset by higher gross margins.

Results by segment are as follows:

(in millions)	2016	% of Net Sales	2015	% of Net Sales	2014	% of Net Sales
Earnings from operations*:						
Americas	$ 373.0	20.3 %	$ 390.8	20.1 %	$ 435.5	21.4 %
Asia-Pacific	256.0	25.6	264.4	26.4	281.6	27.5
Japan	204.6	33.9	199.9	36.9	196.0	35.4
Europe	81.6	17.8	97.4	19.3	110.5	21.5
Other	5.9	6.0	6.4	6.0	4.9	4.0
	921.1		958.9		1,028.5	
Unallocated corporate expenses	(161.9)	(4.0)%	(152.1)	(3.7)%	(137.1)	(3.2)%
Earnings from operations before other operating expenses	759.2	19.0 %	806.8	19.7 %	891.4	21.0 %
Other operating expenses	(38.0)		(46.7)		—	
Earnings from operations	$ 721.2	18.0 %	$ 760.1	18.5 %	$ 891.4	21.0 %

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

On a segment basis, the ratio of earnings from operations to each segment's net sales in 2016 compared with 2015 was as follows:

- Americas – the ratio increased 0.2 percentage point due to an improvement in gross margin, largely offset by a lack of sales leverage on operating expenses resulting from a decrease in net sales;

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- Asia-Pacific – the ratio decreased 0.8 percentage point due to a lack of sales leverage on operating expenses, primarily attributable to new store-related expenses, partly offset by an improvement in gross margin;
- Japan – the ratio decreased 3.0 percentage points primarily due to a decrease in gross margin that reflected an unfavorable impact tied to the strengthening of the Yen on the Company's program to utilize Yen forward contracts for a portion of its forecasted merchandise purchases; and
- Europe – the ratio decreased 1.5 percentage points due to a decrease in net sales resulting in a lack of sales leverage on operating expenses, partly offset by an improvement in gross margin.

On a segment basis, the ratio of earnings 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; and
- 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.

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 $9.8 million in 2016 and $15.0 million in 2015, primarily due to increased costs, including depreciation and amortization expense, associated with upgrades to the Company's information technology systems as well as increased incentive compensation expense in 2016.

Included in other operating expenses in the table above, the 2016 amount represented $25.4 million associated with an impairment charge related to software costs capitalized in connection with the development of a new finished goods inventory management and merchandising information system (see "Item 8. Financial Statements and Supplementary Data - Note B. Summary of Significant Accounting Policies and Note E. Property, Plant and Equipment") and $12.6 million associated with impairment charges related to financing arrangements with diamond mining and exploration companies (see "Item 8. Financial Statements and Supplementary Data - Note B. Summary of Significant Accounting Policies").

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 Limited 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."

Interest Expense and Financing Costs

Interest expense and financing costs decreased $3.0 million, or 6%, in 2016 due to lower interest expense. 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.

Other (Income) Expense, Net

Other (income) expense, net includes interest income as well as gains/losses on investment activities and foreign currency transactions. Net income of $1.4 million in 2016 compared with net expense of $1.2 million in 2015. The $2.6 million change was primarily due to reduced foreign currency transaction losses. 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.

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 34.1% in 2016 compared with 34.7% in 2015 and 34.4% in 2014. The effective income tax rate in 2016 was reduced by 1.0 percentage point due to an income tax benefit of $6.6 million, or $0.05 per diluted share, resulting from the conclusion of a tax examination during the first quarter of 2016.

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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, 2017, the Company's cash and cash equivalents totaled $928.0 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)	2016	2015	2014
Net cash provided by (used in):			
Operating activities	$ 702.1	$ 813.6	$ 615.1
Investing activities	(236.8)	(278.2)	(217.0)
Financing activities	(382.8)	(422.3)	(23.4)
Effect of exchange rates on cash and cash equivalents	1.9	0.5	9.5
Net increase in cash and cash equivalents	$ 84.4	$ 113.6	$ 384.2

Operating Activities

The Company had net cash inflows from operating activities of $702.1 million in 2016, $813.6 million in 2015 and $615.1 million in 2014. The decrease from 2015 to 2016 was primarily due to a $120.0 million voluntary contribution made by the Company to its U.S. pension plan in 2016. The year-over-year improvement from 2014 to 2015 was primarily due to reduced inventory purchases.

Working Capital. Working capital (current assets less current liabilities) increased to $2.9 billion at January 31, 2017 from $2.8 billion at January 31, 2016. The increase was primarily due to the repayment of the ¥10.0 billion ($88.0 million) Senior Notes due in September 2016 (which had been classified as Current portion of long-term debt) and the issuance of the ¥10.0 billion Senior Notes due in August 2026 (which is classified as Long-term debt). See "Financing Activities" below for additional information.

Accounts receivable, less allowances at January 31, 2017 were 10% higher than at January 31, 2016 largely attributable to sales growth in Japan and the timing of collections from department stores. Currency translation had the effect of increasing accounts receivable, less allowances by 2% from January 31, 2016, primarily from the strengthening of the Japanese yen. On a 12-month rolling basis, accounts receivable turnover was 18 times in 2016 and 21 times in 2015.

Inventories, net at January 31, 2017 were 3% lower than at January 31, 2016, which reflected similar declines in both finished goods inventories and combined raw material and work-in-process inventories. Currency translation did not have a significant effect on the change in inventories, net.

Investing Activities

The Company had net cash outflows from investing activities of $236.8 million in 2016, $278.2 million in 2015 and $217.0 million in 2014. The decrease in net cash outflows in 2016 was driven by decreased capital expenditures as well as reduced net purchases of marketable securities and short-term investments. The increased outflow in 2015 was primarily due to increased purchases of marketable securities and short-term investments.

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 $15.7 million during 2016 and $26.4 million during 2015 compared with net proceeds received from the sale of marketable securities and short-term investments of $15.2 million during 2014.

Capital Expenditures. Capital expenditures are typically related to the opening, renovation and/or relocation of stores (which represented approximately 60% of capital expenditures in 2016 and approximately half in 2015 and 2014) as well as distribution and manufacturing facilities and ongoing investments in information technology. Capital expenditures were $222.8 million in 2016, $252.7 million in 2015 and $247.4 million in 2014, representing 6% of worldwide net sales in those years.

Proceeds from Notes Receivable Funded. In 2016 and 2014, the Company received $1.7 million and $15.2 million of repayments associated with loans extended to diamond mining and exploration companies. No such proceeds were received in 2015.

Financing Activities

The Company had net cash outflows from financing activities of $382.8 million in 2016, $422.3 million in 2015 and $23.4 million in 2014. Year-over-year changes in cash flows from financing activities were largely driven by share repurchases and borrowings.

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

(in millions)	2016	2015	2014
Short-term borrowings:			
Proceeds from (repayments of) credit facility borrowings, net	$ 14.2	$ (11.3)	$ (12.5)
Proceeds from other credit facility borrowings	76.8	24.8	19.8
Repayments of other credit facility borrowings	(83.1)	(16.0)	(3.4)
Net proceeds from (repayments of) short-term borrowings	7.9	(2.5)	3.9
Long-term borrowings:			
Proceeds from issuances	98.1	—	548.0
Repayments	(97.1)	—	(400.0)
Net proceeds from long-term borrowings	1.0	—	148.0
Net proceeds from (repayments of) total borrowings	8.9	(2.5)	151.9
Payments of debt extinguishment costs (included in operating activities)	—	—	(93.4)
Net proceeds (repayments)	$ 8.9	$ (2.5)	$ 58.5

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Credit Facilities. In 2014, the Registrant 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 "Credit Facilities"), resulting in a total borrowing capacity of $750.0 million. In October 2016, the maturity for each of the Credit Facilities was extended for one additional year pursuant to the terms set forth in the respective agreements governing the Credit Facilities. Therefore, the four-year and five-year Credit Facilities will mature in October of 2019 and 2020, respectively. See "Item 8. Financial Statements and Supplementary Data - Note G. Debt" for additional information.

Other Credit Facilities. In 2016, the Registrant'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 990.0 million ($143.8 million at January 31, 2017). The Tiffany-Shanghai Credit Agreement, which matures in July 2019, was made available to refinance amounts outstanding under Tiffany-Shanghai's previously existing RMB 930.0 million three-year multi-bank revolving credit agreement (the "2013 Agreement"), which expired pursuant to its terms in July 2016, as well as for Tiffany-Shanghai's general working capital requirements. 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, 2017, there were $228.7 million of borrowings outstanding, $4.0 million of letters of credit issued but not outstanding and $798.4 million available for borrowing. At January 31, 2016, there were $221.6 million of borrowings outstanding, $5.6 million of letters of credit issued but not outstanding and $790.8 million available for borrowing. The weighted-average interest rate for borrowings outstanding was 2.71% at January 31, 2017 and 2.90% at January 31, 2016.

Senior Notes. In 2014, the Registrant 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). The Registrant 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.

In August 2016, the Registrant issued ¥10.0 billion ($88.0 million at January 31, 2017) of 0.78% Senior Notes due August 2026 (the "Yen Notes") in a private transaction. The Yen Notes bear interest at a rate of 0.78% per annum, payable semi-annually on February 26 and August 26 of each year, commencing February 26, 2017. The proceeds from the issuance of the Yen Notes were used to repay the Registrant's ¥10.0 billion 1.72% Senior Notes due September 2016 upon the maturity thereof. 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 37% at both January 31, 2017 and 2016.

At January 31, 2017, the Company was in compliance with all debt covenants.

Share Repurchases. 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 $310.4 million remained available for repurchase under the 2016 Program at January 31, 2017.

The Company's share repurchase activity was as follows:

(in millions, except per share amounts)	2016	2015	2014
Cost of repurchases	$ 183.6	$ 220.4	$ 27.0
Shares repurchased and retired	2.8	2.8	0.3
Average cost per share	$ 65.24	$ 78.40	$ 89.91

Dividends. The cash dividend on the Company's Common Stock was increased once in each of 2016, 2015 and 2014. The Company's Board of Directors declared quarterly dividends which totaled $1.75, $1.58 and $1.48 per common share in 2016, 2015 and 2014 with cash dividends paid of $218.8 million, $203.4 million and $191.2 million in those respective years. The dividend payout ratio (dividends as a percentage of net earnings) was 49%, 44% and 39% in 2016, 2015 and 2014. Dividends as a percentage of adjusted net earnings (see "Non-GAAP Measures") were 47% in 2016, 41% in 2015 and 35% in 2014.

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"), with a carrying amount, net of valuation allowance, of $5.9 million. The Loan, which was entered into between Koidu and Laurelton Diamonds, Inc. ("Laurelton"), 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.

As of January 31, 2016, Koidu had 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. 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, might take under the circumstances, management determined that it was probable that it would be unable to collect a portion of the amounts due under the contractual terms of the Loan, and recorded impairment charges, and a related valuation allowance, of $37.9 million in 2015. Additionally, the Company ceased accruing interest income on the outstanding Loan balance as of July 31, 2015. The carrying amount of the Company’s loan receivable from Koidu, net of the valuation allowance, was $5.9 million at January 31, 2016.

Koidu did not make any payments due to the Company under the Loan in 2016. On March 17, 2017, the Company entered into an agreement with Koidu's largest creditor under which that creditor has agreed to purchase the Company's interest in the loan, on and effective March 22, 2017, for $1.7 million. Based on this agreement, the Company has recorded an additional impairment charge, and a related valuation allowance, of $4.2 million in 2016 to reduce the carrying amount of the Company’s loan receivable from Koidu, net of the valuation allowance, to $1.7 million at January 31, 2017. Additionally, on March 16, 2017, the Company and Koidu entered into an agreement to terminate the supply agreement between the parties, pursuant to which Laurelton had previously been required to purchase at fair market value certain diamonds recovered from Koidu's mine that met Laurelton's quality standards. 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.

The Company also recorded an impairment charge, and a related valuation allowance, of $8.4 million during the fiscal year ended January 31, 2017 related to a separate financing arrangement with another diamond mining and exploration company.

Information Systems Assessment

The Company is engaged in a multi-year program to evaluate and, where appropriate, upgrade and/or replace certain of its information systems. As part of this program, the Company identified opportunities to enhance its finished goods inventory management and merchandising capabilities, and began development efforts to replace certain of its existing systems and provide these enhanced capabilities. The Company recently completed an assessment of the replacement system under development to evaluate whether the continued development of this system would deliver sufficiently improved operating capabilities. Following the completion of this assessment, in the three months ended January 31, 2017, the Company concluded that the development of this system should be modified such that the finished goods inventory management and merchandising capabilities that were intended to be delivered utilizing this new system will instead be delivered through further development of the Company’s current Enterprise Resource Planning system and continued implementation of a new order management system. Accordingly, the Company has evaluated the costs capitalized for the development of the replacement system for impairment in accordance with its policy on the review of long-lived assets, and determined, based on specific identification of costs capitalized pertaining to the development of specific capabilities in the new system, that $25.4 million of such capitalized costs relate to software functionality which will not be utilized, and therefore will not have future benefit to the Company. As such, the Company recorded a pre-tax impairment charge of $25.4 million as a component of Selling, General and Administrative expenses in the three months ended January 31, 2017. This multi-year program is ongoing and, as previously disclosed, may require significant capital expenditures and dedication of resources in both current and future periods, though management believes that the modified approach referenced above will ultimately result in a lower overall cost to the Company in delivering these capabilities.

Contractual Cash Obligations and Commercial Commitments

The following is a summary of the Company's contractual cash obligations at January 31, 2017:

(in millions)	Total	2017	2018-2019	2020-2021	Thereafter
Unrecorded contractual obligations:					
Operating leases [a]	$ 1,552.7	$ 286.2	$ 390.8	$ 317.5	$ 558.2
Inventory purchase obligations [b]	196.6	196.6	—	—	—
Interest on debt [c]	665.0	35.9	71.8	71.8	485.5
Other contractual obligations [d]	71.4	48.9	15.4	1.0	6.1
Recorded contractual obligations:					
Short-term borrowings	228.7	228.7	—	—	—
Long-term debt [e]	888.0	—	—	—	888.0
	$ 3,602.4	$ 796.3	$ 478.0	$ 390.3	$ 1,937.8

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, 2017 totaled $32.4 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, enter into arrangements to purchase rough diamonds that contain minimum purchase obligations. Inventory purchase obligations associated with these agreements have been estimated at approximately $60.0 million for 2017 and included in this table. Purchases beyond 2017 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 2016, and none is required in 2017, to meet the minimum funding requirements of the Employee Retirement Income Security Act ("ERISA"). However, the Company periodically evaluates whether to make discretionary cash contributions to the Qualified Plan and made a voluntary cash contribution of $120.0 million in 2016 but currently does not anticipate making such contributions in 2017. 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 $1.9 million in 2017.

- Unrecognized tax benefits at January 31, 2017 of $3.4 million and accrued interest and penalties of $8.3 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, 2017, approximately $1.0 million of total unrecognized tax benefits, if recognized, would affect the effective income tax rate. As of January 31, 2017,

unrecognized tax benefits are not expected to change materially 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, 2017:

(in millions)	Total Capacity	Borrowings Outstanding	Letters of Credit Issued	Available Capacity
Four-year revolving credit facility [a]	$ 375.0	$ 26.3	$ —	$ 348.7
Five-year revolving credit facility [b]	375.0	66.7	4.0	304.3
Other credit facilities [c]	281.1	135.7	—	145.4
	$ 1,031.1	$ 228.7	$ 4.0	$ 798.4

[a] Matures in October 2019.
[b] Matures in October 2020.
[c] Maturities through 2019.

In addition, the Company has other available letters of credit and financial guarantees of $76.1 million of which $26.4 million was outstanding at January 31, 2017. Of those available letters of credit and financial guarantees, $57.5 million expires within one year.

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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, 2017, a 10% change in the reserve for discontinued and slow-moving products would have resulted in a change of $6.5 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. In 2016, the Company recorded an asset impairment charge of $25.4 million associated with software costs capitalized in connection with the development of a new finished goods inventory management and merchandising information system (see "Item 8. Financial Statements and Supplementary Data - Note B. Summary of Significant Accounting

Policies and Note E. Property, Plant and Equipment" for additional information). The Company did not record any material impairment charges in 2015 or 2014.

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 2016, 2015 and 2014 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 2016 and 2015, the Company recorded impairment charges totaling $12.6 million and $37.9 million, respectively (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.

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, 2017, total unrecognized tax benefits were $3.4 million of which approximately $1.0 million, if recognized, would affect the effective income tax rate. As of January 31, 2017, unrecognized tax benefits are not expected to change materially 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 4.50% to determine 2016 expense for its U.S. Qualified Plan as well as its postretirement plans and 4.25% for its Excess Plan/SRIP. Holding all other assumptions constant, a 0.5% increase in the discount rates would have decreased 2016 pension and postretirement expenses by $6.1 million and $0.5 million. A decrease of 0.5% in the discount rates would have increased the 2016 pension and postretirement expenses by $6.6 million and $0.3 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 7.00% to determine its 2016 pension expense. Holding all other assumptions constant, a 0.5% change in the long-term rate of return would have changed the 2016 pension expense by approximately $1.7 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, a 7.00% annual rate of increase in the per capita cost of covered health care was assumed for 2017. The rate was assumed to decrease gradually to 4.75% by 2023 and remain at that level thereafter. A one-percentage-point change in the assumed health-care cost trend rate would not have a significant effect on the Company's accumulated postretirement benefit obligation for the year ended January 31, 2017 or aggregate service and interest cost components of the 2016 postretirement expense.

2017 Outlook

For the fiscal year ending January 31, 2018 ("fiscal 2017"), management's outlook calls for: (i) worldwide net sales increasing over the prior year by a low-single-digit percentage and by a mid-single-digit percentage on a constant-exchange-rate basis and (ii) net earnings per diluted share increasing by a high-single-digit percentage over 2016's earnings per diluted share of $3.55 and by a mid-single-digit percentage over 2016's earnings per diluted share (excluding charges) of $3.75 (see "Non-GAAP Measures"). These expectations are approximations and are based on the Company's plans and assumptions, including: (i) worldwide gross retail square footage increasing 3%, net through 11 store openings, 9 relocations and 6 closings; (ii) operating margin above the prior year entirely due to an expected increase in gross margin, with SG&A expenses increasing slightly faster than sales growth; (iii) interest and other expenses, net of approximately $40 million; (iv) an effective income tax rate consistent with the prior year; (v) the U.S. dollar in 2017 stronger overall than other foreign currencies on a year-over-year basis; and (vi) minimal benefit to net earnings per diluted share from share repurchases.

Management also expects for fiscal 2017: (i) net cash provided by operating activities of approximately $700 million and (ii) free cash flow (see "Non-GAAP Measures") of approximately $450 million. These expectations are approximations and are based on the Company's plans and assumptions, including: (i) net inventories unchanged from the prior year, (ii) capital expenditures of $250 million and (iii) net earnings in line with management’s expectations as described above.

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, 2017 is 12 months. At January 31, 2017 and 2016, the fair values of the Company's outstanding foreign exchange forwards were net assets of $7.1 million and net liabilities of $0.9 million, respectively.

In 2016, the Company entered into cross-currency swaps to hedge the foreign exchange risk associated with Japanese yen-denominated intercompany loans. As of January 31, 2017, the notional amount of these cross-currency swaps was approximately ¥10.6 billion or $100.0 million. The cross-currency swaps have a term ending on October 1, 2024. At January 31, 2017, the fair value of the Company's outstanding cross-currency swaps were liabilities of $0.4 million.

At January 31, 2017, for the total contracts and swaps noted above, 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 $44.0 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 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. The maximum term of the Company's outstanding precious metal forward contracts as of January 31, 2017 is 24 months. At January 31, 2017 and 2016, the fair values of the Company's outstanding precious metal derivative instruments were net liabilities of $1.7 million and $12.6 million, respectively. At January 31, 2017, a 10% depreciation in precious metal prices from the prevailing market rates would have resulted in a liability with a fair value of approximately $16.0 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, 2017 and 2016, and the results of their operations and their cash flows for each of the three years in the period ended January 31, 2017 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, 2017, 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.

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 17, 2017

CONSOLIDATED BALANCE SHEETS

(in millions, except per share amounts)	January 31, 2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 928.0	$ 843.6
Short-term investments	57.8	43.0
Accounts receivable, less allowances of $11.5 and $11.5	226.8	206.4
Inventories, net	2,157.6	2,225.0
Prepaid expenses and other current assets	203.4	190.4
Total current assets	3,573.6	3,508.4
Property, plant and equipment, net	931.8	935.8
Deferred income taxes	301.8	382.8
Other assets, net	290.4	294.6
	$ 5,097.6	$ 5,121.6
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	$ 228.7	$ 221.6
Current portion of long-term debt	—	84.2
Accounts payable and accrued liabilities	312.8	329.1
Income taxes payable	22.1	27.1
Merchandise credits and deferred revenue	69.2	67.9
Total current liabilities	632.8	729.9
Long-term debt	878.4	790.0
Pension/postretirement benefit obligations	318.6	428.1
Deferred gains on sale-leasebacks	45.9	55.1
Other long-term liabilities	193.5	189.0
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 124.5 and 126.8	1.2	1.3
Additional paid-in capital	1,190.2	1,175.7
Retained earnings	2,078.3	2,012.5
Accumulated other comprehensive loss, net of tax	(256.2)	(278.1)
Total Tiffany & Co. stockholders' equity	3,013.5	2,911.4
Non-controlling interests	14.9	18.1
Total stockholders' equity	3,028.4	2,929.5
	$ 5,097.6	$ 5,121.6

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF EARNINGS

	Years Ended January 31,		
(in millions, except per share amounts)	2017	2016	2015
Net sales	$ 4,001.8	$ 4,104.9	$ 4,249.9
Cost of sales	1,511.5	1,613.6	1,712.7
Gross profit	2,490.3	2,491.3	2,537.2
Selling, general and administrative expenses	1,769.1	1,731.2	1,645.8
Earnings from operations	721.2	760.1	891.4
Interest expense and financing costs	46.0	49.0	62.9
Other (income) expense, net	(1.4)	1.2	(2.8)
Loss on extinguishment of debt	—	—	93.8
Earnings from operations before income taxes	676.6	709.9	737.5
Provision for income taxes	230.5	246.0	253.3
Net earnings	$ 446.1	$ 463.9	$ 484.2
Net earnings per share:			
Basic	$ 3.57	$ 3.61	$ 3.75
Diluted	$ 3.55	$ 3.59	$ 3.73
Weighted-average number of common shares:			
Basic	125.1	128.6	129.2
Diluted	125.5	129.1	129.9

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

	Years Ended January 31,		
(in millions)	2017	2016	2015
Net earnings	$ 446.1	$ 463.9	$ 484.2
Other comprehensive earnings (loss), net of tax			
Foreign currency translation adjustments	(8.4)	(59.0)	(93.1)
Unrealized gain (loss) on marketable securities	1.8	(2.9)	(0.8)
Unrealized gain (loss) on hedging instruments	10.7	(21.4)	1.2
Net unrealized gain (loss) on benefit plans	17.8	95.7	(139.2)
Total other comprehensive earnings (loss), net of tax	21.9	12.4	(231.9)
Comprehensive earnings	$ 468.0	$ 476.3	$ 252.3

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, 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 restricted stock units ("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
Exercise of stock options and vesting of RSUs	12.5	—	—	0.5	—	12.5	—
Tax effect of exercise of stock options and vesting of RSUs	(0.5)	—	—	—	—	(0.5)	—
Share-based compensation expense	24.5	—	—	—	—	24.5	—
Purchase and retirement of Common Stock	(183.6)	(161.5)	—	(2.8)	(0.1)	(22.0)	—
Cash dividends on Common Stock	(218.8)	(218.8)	—	—	—	—	—
Other comprehensive earnings, net of tax	21.9	—	21.9	—	—	—	—
Net earnings	446.1	446.1	—	—	—	—	—
Non-controlling interests	(3.2)	—	—	—	—	—	(3.2)
Balance at January 31, 2017	$ 3,028.4	$ 2,078.3	$ (256.2)	124.5	$ 1.2	$ 1,190.2	$ 14.9

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended January 31,		
(in millions)	2017	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings	$ 446.1	$ 463.9	$ 484.2
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	208.5	202.5	194.2
Amortization of gain on sale-leasebacks	(8.5)	(8.3)	(9.2)
Excess tax benefits from share-based payment arrangements	(0.7)	(2.2)	(14.1)
Provision for inventories	19.2	25.4	33.6
Deferred income taxes	46.1	(1.9)	37.7
Provision for pension/postretirement benefits	45.4	65.8	39.2
Share-based compensation expense	24.3	24.5	26.5
Loan impairment charges	12.6	37.9	—
Asset impairment charge	25.4	—	—
Changes in assets and liabilities:			
Accounts receivable	(19.2)	(16.7)	(17.6)
Inventories	54.8	63.7	(167.6)
Prepaid expenses and other current assets	33.6	1.1	(20.9)
Other assets, net	0.8	(17.5)	(20.2)
Accounts payable and accrued liabilities	(24.6)	(15.3)	(5.9)
Income taxes payable	(39.3)	3.1	81.9
Merchandise credits and deferred revenue	1.5	3.0	(2.7)
Other long-term liabilities	(123.9)	(15.4)	(24.0)
Net cash provided by operating activities	702.1	813.6	615.1
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of marketable securities and short-term investments	(125.5)	(100.0)	(40.1)
Proceeds from sales of marketable securities and short-term investments	109.8	73.6	55.3
Capital expenditures	(222.8)	(252.7)	(247.4)
Proceeds from sale of assets, net	—	0.9	—
Proceeds from notes receivable	1.7	—	15.2
Net cash used in investing activities	(236.8)	(278.2)	(217.0)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from (repayment of) credit facility borrowings, net	14.2	(11.3)	(12.5)
Proceeds from other credit facility borrowings	76.8	24.8	19.8
Repayment of other credit facility borrowings	(83.1)	(16.0)	(3.4)
Proceeds from the issuance of long-term debt	98.1	—	548.0
Repayment of long-term debt	(97.1)	—	(400.0)
Payment for settlement of interest rate swaps	—	—	(4.2)
Repurchase of Common Stock	(183.6)	(220.4)	(27.0)
Proceeds from exercised stock options	15.3	2.0	42.9
Excess tax benefits from share-based payment arrangements	0.7	2.2	14.1
Cash dividends on Common Stock	(218.8)	(203.4)	(191.2)
Distribution to non-controlling interest	(3.8)	—	(1.9)
Financing fees	(1.5)	(0.2)	(8.0)
Net cash used in financing activities	(382.8)	(422.3)	(23.4)
Effect of exchange rate changes on cash and cash equivalents	1.9	0.5	9.5
Net increase in cash and cash equivalents	84.4	113.6	384.2
Cash and cash equivalents at beginning of year	843.6	730.0	345.8
Cash and cash equivalents at end of year	$ 928.0	$ 843.6	$ 730.0

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A. NATURE OF BUSINESS

Tiffany & Co. is a holding company that operates through its subsidiary companies (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 92% of worldwide net sales in 2016); 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 wholesale operations; and
- Other consists of all non-reportable segments. Other includes the Emerging Markets region, which includes sales in Company-operated TIFFANY & CO. stores and wholesale operations in the Middle East. In addition, Other includes wholesale sales of diamonds 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.

Certain prior year amounts have been reclassified to conform with the current year presentation. The Company adopted ASU No. 2015-03 – *Simplifying the Presentation of Debt Issuance Costs*, on a retrospective basis, as of February 1, 2016. Accordingly, debt issuance costs of $8.1 million were reclassified from other assets, net to a direct deduction from long-term debt at January 31, 2016.

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, 2017 and 2016, 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. In order for the account to return to current status, full payment on all past due amounts needs to be received by the Company. 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, 2017 and 2016, the carrying amount of the Credit Receivables (recorded in accounts receivable, net) was $71.9 million and $75.2 million, of which 97% were considered current in both periods. The allowance for doubtful accounts for estimated losses associated with the Credit Receivables (approximately $1.1 million at January 31, 2017 and $1.0 million at January 31, 2016) 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.

As of January 31, 2017, the Company had a $43.8 million financing arrangement (the "Loan") with Koidu Limited (previously Koidu Holdings S.A.) ("Koidu"). The Company recorded impairment charges totaling $4.2 million and $37.9 million during the fiscal years ended January 31, 2017 and 2016 related to the Loan and ceased accruing interest income on the loan as of July 2015. The net carrying amount of the Loan was $1.7 million as of January 31, 2017. See "Note J. Commitments and Contingencies" for additional information on this financing arrangement.

The Company also recorded an impairment charge, and a related valuation allowance, of $8.4 million during the fiscal year ended January 31, 2017 related to a separate financing arrangement with another diamond mining and exploration company.

At January 31, 2017 and 2016, the current portion of the carrying amount of financing arrangements including accrued interest was $4.6 million and $2.1 million and was recorded in prepaid expenses and other current assets. At January 31, 2017 and 2016, the non-current portion of the carrying amount of financing arrangements including accrued interest was $4.4 million and $18.9 million and was included in other assets, net.

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
Software	5-10 years
Furniture and fixtures	3-10 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 2016, 2015 or 2014.

Information Systems Development Costs

Eligible costs incurred during the development stage of information systems projects are capitalized and amortized over the estimated useful life of the related project. Eligible costs include those related to the purchase, development, and installation of the related software. Costs incurred prior to the development stage, as well as costs for maintenance, data conversion, training, and other general and administrative costs, are expensed as incurred. Costs that are capitalized are included in Property, Plant and Equipment, in Construction-in-progress while in the development stage and in Software once placed into service.

Capitalized software costs are subject to the Company's accounting policy related to the review of long-lived assets for impairment. See "Impairment of Long-Lived Assets" below for further details.

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, 2017		January 31, 2016	
(in millions)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Product rights	$ 48.9	$ (11.0)	$ 49.6	$ (9.2)
Key money deposits	31.9	(4.1)	32.7	(3.3)
Trademarks	2.5	(2.5)	2.5	(2.5)
	$ 83.3	$ (17.6)	$ 84.8	$ (15.0)

Amortization of intangible assets and key money for the years ended January 31, 2017, 2016 and 2015 was $3.4 million, $3.7 million and $7.8 million. Amortization expense is estimated to be approximately $3.4 million in each of the next five years.

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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, 2017 and 2016, goodwill, included in other assets, net, consisted of the following by segment:

(in millions)	Americas	Asia-Pacific	Japan	Europe	Other	Total
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
Translation	(0.1)	—	(0.1)	0.1	—	(0.1)
January 31, 2017	$ 12.1	$ 0.3	$ 1.0	$ 1.1	$ 23.9	$ 38.4

The Company recorded no impairment charges related to goodwill in 2016, 2015 or 2014.

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. In 2016, the Company recorded an asset impairment charge of $25.4 million associated with the costs capitalized in connection with the development of a new finished goods inventory management and merchandising information system (see "Note E. Property, Plant and Equipment" for additional information). The Company recorded no significant impairment charges related to long-lived assets in 2015 or 2014.

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 (income) expense, 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 $2.9 million and $0.9 million of gross unrealized gains and $1.1 million and $1.8 million of gross unrealized losses within accumulated other comprehensive loss as of January 31, 2017 and 2016.

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 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, 2017, 2016 or 2015.

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 2016, 2015 and 2014, these costs totaled $299.0 million, $302.0 million and $284.0 million, representing 7.5%, 7.4% and 6.7% 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 (income) expense, net, the Company recorded net losses resulting from foreign currency transactions of $4.8 million, $9.8 million and $3.7 million in 2016, 2015 and 2014, respectively.

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)	2017	2016	2015
Net earnings for basic and diluted EPS	$ 446.1	$ 463.9	$ 484.2
Weighted-average shares for basic EPS	125.1	128.6	129.2
Incremental shares based upon the assumed exercise of stock options and unvested restricted stock units	0.4	0.5	0.7
Weighted-average shares for diluted EPS	125.5	129.1	129.9

For the years ended January 31, 2017, 2016 and 2015, there were 1.3 million, 0.8 million and 0.3 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: Deferral of the Effective Date*, deferring the effective date of ASU 2014-09 for one year to interim and annual reporting 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 full or modified retrospective application is permitted. Subsequently, the FASB has issued a number of ASU's amending ASU-2014-09 and providing further guidance related to revenue recognition, which management is collectively evaluating. The effective date and transition requirements for these amendments are the same as ASU 2014-09, as amended by ASU 2015-14. Management is currently evaluating the impact of the new guidance on the consolidated financial statements. The Company has identified an implementation project team and related oversight processes and has commenced the assessment phase of the project. The Company has not concluded as to whether the new guidance will be adopted on a full or modified retrospective basis, but will not apply the early adoption provisions of the new guidance.

In July 2015, the FASB issued ASU No. 2015-11 – *Inventory: 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 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. Leases will be classified as either financing or operating, similar to current accounting requirements, with the applicable classification determining the pattern of expense recognition in the statement of earnings. 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, but expects that adoption will result in a significant increase in the Company's assets and liabilities. The Company has identified an implementation project team and related oversight processes and has commenced the assessment phase of the project.

In March 2016, the FASB issued ASU No. 2016-05 – *Derivatives and Hedging: Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships*, which states that a change in counterparty to a derivative instrument does not, in and of itself, require dedesignation of that hedging relationship provided that all other hedge account criteria continue to be met. This ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. The amendments should be applied on either a prospective basis or a modified retrospective basis and earlier application is permitted. Management does not believe the adoption of this ASU will have a material impact on the consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09 – *Compensation – Stock Compensation: Improvements to Employee Share-Based Payment Accounting*, which provides guidance on several aspects of accounting for share-based payment transactions, including the accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification on the statement of cash flows. Most notably, the Company will be required to recognize all excess tax benefits and shortfalls as income tax expense or benefit in the statement of earnings within the reporting period in which they occur. This ASU is effective for interim and annual periods beginning after December 15, 2016 and early adoption is permitted. Management is currently evaluating the impact of this ASU on the consolidated financial statements, but anticipates adoption will result in increased earnings volatility due to the immediate recognition of excess tax benefits and shortfalls.

In June 2016, the FASB issued ASU 2016-13 – *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 amends the impairment model to utilize an expected loss methodology in place of the currently used incurred loss methodology, which will result in the more timely recognition of losses. The new standard applies to financial assets measured at amortized cost basis, including receivables that result from revenue transactions and held-to-maturity debt securities. The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019, and early adoption is permitted for fiscal years beginning after December 15, 2018. Management is currently evaluating the impact of this ASU on the consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15 – *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments*, which provides guidance on eight specific cash flow issues in an effort to reduce diversity in practice in how certain transactions are classified within the statement of cash flows. This ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. Early adoption is permitted and the amendments should be applied using a retrospective method. Management is currently evaluating the impact of this ASU on the consolidated financial statements.

In October 2016, the FASB issued ASU 2016-16 – *Income Taxes: Intra-Entity Transfers of Assets Other Than Inventory*. This ASU eliminates the requirement to defer the recognition of current and deferred income taxes for an intra-entity asset transfer until the asset has been sold to an outside party. Therefore, under the new guidance, an entity should recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when

the transfer occurs. This ASU is effective for interim and annual reporting periods beginning after December 15, 2017. Early adoption is permitted as of the first interim period and the amendments should be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. Management is currently evaluating the impact of this ASU on the consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04 – *Intangibles - Goodwill and Other: Simplifying the Test for Goodwill Impairment*. This ASU eliminates step 2 (which measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill) from the goodwill impairment test. Instead, if the carrying amount of a reporting unit exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. This ASU should be adopted by the Company for its annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. Management does not believe the adoption of this ASU will have a material impact on the consolidated financial statements.

C. SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid during the year for:

	Years Ended January 31,		
(in millions)	2017	2016	2015
Interest, net of interest capitalization	$ 40.6	$ 42.5	$ 59.7
Income taxes	$ 213.9	$ 237.5	$ 133.4

Supplemental noncash investing and financing activities:

	Years Ended January 31,		
(in millions)	2017	2016	2015
Accrued capital expenditures	$ 10.7	$ 8.2	$ 8.2
Issuance of Common Stock under the Employee Profit Sharing and Retirement Savings Plan	$ —	$ —	$ 3.9

D. INVENTORIES

	January 31,	
(in millions)	2017	2016
Finished goods	$ 1,249.4	$ 1,292.9
Raw materials	806.3	813.7
Work-in-process	101.9	118.4
Inventories, net	$ 2,157.6	$ 2,225.0

E. PROPERTY, PLANT AND EQUIPMENT

(in millions)	January 31, 2017	2016
Land	$ 41.8	$ 45.6
Buildings	122.5	120.9
Leasehold and building improvements	1,195.8	1,108.6
Office equipment	245.7	254.0
Software	312.4	295.1
Furniture and fixtures	281.2	265.3
Machinery and equipment	177.7	169.2
Construction-in-progress	78.6	95.7
	2,455.7	2,354.4
Accumulated depreciation and amortization	(1,523.9)	(1,418.6)
	$ 931.8	$ 935.8

The provision for depreciation and amortization for the years ended January 31, 2017, 2016 and 2015 was $202.5 million, $196.3 million and $182.8 million, respectively.

Information Systems Assessment. The Company is engaged in a multi-year program to evaluate and, where appropriate, upgrade and/or replace certain of its information systems. As part of this program, the Company identified opportunities to enhance its finished goods inventory management and merchandising capabilities, and began development efforts to replace certain of its existing systems and provide these enhanced capabilities. The Company recently completed an assessment of the replacement system under development to evaluate whether the continued development of this system would deliver sufficiently improved operating capabilities. Following the completion of this assessment, in the three months ended January 31, 2017, the Company concluded that the development of this system should be modified such that the finished goods inventory management and merchandising capabilities that were intended to be delivered utilizing this new system will instead be delivered through further development of the Company's current Enterprise Resource Planning system and continued implementation of a new order management system. Accordingly, the Company has evaluated the costs capitalized for the development of the replacement system for impairment in accordance with its policy on the review of long-lived assets (see "Note B. Summary of Significant Accounting Policies"), and determined, based on specific identification of costs capitalized pertaining to the development of specific capabilities in the new system, that $25.4 million of such capitalized costs relate to software functionality which will not be utilized, and therefore will not have future benefit to the Company. As such, the Company recorded a pre-tax impairment charge of $25.4 million as a component of SG&A expenses in the three months ended January 31, 2017.

F. ACCOUNTS PAYABLE AND ACCRUED LIABILTIES

(in millions)	January 31, 2017	2016
Accounts payable - trade	$ 108.6	$ 127.8
Accrued compensation and commissions	96.3	77.9
Accrued sales, withholding and other taxes	26.7	21.9
Other	81.2	101.5
	$ 312.8	$ 329.1

G. DEBT

(in millions)		January 31, 2017		2016
Short-term borrowings:				
Credit Facilities	$	93.0	$	76.6
Other credit facilities		135.7		145.0
	$	228.7	$	221.6
Long-term debt:				
Unsecured Senior Notes:				
2010 1.72% Senior Notes, due September 2016 [a, b]	$	—	$	84.2
2012 4.40% Series B Notes, due July 2042 [c]		250.0		250.0
2014 3.80% Senior Notes, due October 2024 [d, e]		250.0		250.0
2014 4.90% Senior Notes, due October 2044 [d, e]		300.0		300.0
2016 0.78% Senior Notes, due August 2026 [b, d]		88.0		—
		888.0		884.2
Less current portion of long-term debt		—		84.2
Less unamortized discounts and debt issuance costs		9.6		10.0
	$	878.4	$	790.0

[a] These Senior Notes were repaid upon the maturity thereof during the year ended January 31, 2017 using the proceeds from the issuance of the 0.78% Senior Notes due August 2026.

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

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

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

[e] These Senior 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.

In October 2016, the maturity for each of the New Credit Facilities was extended for one additional year pursuant to the terms set forth in the respective agreements governing the New Credit Facilities. Therefore, the four-year and five-year New Credit Facilities will mature in October of 2019 and 2020, respectively.

At January 31, 2017, there were $93.0 million of borrowings outstanding, $4.0 million of letters of credit issued but not outstanding and $653.0 million available for borrowing under the New Credit Facilities. 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 borrowings. The weighted-average interest rate for borrowings outstanding was 1.72% at January 31, 2017 and 1.54% at January 31, 2016.

Other Credit Facilities

Tiffany-Shanghai Credit Agreement. In July 2016, 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 990.0 million ($143.8 million at January 31, 2017). The Tiffany-Shanghai Credit Agreement, which matures in July 2019, was made available to refinance amounts outstanding under Tiffany-Shanghai's previously existing RMB 930.0 million three-year multi-bank revolving credit agreement (the "2013 Agreement"), which expired pursuant to its terms in July 2016, as well as for Tiffany-Shanghai's ongoing general working capital requirements. The six lenders 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 (provided, that if such announced rate is below zero, the applicable interest rate shall be deemed to be zero). In connection with the Tiffany-Shanghai Credit Agreement, in July 2016 Tiffany & Co. entered into a Guaranty Agreement by and between Tiffany & Co. and the facility agent under the Tiffany-Shanghai Credit Agreement (the "Guaranty"). At January 31, 2017, there was $103.6 million available to be borrowed under the Tiffany-Shanghai Credit Agreement and $40.2 million was outstanding at a weighted-average interest rate of 4.35%. At January 31, 2016, there was $99.3 million available to be borrowed under the 2013 Agreement and $42.1 million was outstanding at a weighted-average interest rate of 4.72%.

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Other. The Company has various other revolving credit facilities, primarily in Japan and China. At January 31, 2017, the facilities totaled $137.3 million and $95.5 million was outstanding at a weighted-average interest rate of 2.99%. At January 31, 2016, the facilities totaled $126.6 million and $102.9 million was outstanding at a weighted-average interest rate of 3.16%.

Senior Notes

2014 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 "2014 Notes"). The 2014 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 2014 Notes for general corporate purposes. The 2014 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 2014 Notes on the immediately preceding March 15 and September 15.

Tiffany & Co. has the option to redeem the 2014 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 2014 Notes to be redeemed, plus (ii) accrued and unpaid interest, if any, on those 2014 Notes to the redemption date, plus (iii) a make-whole premium as of the redemption date, as defined in the indenture governing the 2014 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 2014 Notes, each holder of 2014 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.

2016 Senior Notes. In August 2016, Tiffany & Co. issued ¥10.0 billion ($88.0 million at January 31, 2017) of 0.78% Senior Notes due August 2026 (the "Yen Notes") in a private transaction. The proceeds from the issuance of the Yen Notes were used to repay Tiffany & Co.'s ¥10.0 billion 1.72% Senior Notes due September 2016 upon the maturity thereof. The Yen Notes bear interest at a rate of 0.78% per annum, payable semi-annually on February 26 and August 26 of each year, commencing February 26, 2017. Tiffany & Co. may redeem all or part of the Yen Notes upon not 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 Yen Notes to be redeemed, plus (ii) accrued and unpaid interest, if any, on those Yen Notes to the redemption date, plus (iii) a make-whole premium as of the redemption date.

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 2012 4.40% Series B Senior Notes and the Yen 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, 2017, 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 2012 4.40% Series B Senior Notes and the Yen 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, 2017 are as follows:

Years Ending January 31,		Amount [a] (in millions)
2018	$	—
2019		—
2020		—
2021		—
2022		—
Thereafter		888.0
	$	888.0

[a] Amounts exclude any unamortized discount or premium.

Letters of Credit

The Company has available letters of credit and financial guarantees of $76.1 million of which $26.4 million was outstanding at January 31, 2017. Of those available letters of credit and financial guarantees, $57.5 million expires within one year. These amounts do not include letters of credit issued under the Credit Facilities.

FORM 10-K

H. HEDGING INSTRUMENTS

Background Information

The Company uses derivative financial instruments, including interest rate swaps, cross-currency 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, 2017, $19.8 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 shortly thereafter (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 swaps in 2014 and recorded an unrealized loss within accumulated other comprehensive loss. As of January 31, 2017, $3.8 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.

Cross-currency Swaps – In 2016, the Company entered into cross-currency swaps to hedge the foreign exchange risk associated with Japanese yen-denominated intercompany loans. These cross-currency swaps are designated and accounted for as cash flow hedges. As of January 31, 2017, the notional amount of cross-currency swaps accounted for as cash flow hedges was approximately ¥10.6 billion or $100.0 million. The cross-currency swaps have a term ending on October 1, 2024.

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, 2017, 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	¥	16,669.0	$	156.1
British pound	£	13.3		17.5
Derivatives not designated as hedging instruments:				
U.S. dollar	$	58.3	$	58.3
Euro	€	28.0		29.7
British pound	£	5.5		6.8
Japanese yen	¥	952.8		8.4
Korean won	₩	15,011.6		12.5
Mexican peso	₱	167.1		7.7
New Zealand dollar	NZ$	11.7		8.4
Singapore dollar	S$	25.1		17.7
Swiss franc	Fr.	4.3		4.2

The maximum term of the Company's outstanding foreign exchange forward contracts as of January 31, 2017 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. As of January 31, 2017, 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, 2017, there were precious metal derivative instruments outstanding for approximately 72,000 ounces of platinum, 1,440,000 ounces of silver and 51,500 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,			
	2017		2016	
(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]	$ (1.5)	$ (1.5)	$ 3.9	$ 20.2
Precious metal collars [a]	—	—	0.2	—
Precious metal forward contracts [a]	14.0	(8.5)	(26.3)	(7.0)
Cross-currency swaps [c]	(0.4)	6.6	—	—
Forward-starting interest rate swaps [b]	—	(1.5)	—	(1.5)
	$ 12.1	$ (4.9)	$ (22.2)	$ 11.7

[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.
[c] The gain or loss recognized in earnings is included within Other (income) expense, net.

The pre-tax losses on derivatives not designated as hedging instruments were $9.2 million in the year ended January 31, 2017 and were included in other (income) expense, net. Such gains and losses were not significant in the year ended January 31, 2016. There was no material ineffectiveness related to the Company's hedging instruments for the periods ended January 31, 2017 and 2016. The Company expects approximately $1.1 million of net pre-tax derivative losses included in accumulated other comprehensive income at January 31, 2017 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 and cross-currency swaps, 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, 2017 are classified in the table below in one of the three categories described above:

	Estimated Fair Value			Total Fair Value
(in millions)	Level 1	Level 2	Level 3	
Financial assets				
Marketable securities [a]	$ 36.4	$ —	$ —	$ 36.4
Time deposits [b]	57.8	—	—	57.8
Derivatives designated as hedging instruments:				
Precious metal forward contracts [c]	—	3.6	—	3.6
Precious metal collars [c]	—	0.4	—	0.4
Foreign exchange forward contracts [c]	—	9.6	—	9.6
Derivatives not designated as hedging instruments:				
Foreign exchange forward contracts [c]	—	0.3	—	0.3
Total financial assets	$ 94.2	$ 13.9	$ —	$ 108.1

	Estimated Fair Value			Total Fair Value
(in millions)	Level 1	Level 2	Level 3	
Financial liabilities				
Derivatives designated as hedging instruments:				
Precious metal forward contracts [d]	$ —	$ 5.4	$ —	$ 5.4
Precious metal collars [d]	—	0.3	—	0.3
Foreign exchange forward contracts [d]	—	0.6	—	0.6
Cross-currency swaps [d]	—	0.4	—	0.4
Derivatives not designated as hedging instruments:				
Foreign exchange forward contracts [d]	—	2.2	—	2.2
Total financial liabilities	$ —	$ 8.9	$ —	$ 8.9

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:

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

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

[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 at January 31, 2017 and 2016.

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, beginning from when the Company takes possession of the leased facility. 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, 2017, $45.9 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)	2017	2016	2015
Minimum rent for retail locations	$ 184.1	$ 172.2	$ 158.2
Contingent rent based on sales	32.4	34.9	38.6
Office, distribution and manufacturing facilities and equipment	40.0	37.0	35.8
	$ 256.5	$ 244.1	$ 232.6

In addition, the Company operates certain TIFFANY & CO. stores within various department stores outside the U.S. and has agreements where the department store operators provide store facilities and other services. The Company pays the department store operators a percentage fee based on sales generated in these locations (recorded as commission expense within SG&A expenses) which totaled $117.9 million, $109.4 million and $113.7 million in 2016, 2015 and 2014, 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)*
2018	$ 286.2
2019	203.6
2020	187.2
2021	168.8
2022	148.7
Thereafter	558.2

[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 a minimum volume of rough diamonds at prevailing fair market prices. Under those agreements, management anticipates that it will purchase approximately $60.0 million of rough diamonds in 2017. Purchases beyond 2017 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.

As of January 31, 2016, Koidu had 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. 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, might take under the circumstances, management determined that it was probable that it would be unable to collect a portion of the amounts due under the contractual terms of the Loan, and recorded impairment charges, and a related valuation allowance, of $37.9 million in 2015. Additionally, the Company ceased accruing interest income on the outstanding Loan balance as of July 31, 2015. The carrying amount of the Company’s loan receivable from Koidu, net of the valuation allowance, was $5.9 million at January 31, 2016.

Koidu did not make any payments due to the Company under the Loan in 2016. On March 17, 2017, the Company entered into an agreement with Koidu's largest creditor under which that creditor has agreed to purchase the Company's interest in the loan, on and effective March 22, 2017, for $1.7 million. Based on this agreement, the Company has recorded an additional impairment charge, and a related valuation allowance, of $4.2 million in 2016 to reduce the carrying amount of the Company's loan receivable from Koidu, net of the valuation allowance, to $1.7 million at January 31, 2017. Additionally, on March 16, 2017, the Company and Koidu entered into an agreement to terminate the supply agreement between the parties, pursuant to which Laurelton had previously been required to purchase at fair market value certain diamonds recovered from the Mine that met Laurelton's quality standards.

Contractual Cash Obligations and Contingent Funding Commitments

At January 31, 2017, the Company's contractual cash obligations and contingent funding commitments were for inventory purchases of $196.6 million (which includes the $60.0 million obligation discussed in Diamond Sourcing Activities above), as well as for other contractual obligations of $71.4 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 $73.0 million at January 31, 2017) (based on its alleged wasted investment) to CHF 3.8 billion (or approximately $3.8 billion at January 31, 2017) (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 $121.0 million at January 31, 2017) (based on its wasted investment) to approximately CHF 540.0 million (or approximately $542.0 million at January 31, 2017) (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 took action in the Dutch courts to appeal the District Court's decision, and a three-judge panel presided over an appellate hearing in respect of the annulment, and the related claim by the Tiffany Parties for return of the Arbitration Damages and related costs, on June 29, 2016. That panel's decision, which may be appealed to the Supreme Court of the Netherlands, is pending. As a result of this ongoing appellate process, the Arbitration Award may ultimately be upheld by the courts of the Netherlands. Registrant’s management expects that the annulment action is not likely to be ultimately resolved until at the earliest, Registrant's fiscal year ending January 31, 2018.

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.

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 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, 2017 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.

In 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.

Gain contingency. On February 14, 2013, Tiffany and Company and Tiffany (NJ) LLC (collectively, the "Tiffany plaintiffs") initiated a lawsuit against Costco Wholesale Corp. ("Costco") for trademark infringement, false designation of origin and unfair competition, trademark dilution and trademark counterfeiting (the "Costco Litigation"). The Tiffany plaintiffs sought injunctive relief, monetary recovery and statutory damages on account of Costco's use of "Tiffany" on signs in the jewelry cases at Costco stores used to describe certain diamond engagement rings that were not manufactured by Tiffany. Costco filed a counterclaim arguing that the TIFFANY trademark was a generic term for multi-pronged ring settings and seeking to have the trademark invalidated, modified or partially canceled in that respect. On September 8, 2015, the U.S. District Court for the Southern District of New York (the "Court") granted the Tiffany plaintiffs' motion for summary judgment of liability in its entirety, dismissing Costco's genericism counterclaim and finding that Costco was liable for trademark infringement, trademark counterfeiting and unfair

competition under New York law in its use of "Tiffany" on the above-referenced signs. On September 29, 2016, a civil jury rendered its verdict, finding that Costco's profits on the sale of the infringing rings should be awarded at $5.5 million, and further finding that an award of punitive damages was warranted. On October 5, 2016, the jury awarded $8.25 million in punitive damages. The aggregate award of $13.75 million is not final, and is subject to post-verdict motion practice and ultimately to adjustment by the Court. In such post-verdict motion practice, the Tiffany plaintiffs asserted that the profits award should be trebled and that Costco should also pay the Tiffany plaintiffs' legal fees in respect of this matter. Management expects that the Court will enter its final judgment as to the damages and other monetary recovery that Costco will be ordered to pay to the Tiffany plaintiffs during the Company's 2017 fiscal year. Management also expects that Costco will appeal this judgment, and that the Tiffany plaintiffs will be unable to enforce the judgment while the appeal is pending. As such, the Company has not recorded any amount in its consolidated financial statements related to this gain contingency as of January 31, 2017, and expects that this matter will not ultimately be resolved until, at the earliest, the Company's fiscal year ending January 31, 2018.

Environmental Matter

In 2005, the U.S. 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 the lower eight miles of the River, which is supported by a Focused Feasibility Study (the "FFS"). The FFS evaluated three remediation options, 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 a remediation plan for the lower eight miles of the River (the "RoD Remediation"). The RoD Remediation 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. The EPA did note that it estimates the design of the necessary remediation activities will take three to four years, with the remediation to follow, which is estimated to take an additional six years to complete.

On March 31, 2016, the EPA issued a letter to approximately 100 companies (including the Company) (collectively, the "notified companies") notifying them of potential liability for the RoD Remediation and of the EPA's planned approach to addressing the cost of the RoD Remediation, which included the possibility of a de-minimis cash-out settlement (the "settlement option") for certain parties. In April of 2016, the Company notified the EPA of its interest

in pursuing the settlement option, and accordingly recorded an immaterial liability representing its best estimate of its minimum liability for the RoD Remediation, which reflects the possibility of a de-minimis settlement. Although the EPA must determine which parties are eligible for the settlement option, the Company does not expect any settlement amount that it might agree with the EPA to be material to its financial position, results of operations or cash flows.

In October 2016, the EPA announced that it entered into a legal agreement with one of the notified companies, pursuant to which such company agreed to spend $165.0 million to perform the engineering and design work required in advance of the clean-up contemplated by the RoD Remediation (the "RoD Design Phase"). In the absence of a viable settlement option, the Company is unable to determine its participation in the overall RoD Remediation (of which the RoD Design Phase is only a part), if any, relative to the other potentially responsible parties or the allocation of the estimated cost thereof among the potentially responsible parties, until such time as the EPA reaches an agreement with any potentially responsible party or parties to fund the overall RoD Remediation (or pursues legal or administrative action to require any potentially responsible party or parties to perform, or pay for, the overall RoD Remediation). With respect to the RI/FS (which is distinct from the RoD Remediation), 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 liability, if any, beyond that already recorded for (1) its obligations under the 2007 AOC and the Mile 10.9 AOC, and (2) its estimate related to a de minimis cash-out settlement for the RoD Remediation, cannot be determined at this time. However, the Company does not expect that its ultimate liability related to the relevant 17-mile stretch of the River will be material to its financial position, 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. It is nonetheless possible that any resulting liability when the uncertainties discussed above are resolved could be material to the Company's results of operations or cash flows in the period in which such uncertainties are resolved.

Other Regulatory Matters

The Company is subject to regulations in various jurisdictions in which the Company operates, including those related to the sale of consumer products. During the Company's regular internal quality testing, the Company identified a potential breach of the Company's sourcing and quality standards applicable to third party vendors. The Company is currently in the early stages of assessing the composition of certain of its gold products manufactured by certain U.S. third-party vendors, which contain gold solder manufactured by other U.S. vendors, to determine whether such products are in compliance with applicable consumer products requirements and regulations. This assessment could result in the Company reporting instances of non-compliance to regulatory authorities in one or more markets, and incurring costs, including for the possible payment of fines and penalties. Management has not recorded any liability for these matters as it does not believe that such liability is probable and reasonably estimable. It is nonetheless possible that any resulting liability when the uncertainties discussed above are resolved could be material to the Company's results of operations or cash flows in the periods in which such uncertainties are resolved.

Other

In the fourth quarter of 2015, the Company implemented specific cost-reduction initiatives and recorded $8.8 million 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 and, effective February 5, 2017, Interim Chief Executive Officer 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 for

the Company's pension plan. Fees paid to the bank for services rendered and interest on debt amounted to $0.7 million and $1.3 million in 2015 and 2014.

L. STOCKHOLDERS' EQUITY

Accumulated Other Comprehensive Loss

	January 31,	
(in millions)	2017	2016
Accumulated other comprehensive (loss) earnings, net of tax:		
Foreign currency translation adjustments	$ (143.7)	$ (135.3)
Unrealized gain (loss) on marketable securities	0.8	(1.0)
Deferred hedging loss	(16.1)	(26.8)
Net unrealized loss on benefit plans	(97.2)	(115.0)
	$ (256.2)	$ (278.1)

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

	Years Ended January 31,		
(in millions)	2017	2016	2015
Foreign currency translation adjustments	$ 8.3	$ (59.9)	$ (101.9)
Income tax (expense) benefit	(16.7)	0.9	8.8
Foreign currency adjustments, net of tax	(8.4)	(59.0)	(93.1)
Unrealized gain (loss) on marketable securities	2.7	(4.1)	(0.9)
Reclassification for gain included in net earnings [a]	—	(0.4)	—
Income tax (expense) benefit	(0.9)	1.6	0.1
Unrealized gain (loss) on marketable securities, net of tax	1.8	(2.9)	(0.8)
Unrealized gain (loss) on hedging instruments	12.1	(22.2)	14.6
Reclassification adjustment for loss (gain) included in net earnings [b]	4.9	(11.7)	(13.0)
Income tax (expense) benefit	(6.3)	12.5	(0.4)
Unrealized gain (loss) on hedging instruments, net of tax	10.7	(21.4)	1.2
Prior service cost	—	—	(0.5)
Net actuarial gain (loss)	14.1	122.5	(234.6)
Amortization of net loss included in net earnings [c]	14.7	30.4	13.1
Amortization of prior service credit included in net earnings [c]	(0.7)	(0.6)	(0.4)
Income tax (expense) benefit	(10.3)	(56.6)	83.2
Net unrealized gain (loss) on benefit plans, net of tax	17.8	95.7	(139.2)
Total other comprehensive earnings (loss), net of tax	$ 21.9	$ 12.4	$ (231.9)

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

[b] These losses (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 2016, the Registrant's Board of Directors approved the termination of the Company's then-existing share repurchase program, which was approved in March 2014 and had authorized the Company to repurchase up to $300.0 million of its Common Stock through open market transactions (the "2014 Program") in favor of a new share repurchase program ("2016 Program"). The 2016 Program, which will expire on January 31, 2019, authorizes the Company to repurchase up to $500.0 million of its Common Stock through open market transactions, block trades or privately negotiated transactions. 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. Approximately $310.4 million remained available for repurchase under the 2016 Program at January 31, 2017.

The Company's share repurchase activity was as follows:

	Years Ended January 31,		
(in millions, except per share amounts)	2017	2016	2015
Cost of repurchases	$ 183.6	$ 220.4	$ 27.0
Shares repurchased and retired	2.8	2.8	0.3
Average cost per share	$ 65.24	$ 78.40	$ 89.91

Cash Dividends

The Company's Board of Directors declared quarterly dividends which, on an annual basis, totaled $1.75, $1.58 and $1.48 per share of Common Stock in 2016, 2015 and 2014.

On February 16, 2017, the Company's Board of Directors declared a quarterly dividend of $0.45 per share of Common Stock. This dividend will be paid on April 10, 2017 to stockholders of record on March 20, 2017.

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 and RSUs vest primarily in increments of 25% per year over four years. PSUs issued to the executive officers vest at the end of a three-year period. Vesting of all PSUs is contingent on the Company's performance against established 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 established objectives. Award holders are not entitled to receive dividends or dividend equivalents on unvested stock options or PSUs or RSUs granted prior to January 2017. PSUs and RSUs granted in January 2017 accrue dividend equivalents that may only be paid or delivered upon vesting of the underlying stock units.

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 expected term of the option is based on the U.S. Treasury yield curve in effect at the grant date.

	Years Ended January 31,		
	2017	2016	2015
Dividend yield	2.0%	1.9%	1.3%
Expected volatility	23.8%	28.1%	30.2%
Risk-free interest rate	1.8%	1.5%	1.5%
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, 2016	2.1	$ 67.59	7.02	$ 7.9
Granted	0.6	77.20		
Exercised	(0.3)	57.40		
Forfeited/canceled	(0.1)	75.16		
Outstanding at January 31, 2017	2.3	$ 70.72	7.50	$ 23.8
Exercisable at January 31, 2017	1.1	$ 66.42	5.70	$ 17.0

The weighted-average grant-date fair value of options granted for the years ended January 31, 2017, 2016 and 2015 was $14.36, $14.42 and $22.25. The total intrinsic value (market value on date of exercise less grant price) of options exercised during the years ended January 31, 2017, 2016 and 2015 was $4.5 million, $2.4 million and $44.1 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, 2016	0.5	$ 79.02
Granted	0.4	67.46
Vested	(0.2)	71.29
Forfeited	(0.1)	79.51
Non-vested at January 31, 2017	0.6	$ 73.33

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, 2016	0.7	$ 70.56
Granted	0.2	79.23
Vested	(0.1)	67.15
Forfeited/canceled	(0.1)	69.85
Non-vested at January 31, 2017	0.7	$ 73.52

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The weighted-average grant-date fair value of RSUs granted for the years ended January 31, 2016 and 2015 was $80.44 and $90.68. The weighted-average grant-date fair value of PSUs granted for the years ended January 31, 2016 and 2015 was $58.09 and $82.88.

As of January 31, 2017, there was $69.2 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, 2017, 2016 and 2015 was $13.6 million, $18.0 million and $27.7 million. The total fair value of PSUs vested during the years ended January 31, 2017, 2016 and 2015 was $6.3 million, $4.1 million and $8.1 million.

Total compensation cost for stock-based compensation awards recognized in income and the related income tax benefit was $24.3 million and $7.7 million for the year ended January 31, 2017, $24.5 million and $7.9 million for the year ended January 31, 2016 and $26.5 million and $8.9 million for the year ended January 31, 2015. 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 2016 and none is required in 2017 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 and made a voluntary cash contribution of $120.0 million in 2016 but currently does not anticipate to make such contributions in 2017. 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)	2017	2016	2017	2016
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 742.6	$ 841.7	$ 78.4	$ 92.9
Service cost	17.4	22.6	2.8	4.2
Interest cost	31.6	30.6	3.1	3.2
Participants' contributions	—	—	1.2	1.3
MMA retiree drug subsidy	—	—	—	0.2
Actuarial loss (gain)	15.9	(128.8)	(10.5)	(20.4)
Benefits paid	(24.3)	(23.1)	(2.5)	(3.0)
Curtailments	—	(0.2)	—	—
Translation	0.5	(0.2)	—	—
Benefit obligation at end of year	783.7	742.6	72.5	78.4
Change in plan assets:				
Fair value of plan assets at beginning of year	385.8	406.0	—	—
Actual return on plan assets	42.9	(2.2)	—	—
Employer contribution	125.7	5.1	1.3	1.5
Participants' contributions	—	—	1.2	1.3
MMA retiree drug subsidy	—	—	—	0.2
Benefits paid	(24.3)	(23.1)	(2.5)	(3.0)
Fair value of plan assets at end of year	530.1	385.8	—	—
Funded status at end of year	$ (253.6)	$ (356.8)	$ (72.5)	$ (78.4)

Actuarial gains in 2015 reflect increases in the discount rates for all plans.

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, 2017			
(in millions)	Qualified	Excess/SRIP	Other	Total
Projected benefit obligation	$ 661.5	$ 103.6	$ 18.6	$ 783.7
Fair value of plan assets	530.1	—	—	530.1
Funded status	$ (131.4)	$ (103.6)	$ (18.6)	$ (253.6)
Accumulated benefit obligation	$ 599.0	$ 90.9	$ 16.9	$ 706.8

(in millions)				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

At January 31, 2017, the Company had a current liability of $7.5 million and a non-current liability of $318.6 million for pension and other postretirement benefits. 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.

Amounts recognized in accumulated other comprehensive loss consist of:

				January 31,
	Pension Benefits		Other Postretirement Benefits	
(in millions)	2017	2016	2017	2016
Net actuarial loss (gain)	$ 161.8	$ 180.1	$ (0.1)	$ 10.4
Prior service cost (credit)	0.8	0.8	(2.4)	(3.0)
Total before tax	$ 162.6	$ 180.9	$ (2.5)	$ 7.4

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	$ 14.0	$ —
Prior service cost (credit)	0.2	(0.7)
	$ 14.2	$ (0.7)

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)	2017	2016	2015	2017	2016	2015
Service cost	$ 17.4	$ 22.6	$ 16.8	$ 2.8	$ 4.2	$ 2.4
Interest cost	31.6	30.6	28.3	3.1	3.2	2.6
Expected return on plan assets	(23.5)	(24.7)	(23.6)	—	—	—
Curtailments	—	0.2	—	—	—	—
Amortization of prior service cost	—	—	0.3	(0.7)	(0.7)	(0.7)
Amortization of net loss	14.7	28.9	13.1	—	1.5	—
Net periodic benefit cost	40.2	57.6	34.9	5.2	8.2	4.3
Net actuarial (gain) loss	(3.6)	(102.1)	199.8	(10.5)	(20.4)	34.8
Recognized actuarial loss	(14.7)	(28.9)	(13.1)	—	(1.5)	—
Prior service cost	—	—	0.5	—	—	—
Recognized prior service (cost) credit	—	(0.1)	(0.3)	0.7	0.7	0.7
Total recognized in other comprehensive earnings	(18.3)	(131.1)	186.9	(9.8)	(21.2)	35.5
Total recognized in net periodic benefit cost and other comprehensive earnings	$ 21.9	$ (73.5)	$ 221.8	$ (4.6)	$ (13.0)	$ 39.8

Assumptions

Weighted-average assumptions used to determine benefit obligations:

	January 31,	
	2017	2016
Discount rate:		
Qualified Plan	4.25%	4.50%
Excess Plan/SRIP	4.25%	4.25%
Other Plans	0.81%	1.05%
Other Postretirement Benefits	4.25%	4.50%
Rate of increase in compensation:		
Qualified Plan	3.00%	3.00%
Excess Plan	4.25%	4.25%
SRIP	6.50%	6.50%
Other Plans	1.12%	1.18%

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

	Years Ended January 31,		
	2017	2016	2015
Discount rate:			
Qualified Plan	4.50%	3.75%	4.75%
Excess Plan/SRIP	4.25%	3.75%	5.00%
Other Plans	1.40%	1.71%	1.81%
Other Postretirement Benefits	4.50%	3.50%	5.00%
Expected return on plan assets	7.00%	7.50%	7.50%
Rate of increase in compensation:			
Qualified Plan	3.00%	2.75%	2.75%
Excess Plan	4.25%	4.25%	4.25%
SRIP	6.50%	7.25%	7.25%
Other Plans	1.38%	1.56%	1.33%

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 7.00% annual rate of increase in the per capita cost of covered health care was assumed for 2017. This rate was assumed to decrease gradually to 4.75% by 2023 and remain at that level thereafter.

Assumed health-care cost trend rates can affect amounts reported for the Company's postretirement health-care benefits plan. A one-percentage-point change in the assumed health-care cost trend rate would not have a significant effect on the Company's accumulated postretirement benefit obligation for the year ended January 31, 2017 or aggregate service and interest cost components of the 2016 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, 2017 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, 2017 and 2016 by asset category is as follows:

(in millions)	Fair Value at January 31, 2017	Fair Value Measurements Using Inputs Considered as*		
		Level 1	Level 2	Level 3
Equity securities:				
U.S. equity securities	$ 56.2	$ 56.2	$ —	$ —
Mutual fund	35.1	35.1	—	—
Fixed income securities:				
Government bonds	78.2	77.8	0.4	—
Corporate bonds	83.8	—	83.8	—
Other types of investments:				
Cash and cash equivalents	7.8	7.8	—	—
Mutual funds	36.7	36.7	—	—
Net assets in fair value hierarchy	297.8	213.6	84.2	—
Investments at NAV practical expedient [a]	232.3			
Plan assets at fair value	$ 530.1	$ 213.6	$ 84.2	$ —

(in millions)	Fair Value at January 31, 2016	Fair Value Measurements Using Inputs Considered as*		
		Level 1	Level 2	Level 3
Equity securities:				
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	—	—
Net assets in fair value hierarchy	251.1	162.4	88.7	—
Investments at NAV practical expedient [a]	134.7			
Plan assets at fair value	$ 385.8	$ 162.4	$ 88.7	$ —

* See "Note I. Fair Value of Financial Instruments" for a description of the levels of inputs.

[a] In accordance with ASC 820-10, certain investments that are measured at fair value using the net asset value ("NAV") per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the Qualified Plan's fair value of plan assets at the end of each respective year.

Valuation Techniques

Investments within the fair value hierarchy. 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.

Investments in mutual funds are stated at fair value as determined by quoted market prices based on the NAV of shares held by the Plan at year-end. Investments in U.S. equity securities are valued at the closing price reported on the active market on which the individual securities are traded.

Investments measured at NAV. This category consists of common/collective trusts and limited partnerships.

Common/collective trusts include investments in U.S. and international large, middle and small capitalization equities. Investments in common/collective trusts are stated at estimated fair value which represents the net asset value of shares held by the Qualified Plan as reported by the investment advisor. The net asset value is based on the value of the underlying assets owned by the common/collective trusts, minus its liabilities and then divided by the number of shares outstanding. The NAV is used as a practical expedient to estimate fair value.

The Qualified Plan maintains investments in limited partnerships that are valued at estimated fair value based on financial information received from the investment advisor and/or general partner. The NAV 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. The NAV is used as a practical expedient to estimate fair value.

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)*
2018	$ 25.6	$ 1.9
2019	26.5	2.0
2020	27.2	2.1
2021	28.6	2.2
2022	29.7	2.3
2023-2027	171.5	14.3

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 expense of $2.3 million in 2016, no expense in 2015 and expense of $3.1 million in 2014. 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 $7.5 million, $7.3 million and $7.7 million in 2016, 2015 and 2014. 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, 2017, investments in Company stock represented 20% 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 $4.6 million, $3.2 million and $4.6 million in 2016, 2015 and 2014.

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 $26.5 million and $24.9 million at January 31, 2017 and 2016, 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)	2017	2016	2015
United States	$ 478.2	$ 502.5	$ 484.5
Foreign	198.4	207.4	253.0
	$ 676.6	$ 709.9	$ 737.5

Components of the provision for income taxes were as follows:

	Years Ended January 31,		
(in millions)	2017	2016	2015
Current:			
Federal	$ 125.5	$ 175.8	$ 130.9
State	15.4	22.3	18.2
Foreign	43.5	49.8	66.5
	184.4	247.9	215.6
Deferred:			
Federal	36.7	(15.4)	25.2
State	7.1	3.9	13.2
Foreign	2.3	9.6	(0.7)
	46.1	(1.9)	37.7
	$ 230.5	$ 246.0	$ 253.3

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,		
	2017	2016	2015
Statutory Federal income tax rate	35.0%	35.0%	35.0%
State income taxes, net of Federal benefit	2.2	2.4	2.8
Foreign losses with no tax benefit	0.2	—	0.7
Undistributed foreign earnings	(2.3)	(2.5)	(4.2)
Net change in uncertain tax positions	(0.7)	0.5	0.3
Domestic manufacturing deduction	(0.9)	(1.3)	(1.3)
Other	0.6	0.6	1.1
	34.1%	34.7%	34.4%

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The Company has the intent to indefinitely reinvest any undistributed earnings of all foreign subsidiaries. As of January 31, 2017 and 2016, the Company has not provided deferred taxes on approximately $769.0 million and $685.0 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 $129.0 million and $118.0 million would be incurred if these earnings were distributed.

Deferred tax assets (liabilities) consisted of the following:

	January 31,	
(in millions)	2017	2016
Deferred tax assets:		
Pension/postretirement benefits	$ 124.7	$ 166.7
Accrued expenses	36.1	34.3
Share-based compensation	17.3	18.3
Depreciation	6.5	6.6
Amortization	10.8	11.4
Foreign and state net operating losses	25.5	23.5
Sale-leaseback	25.8	30.4
Inventory	57.6	50.9
Financial hedging instruments	11.9	19.7
Unearned income	10.6	11.3
Other	23.0	53.6
	349.8	426.7
Valuation allowance	(24.1)	(19.5)
	325.7	407.2
Deferred tax liabilities:		
Foreign tax credit	(25.8)	(25.1)
Net deferred tax asset	$ 299.9	$ 382.1

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 $88.5 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 2019 through 2024.

The following table reconciles the unrecognized tax benefits:

	January 31,		
(in millions)	2017	2016	2015
Unrecognized tax benefits at beginning of year	$ 10.2	$ 8.3	$ 27.6
Gross increases – tax positions in prior period	0.9	1.0	1.0
Gross decreases – tax positions in prior period	(5.0)	(0.4)	(5.4)
Gross increases – tax positions in current period	0.3	1.4	0.1
Settlements	(3.0)	—	(14.8)
Lapse of statute of limitations	—	(0.1)	(0.2)
Unrecognized tax benefits at end of year	$ 3.4	$ 10.2	$ 8.3

Included in the balance of unrecognized tax benefits at January 31, 2017, 2016 and 2015 are $1.0 million, $9.1 million and $5.3 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 year ended January 31, 2017, the Company recognized no expense associated with interest and penalties while during the years ended January 31, 2016 and 2015, the Company recognized approximately $1.7 million and $1.8 million of expense. Accrued interest and penalties are included within accounts payable and accrued liabilities and other long-term liabilities, and were $8.3 million and $7.8 million at January 31, 2017 and 2016.

At January 31, 2017, the Company's gross uncertain tax positions decreased $6.8 million and gross accrued interest and penalties were unchanged from January 31, 2016, primarily as a result of the conclusion of a tax examination during the three months ended April 30, 2016. This settlement resulted in an income tax benefit of $6.6 million for the year ended January 31, 2017, and reduced the effective income tax rate by 1.0 percentage point versus the prior year.

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). 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, 2017, total unrecognized tax benefits were $3.4 million of which approximately $1.0 million, if recognized, would affect the effective income tax rate. As of January 31, 2017, unrecognized tax benefits are not expected to change materially 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)	2017	2016	2015
Net sales:			
Americas	$ 1,841.9	$ 1,947.0	$ 2,033.5
Asia-Pacific	999.1	1,003.1	1,025.2
Japan	604.4	541.3	554.3
Europe	457.6	505.7	513.3
Total reportable segments	3,903.0	3,997.1	4,126.3
Other	98.8	107.8	123.6
	$ 4,001.8	$ 4,104.9	$ 4,249.9
Earnings from operations*:			
Americas	$ 373.0	$ 390.8	$ 435.5
Asia-Pacific	256.0	264.4	281.6
Japan	204.6	199.9	196.0
Europe	81.6	97.4	110.5
Total reportable segments	915.2	952.5	1,023.6
Other	5.9	6.4	4.9
	$ 921.1	$ 958.9	$ 1,028.5

* Represents earnings from operations before (i) unallocated corporate expenses, (ii) interest expense, financing costs and other (income) expense, net, (iii) loss on extinguishment of debt, and (iv) other operating expenses.

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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)	2017	2016	2015
Earnings from operations for segments	$ 921.1	$ 958.9	$ 1,028.5
Unallocated corporate expenses	(161.9)	(152.1)	(137.1)
Interest expense, financing costs and other (income) expense, net	(44.6)	(50.2)	(60.1)
Loss on extinguishment of debt	—	—	(93.8)
Other operating expense	(38.0)	(46.7)	—
Earnings from operations before income taxes	$ 676.6	$ 709.9	$ 737.5

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, 2017 represents an impairment charge related to software costs capitalized in connection with the development of a new finished goods inventory management and merchandising information system and impairment charges related to a financing arrangements with diamond mining and exploration companies. See "Note B. Summary of Significant Accounting Policies" and "Note E. Property, Plant

and Equipment" for additional details on the asset impairment and "Note B. Summary of Significant Accounting Policies" and "Note J. Commitments and Contingencies" for additional details on the loan impairments.

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.

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

	Years Ended January 31,		
(in millions)	2017	2016	2015
Net sales:			
United States	$ 1,691.4	$ 1,795.5	$ 1,870.8
Japan	604.4	541.3	554.3
Other countries	1,706.0	1,768.1	1,824.8
	$ 4,001.8	$ 4,104.9	$ 4,249.9
Long-lived assets:			
United States	$ 691.3	$ 706.9	$ 680.1
Japan	21.7	20.6	24.4
Other countries	269.0	256.7	239.2
	$ 982.0	$ 984.2	$ 943.7

Classes of Similar Products

	Years Ended January 31,		
(in millions)	2017	2016	2015
Net sales:			
High, fine & solitaire jewelry	$ 779.1	$ 854.1	$ 870.4
Engagement jewelry & wedding bands	1,122.0	1,142.2	1,221.0
Fashion jewelry	1,328.9	1,340.7	1,357.6
Designer jewelry	465.0	460.8	481.5
All other	306.8	307.1	319.4
	$ 4,001.8	$ 4,104.9	$ 4,249.9

Items bearing the name of and attributed to one of the Company's "named" designers: Elsa Peretti and Paloma Picasso, which were previously reported across the high, fine & solitaire jewelry, engagement jewelry & wedding bands and fashion jewelry categories, have been reclassified into the designer jewelry category to conform with management's current internal analysis of product sales. Additionally, certain reclassifications within the jewelry categories have been made to the prior years' amounts to conform to the current year category presentation.

Q. QUARTERLY FINANCIAL DATA (UNAUDITED)

	2016 Quarters Ended*			
(in millions, except per share amounts)	April 30	July 31	October 31	January 31 [a]
Net sales	$ 891.3	$ 931.6	$ 949.3	$ 1,229.6
Gross profit	545.6	577.1	579.5	788.2
Earnings from operations	134.6	174.9	155.2	256.5
Net earnings	87.5	105.7	95.1	157.8
Net earnings per share:				
Basic	$ 0.69	$ 0.84	$ 0.76	$ 1.27
Diluted	$ 0.69	$ 0.84	$ 0.76	$ 1.26

[a] On a pre-tax basis, includes charges for the quarter ended January 31, 2017 of:

i. $25.4 million, which reduced net earnings per diluted share by $0.13, associated with an impairment charge related to software costs capitalized in connection with the development of a new finished goods inventory management and merchandising information system (see "Note B. Summary of Significant Accounting Policies" and "Note E. Property, Plant and Equipment"); and

ii. $12.6 million, which reduced net earnings per diluted share by $0.06, associated with impairment charges related to financing arrangements with diamond mining and exploration companies (see "Note B. Summary of Significant Accounting Policies" and "Note J. Commitments and Contingencies").

	2015 Quarters Ended*			
(in millions, except per share amounts)	April 30	July 31 [b]	October 31	January 31 [c]
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

[b] 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").

[c] 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").

* 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 the effectiveness 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 principal executive officer and principal 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 principal executive officer and principal 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 principal executive officer and principal 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 principal executive officer and principal 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 principal executive officer and our principal 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-49. 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. 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. Based on this evaluation, management concluded that internal control over financial reporting was effective as of January 31, 2017 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, 2017 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is shown on page K-49.

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

/s/ Mark J. Erceg
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 7, 2017.

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 7, 2017, 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 7, 2017.

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 7, 2017.

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 7, 2017.

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 7, 2017.

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, 2017 and 2016.

Consolidated Statements of Earnings for the years ended January 31, 2017, 2016 and 2015.

Consolidated Statements of Comprehensive Earnings for the years ended January 31, 2017, 2016 and 2015.

Consolidated Statements of Stockholders' Equity for the years ended January 31, 2017, 2016 and 2015.

Consolidated Statements of Cash Flows for the years ended January 31, 2017, 2016 and 2015.

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.

Item 16. Form 10-K Summary.

Not Applicable.

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 17, 2017

TIFFANY & CO.

(Registrant)

By: /s/ Michael J. Kowalski

Michael. J. Kowalski

Chairman of the Board and
Interim Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

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

By: /s/ Mark J. Erceg
Mark J. Erceg
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/ Rose Marie Bravo
Rose Marie Bravo
Director

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

By: /s/ Roger N. Farah
Roger N. Farah
Director

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

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

By: /s/ James E. Lillie
James E. Lillie
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

By: /s/ Francesco Trapani
Francesco Trapani
Director

March 17, 2017

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 16, 2017. Incorporated by reference from Exhibit 3.2 to Registrant’s Report on Form 8-K dated March 16, 2017.
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.
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.

Exhibit No.	Description
10.5	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.
10.6	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.
10.6a	Amendment dated as of January 14, 2014 to the Amended and Restated Note Purchase and Private Shelf Agreement (see Exhibit 10.6 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.
10.7	Amended and Restated Note Purchase and Private Shelf Agreement dated as of July 25, 2012 by and among Registrant and various institutional note purchasers with respect to Registrant's $50 million principal amount of 10.0% Series A Senior Notes due April 9, 2018, $100 million principal amount of 4.40% Series B-M Senior Notes due July 25, 2042 and up to $50 million private shelf facility. Incorporated by reference from Exhibit 10.159 filed with Registrant's Report on Form 8-K dated July 27, 2012.
10.7a	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 10.7 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.
10.8	Note Purchase Agreement dated as of August 26, 2016 by and between Registrant and the institutional note purchasers with respect to Registrant's ¥ 10,000,000,000 principal amount of 0.78% Senior Notes due August 26, 2026. Incorporated by reference from Exhibit 10.37 filed with Registrant's Report on Form 8-K dated September 1, 2016.
10.9	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.
10.9a	Amendment Agreement dated as of May 10, 2011 with respect to the Amortising Term Loan Facility Agreement (see Exhibit 10.9 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.
10.9b	Second Amendment Agreement dated as of February 12, 2013 with respect to the Amortising Term Loan Facility Agreement (see Exhibit 10.9 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.
10.9c	Third Amendment Agreement dated as of March 29, 2013 with respect to the Amortising Term Loan Facility Agreement (see Exhibit 10.9 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
10.9d	Fourth Amendment Agreement dated as of March 31, 2014 with respect to the Amortising Term Loan Facility Agreement (see Exhibit 10.9 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.
10.9e	Fifth Amendment Agreement dated as of April 30, 2015 with respect to the Amortising Term Loan Facility Agreement (see Exhibit 10.9 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.
10.9f	Sixth Amendment Agreement dated as of October 10, 2016 with respect to the Amortising Term Loan Facility Agreement (see Exhibit 10.9 above) between and among Koidu Limited, Octea Limited, BSG Resources Limited and Laurelton Diamonds, Inc.
10.10	Credit Agreement dated as of July 11, 2016 by and among Tiffany & Co. (Shanghai) Commercial Company Limited, Bank of America, N.A., Shanghai Branch and Mizuho Bank (China), Ltd. as Jointed Coordinators, Mandated Lead Arrangers and Bookrunners, Mizuho Bank (China), Ltd. as Facility Agent and certain other banks and financial institutions party thereto as original lenders. Incorporated by reference from Exhibit 10.15 filed with Registrant's Report on Form 8-K dated July 15, 2016.
10.11	Guaranty Agreement dated as of July 11, 2016, with respect to the Credit Agreement (see Exhibit 10.10 above) by and between Registrant and Mizuho Bank (China), Ltd. as Facility Agent. Incorporated by reference from Exhibit 10.16 filed with Registrant's Report on Form 8-K dated July 15, 2016.
10.12	Cooperation Agreement, dated February 20, 2017, between JANA Partners LLC and Registrant. Incorporated by reference from Exhibit 10.37 filed with Registrant's Report on Form 8-K dated February 21, 2017.
10.13	Cooperation Agreement, dated February 20, 2017, between Francesco Trapani and Registrant. Incorporated by reference from Exhibit 10.38 filed with Registrant's Report on Form 8-K dated February 21, 2017.
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, 2017, 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
10.14	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.
10.15	Tiffany and Company Executive Deferral Plan originally made effective October 1, 1989, as amended and restated effective January 19, 2017. Incorporated by reference from Exhibit 10.18 filed with Registrant's Report on Form 8-K dated January 25, 2017.
10.16	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.
10.17	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.
10.18	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.
10.19	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.
10.20	Summary of Executive Long Term Disability Plan available to executive officers. Incorporated by reference from Exhibit 10.24 filed with Registrant's Report on Form 10-K dated March 28, 2013.
10.20a	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.
10.20b	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.

Exhibit No.	Description
10.20c	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.
10.21	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.
10.22	2004 Tiffany and Company Un-funded Retirement Income Plan to Recognize Compensation in Excess of Internal Revenue Code Limits, Amended and Restated as of January 19, 2017. Incorporated by reference from Exhibit 10.25 filed with Registrant's Report on Form 8-K dated January 25, 2017.
10.23	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.
10.23a	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.
10.23b	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.
10.23c	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.
10.23d	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.
10.23e	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.
10.23f	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.
10.23g	Terms of Time-Vesting Restricted Stock Unit Grant to executive officers as adopted on November 20, 2013 under Registrant's 2005 Employee Incentive Plan. Incorporated by reference from Exhibit 10.28p filed with Registrant's Report on Form 8-K dated March 21, 2014.
10.23h	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.

Exhibit No.	Description
10.23i	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.
10.23j	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.
10.23k	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.
10.24	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.
10.24a	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.
10.25	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.
10.25a	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.
10.25b	Terms of Stock Option Award (Transferable Non-Qualified Option) under Registrant's 2008 Directors Equity Compensation Plan, effective May 26, 2016. Incorporated by reference from Exhibit 10.28c filed with Registrant's Report on Form 8-K dated June 2, 2016.
10.25c	Terms of Restricted Stock Unit Grant under Registrant's 2008 Directors Equity Compensation Plan, effective May 26, 2016. Incorporated by reference from Exhibit 10.28d filed with Registrant's Report on Form 8-K dated June 2, 2016.
10.25d	Terms of Stock Option Award (Transferable Non-Qualified Option) under Registrant's 2008 Directors Equity Compensation Plan, effective March 16, 2017.
10.25e	Terms of Restricted Stock Unit Grant under Registrant's 2008 Directors Equity Compensation Plan, effective March 16, 2017.
10.26	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.
10.26a	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
10.26b	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.
10.26c	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.
10.26d	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.
10.26e	Amended and Restated Terms of Performance-Based Restricted Stock Unit Grant (Non-Transferable) to executive officers under Registrant's 2014 Employee Incentive Plan, effective January 14, 2015.
10.26f	Form of Fiscal 2016 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.
10.26g	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 Executive Deferral Plan. Incorporated by reference from Exhibit 10.29f filed with Registrant's Report on Form 8-K dated March 22, 2016.
10.26h	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.
10.26i	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.
10.26j	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.
10.26k	Form of Cash Incentive Award Agreement for executive officers as adopted on January 19, 2017 under Registrant's 2014 Employee Incentive Plan. Incorporated by reference from Exhibit 10.29l filed with Registrant's Report on Form 8-K dated January 25, 2017.
10.26l	Form of Non-Competition and Confidentiality Covenants for use in connection with Performance-Based Restricted Stock Unit Grants to Registrant's executive officers, Time-Vesting Restricted Stock Unit Grants, Stock Option Awards and certain non-qualified retirement contributions made to executive officers and certain other officers of Registrant's affiliated companies pursuant to Registrant's 2014 Employee Incentive Plan, the Tiffany and Company Executive Deferral Plan and the 2004 Tiffany and Company Un-funded Retirement Income Plan to Recognize Compensation in Excess of Internal Revenue Code Limits. Incorporated by reference from Exhibit 10.29m filed with Registrant's Report on Form 8-K dated January 25, 2017.
10.26m	Terms of Stock Option Award (Transferable Non-Qualified Option) under Registrant's 2014 Employee Incentive Plan, as revised January 19, 2017. Incorporated by reference from Exhibit 10.29n filed with Registrant's Report on Form 8-K dated January 25, 2017.

Exhibit No.	Description
10.26n	Terms of Performance-Based Restricted Stock Unit Grant (Non-Transferable) to executive officers under Registrant's 2014 Employee Incentive Plan, as revised January 19, 2017. Incorporated by reference from Exhibit 10.29o filed with Registrant's Report on Form 8-K dated January 25, 2017.
10.26o	Terms of Restricted Stock Unit Grant (Non-Transferable) under Registrant's 2014 Employee Incentive Plan, as revised January 19, 2017. Incorporated by reference from Exhibit 10.29p filed with Registrant's Report on Form 8-K dated January 25, 2017.
10.26p	Terms of Stock Option Award (Transferable Non-Qualified Option) granted to Michael J. Kowalski under Registrant's 2014 Employee Incentive Plan on February 15, 2017. Incorporated by reference from Exhibit 10.39 filed with Registrant's Report on Form 8-K/A dated February 22, 2017.
10.27	Senior Executive Employment Agreement between Frederic Cumenal and Tiffany and Company, effective as of March 10, 2011. Incorporated by reference from Exhibit 10.154 filed with Registrant's Report on Form 8-K dated March 21, 2011.
10.28	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.
10.29	Employment offer letter, dated as of September 7, 2016, between Mark J. Erceg and Tiffany and Company.
10.30	Employment offer letter, dated as of April 18, 2014, between Jean-Marc Bellaiche and Tiffany and Company. Incorporated by reference from Exhibit 10.32 to Registrant's Annual Report on Form 10-K for the Fiscal Year ended January 31, 2016.
10.31	Employment offer letter, dated as of December 19, 2014, between Jennifer de Winter and Tiffany and Company. Incorporated by reference from Exhibit 10.33 to Registrant's Annual Report on Form 10-K for the Fiscal Year ended January 31, 2016.
10.32	Employment offer letter, dated as of June 15, 2015, between Philippe Galtie and Tiffany and Company.
10.33	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.
10.34	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.
10.35	Separation Agreement and Release, dated as of March 6, 2017, by and among Registrant, Tiffany and Company and Frederic Cumenal. Incorporated by reference from Exhibit 10.41 filed with the Registrant's Report on Form 8-K dated March 6, 2017.
10.36	Form of Retention Agreement with Registrant and Tiffany and Company, adopted March 15, 2017.
10.37	Corporate Governance Principles, amended and restated effective March 16, 2017. Incorporated by reference from Exhibit 10.42 to Registrant's Report on Form 8-K dated March 16, 2017.

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, 2017:					
Reserves deducted from assets:					
Accounts receivable allowances:					
Doubtful accounts	$ 3.2	$ 3.8	$ —	$ 5.1 [a]	$ 1.9
Sales returns	8.3	2.5	—	1.2 [b]	9.6
Allowance for inventory liquidation and obsolescence	59.2	19.2	—	13.0 [c]	65.4
Allowance for inventory shrinkage	1.2	0.5	—	0.7 [d]	1.0
Deferred tax valuation allowance	19.5	5.0	—	0.4 [e]	24.1

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, 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.

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2017 Annual Meeting of Shareholders

PROXY STATEMENT

TIFFANY & CO.

Tiffany & Co. Year-End Report 2016

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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 25, 2017
Time	9:30 a.m.
Place	The Rubin Museum of Art 150 West 17th Street New York, New York
Record Date	March 27, 2017
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 2017 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 2017 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 2017 Annual Meeting. Beneficial owners of shares held in street name must contact their broker before the 2017 Annual Meeting to obtain a legal proxy and bring the legal proxy with them to the meeting.

MATTERS TO BE VOTED ON AT 2017 ANNUAL MEETING

There are five matters scheduled to be voted on at the 2017 Annual Meeting:

Matter	Board Recommended Vote	Required Vote	Broker Discretionary Vote Allowed
Item No. 1: Election of the Board;	"FOR" the election of all 11 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 2017 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");	"FOR"	Majority of shares present and entitled to vote	No
Item No. 4: Preference, on an advisory basis, on the frequency of seeking shareholder approval of the compensation paid to the Company's named executive officers; and	"FOR" a recommendation that the shareholders approve the compensation paid to the Company's named executive officers every year	Not applicable (shareholder preference only)	No
Item No. 5: Approval of the Tiffany & Co. 2017 Directors Equity Compensation Plan.	"FOR"	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-17 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	Search Committee	Other Public Company Boards
Rose Marie Bravo	66	1997	Retired Chief Executive Officer ("CEO") of Burberry Limited	✓		✓				✓	Chair	2
Gary E. Costley	73	2007	Retired Chairman and CEO of International Multifoods Corporation	✓		Chair	✓			✓		1
Roger N. Farah	64	2017	Executive Director at Tory Burch LLC	✓								3
Lawrence K. Fish	72	2008	Retired Chairman and CEO of Citizens Financial Group, Inc.	✓	✓		Chair		✓			2
Abby F. Kohnstamm	63	2001	Executive Vice President and Chief Marketing Officer at Pitney Bowes Inc.	✓	✓	✓	✓			✓	✓	0
James E. Lillie	55	2017	Vice Chairman of Mariposa Capital and Consultant for Newell Brands	✓								1
Charles K. Marquis	74	1984	Senior Advisor to Investcorp International, Inc.	✓	✓	✓				Chair		0
William A. Shutzer	70	1984	Senior Managing Director of Evercore Partners						Chair		✓	1
Robert S. Singer	65	2012	Former CEO of Barilla Holding S.p.A	✓	Chair	✓			✓			3
Francesco Trapani	60	2017	Former Chairman of Clessidra SGR S.p.A. and Senior Advisor to LVMH CEO	✓						✓	✓	0
Michael J. Kowalski	65	1995	Interim CEO of Tiffany & Co.				✓	✓			✓	0

Each director who served on the Company's Board of Directors (the "Board") during Fiscal 2016 (February 1, 2016 to January 31, 2017) attended at least 83% of the aggregate number of meetings of 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 2017 (February 1, 2017 to January 31, 2018). 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 2017 Financial Statements" at PS-33 and "Relationship with Independent Registered Public Accounting Firm" at PS-35 for more information.

EXECUTIVE COMPENSATION MATTERS

See "Item 1. Election of the Board" at PS-17 and "Compensation of the CEO and Other Executive Officers" at PS-37 for more information.

BUSINESS HIGHLIGHTS

Key highlights of Fiscal 2016 performance were as follows:

Sales:	Worldwide net sales decreased 3% to $4.0 billion reflecting declines in the Americas and Europe partly offset by an increase in Japan and unchanged sales in Asia-Pacific. 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 decreased 3% from the prior year.
Profitability:	Net earnings decreased 4% to $446.1 million in 2016, or $3.55 per diluted share. Net earnings in 2016 included impairment charges of $0.19 per diluted share (see Appendix I at PS-105). Net earnings in 2015 included charges of $0.24 per diluted share (see Appendix I at PS-105).
Store Expansion:	The Company added a net of 6 TIFFANY & CO. stores, resulting in a 3% net increase in gross retail square footage.
Product Introductions:	The Company expanded its offerings within several existing jewelry collections, including its TIFFANY T and RETURN TO TIFFANY® LOVE collections, and introduced new watch designs.
Cash Flow:	The Company generated cash flow from operating activities of $702.1 million in 2016, compared with $813.6 million in 2015. Cash flow from operating activities in 2016 included a voluntary cash contribution of $120.0 million made by the Company to its U.S. pension plan.
Returning Capital to Shareholders:	The Company returned cash to shareholders by continuing to pay regular quarterly dividends (which were increased 12.5% effective July 2016 to $0.45 per share, or an annualized rate of $1.80 per share) and spending $183.6 million to repurchase 2.8 million shares of its common stock.

EXECUTIVE COMPENSATION HIGHLIGHTS

The Board's continued commitment to pay for performance, and other leading compensation practices, was demonstrated in Fiscal 2016 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 72% for the other named executive officers, on average), with significant emphasis on long-term incentives.
- Long-term and short-term incentive awards are payable contingent on key performance measures, including operating earnings, net earnings per share and return on assets.
- Short-term incentive awards for Fiscal 2016 were paid out to the named executive officers at 87-99% 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, 2014 and ending January 31, 2017 (Fiscal 2014-Fiscal 2016), performance-based restricted stock units vested at 54.92% of target shares (27.46% 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 three 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.

2018 ANNUAL MEETING

If you wish to submit a proposal to be included in the Proxy Statement for our 2018 Annual Meeting, we must receive it no later than December 8, 2017. 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. If you wish to nominate a candidate for election as a director at an annual meeting or propose other business for consideration at an annual meeting, written notice complying with the requirements set forth in our By-laws generally must be delivered to the Company at 727 Fifth Avenue, New York, New York 10022 to the attention of the Corporate Secretary (Legal Department), not later than 90 days, and not earlier than 120 days, prior to the first anniversary of the preceding year's annual meeting. Accordingly, a shareholder nomination or proposal intended to be considered at the 2018 Annual Meeting must be received by the Company no earlier than January 25, 2018 and no later than February 24, 2018.

Except as required by applicable law, the Company will consider only proposals meeting these requirements and the applicable requirements of the Securities and Exchange Commission (the "SEC") and our By-laws.

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 7, 2017, in connection with the 2017 Annual Meeting of the shareholders of the Company to be held on Thursday, May 25, 2017, at 9:30 a.m. at The Rubin Museum of Art, 150 West 17th Street, New York, New York.

You are entitled to vote at our 2017 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 27, 2017, 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 2017 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 2016.

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 11, 2017 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 25, 2017

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 2017 ANNUAL MEETING?

There are five matters scheduled to be voted on at the 2017 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 2017 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");
Item No. 4: Preference, on an advisory basis, on the frequency of seeking shareholder approval of the compensation paid to the Company's named executive officers; and
Item No. 5: Approval of the Tiffany & Co. 2017 Directors Equity Compensation Plan.

In addition, such other business as may properly come before the 2017 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, 3 and 5. In respect of Item 4, the Board recommends a vote "FOR" a recommendation that the shareholders approve the compensation paid to the Company's named executive officers every year.

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 27, 2017, 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 the 2017 Annual Meeting is indicated on the enclosed proxy card or notice.

HOW DO I VOTE MY SHARES?

You can vote your shares at the 2017 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 2017 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 2017 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 2017 Annual Meeting vote your shares for you. These individuals are called "proxies," and using them to cast your ballot at the 2017 Annual Meeting is called voting "by proxy."

Proxies will extend to, and be voted at, any adjournment or postponement of the 2017 Annual Meeting.

If you vote by proxy, you will have designated three officers of the Company to act as your proxies at the 2017 Annual Meeting. One of them will then vote your shares at the 2017 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 the 2017 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 2017 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 2017 Annual Meeting and vote in person.

HOW DO I VOTE MY SHARES BEFORE THE 2017 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, the frequency of seeking shareholder approval of the compensation paid to the Company's named executive officers and the Tiffany & Co. 2017 Directors Equity Compensation Plan, 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 2017 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 2017 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 11 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 2017 financial statements;
- **FOR** approval of the compensation paid to the Company's named executive officers in Fiscal 2016;
- **FOR** a recommendation that the shareholders approve the compensation paid to the Company's named executive officers every year; and
- **FOR** the Tiffany & Co. 2017 Directors Equity Compensation Plan.

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 2017 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 2017 ANNUAL MEETING AND VOTE IN PERSON, WHAT DO I NEED TO DO?

To attend the 2017 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 2017 Annual Meeting.

To vote in person at the 2017 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 2017 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 the 2017 Annual Meeting for a valid vote. For the 2017 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 27, 2017, the record date, was 124,775,006. Therefore, 62,387,504 shares must be present at the 2017 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 2017 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 2017 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 2017 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 2017 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 2017 will be decided by the affirmative vote of the majority of shares present in person or represented by proxy at the 2017 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 2017 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.

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 2017 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 2017 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.

Because the advisory vote regarding the frequency of seeking shareholder approval of the compensation paid to the Company's named executive officers does not seek approval of any specific matter — it seeks your specific advice on when a future vote will be held (every year, every second year or every third year) — no specific percentage of the vote is required. Abstentions and broker non-votes will not be counted as expressing any preference. The results of the vote will be compiled and reported to you.

The proposal to approve the Tiffany & Co. 2017 Directors Equity Compensation Plan will be decided by the affirmative vote of the majority of shares present in person or represented by proxy at the 2017 Annual Meeting and entitled to vote on the matter. That means that the proposal will be approved if more than half of those shares present in person or represented by proxy at the 2017 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 tendered a resignation letter to the Nominating/Corporate Governance Committee to be considered in the event that he or she does not receive such a majority vote. 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 such 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 2017 Annual Meeting.

WHERE CAN I FIND THE VOTING RESULTS OF THE 2017 ANNUAL MEETING?

The Company will announce preliminary voting results at the 2017 Annual Meeting and publish final results in a Form 8-K filed with the SEC within four business days after the 2017 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 20, 2017. 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)	13.01%
The Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, Pennsylvania 19355	11,741,458	(c)	9.41%
Blackrock, Inc. 55 East 52nd Street New York, New York 10055	8,103,518	(d)	6.50%
JPMorgan Chase & Co. 270 Park Avenue New York, New York 10017	6,297,742	(e)	5.05%

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 circumstances 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, 2017 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 172,717 shares of the Company's common stock, shared power to vote 23,239 shares, sole power to dispose or direct the disposition of 11,543,497 shares, and shared power to dispose or direct the disposition of 197,961 shares.

d) Blackrock, Inc. reported such beneficial ownership to the SEC on its Schedule 13G/A as of January 27, 2017 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 6,866,745 shares of the Company's common stock and sole power to dispose or direct the disposition of 8,103,518 shares.

e) JPMorgan Chase & Co. reported such beneficial ownership to the SEC on its Schedule 13G/A as of January 19, 2017 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 6,069,644 shares of the Company's common stock, shared power to vote 8,265 shares, sole power to dispose or direct the disposition of 6,279,482 shares, and shared power to dispose or direct the disposition of 13,590 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 20, 2017 by: those persons who are director nominees or who were directors on such date; the principal executive officer (the "CEO") and the principal financial officers (the "CFO") during Fiscal 2016; the three next most highly compensated executive officers of the Company as of the end of Fiscal 2016; and the directors and executive officers on March 20, 2017 (see "Executive Officers of the Company" at PS-15) as a group. In the notes to the table below, "Vested Stock Options" refer to stock options that are exercisable as of March 20, 2017 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	28,506	b	*
Gary E. Costley	25,506	c	*
Roger N. Farah	—		*
Lawrence K. Fish	61,983	d	*
Abby F. Kohnstamm	76,483	e	*
Michael J. Kowalski (Interim CEO, appointed in Fiscal 2017)	150,020	f	*
James E. Lillie	11,000		*
Charles K. Marquis	162,203	g	*
Peter W. May	56,223	h	*
William A. Shutzer	348,870	i	*
Robert S. Singer	28,028	j	*
Francesco Trapani	200,000	k	*
Executive Officers			
Frederic Cumenal (CEO during Fiscal 2016)	463,055	l	*
Mark J. Erceg (CFO effective October 2016)	—	m	*
Ralph Nicoletti (CFO through May 2016)	—	n	*
Jean-Marc Bellaiche	39,073	o	*
Pamela H. Cloud	138,298	p	*
Philippe Galtie	13,492	q	*
All executive officers and directors as a group (21 persons):	1,632,715	r	1.3%

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

b) Includes 24,506 shares issuable upon the exercise of Vested Stock Options.

c) Includes 24,506 shares issuable upon the exercise of Vested Stock Options.

d) Includes 20,646 shares issuable upon the exercise of Vested Stock Options.

e) Includes 39,223 shares issuable upon the exercise of Vested Stock Options.

f) Includes 25,679 shares issuable upon the exercise of Vested Stock Options, 12,357 shares issuable upon the vesting of performance-based restricted stock units on March 22, 2017, 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 Chairman of the Tiffany & Co. Board of Directors, was named Interim CEO effective February 5, 2017, in connection with the departure of Frederic Cumenal as CEO on that same date.

g) Includes 29,223 shares issuable upon the exercise of Vested Stock Options, 28,980 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 shares held by the Marquis 2012 Children's Trust.

h) Includes 49,223 shares issuable upon the exercise of Vested Stock Options. Mr. May will not stand for re-election at the 2017 Annual Meeting.

i) Includes 39,223 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 163,937 shares pledged as security in a margin account. Mr. Shutzer disclaims beneficial ownership of Company shares held by KJC Ltd. and shares held in the aforementioned trust.

j) Includes 18,169 shares issuable upon the exercise of Vested Stock Options.

k) Includes 200,000 shares held by Argenta Holdings Sarl, of which Mr. Trapani owns 100% of the equity interests. Pursuant to the Schedule 13D filed jointly by Mr. Trapani and JANA Partners LLC ("JANA") with the SEC on February 22, 2017, as of the date of the event which required the filing of such Schedule, Mr. Trapani and JANA may have been deemed to be members of a "group" for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Rule 13d-5(b)(1) promulgated thereunder for the purpose of working together to appoint Mr. Trapani to the Board. From and after the time of signing the Cooperation Agreement (as defined below) and the Trapani Cooperation Agreement (as defined below), each dated as of February 20, 2017, Mr. Trapani and JANA are required, in accordance with the Cooperation Agreements, to be independent of each other and, as reported in the Schedule 13D, Mr. Trapani and JANA are no longer working together for any purpose and believe they should no longer be deemed to be a "group." As a result, Mr. Trapani expressly disclaims beneficial ownership of the 6,095,740 shares reported as beneficially owned by JANA in such Schedule 13D. For more information regarding the Cooperation Agreement and the Trapani Cooperation Agreement see "Item. 1 Election of the Board" at PS-17.

l) Includes 417,927 shares issuable upon the exercise of Vested Stock Options and 8,348 shares issuable upon the vesting of performance-based restricted stock units on March 22, 2017. Mr. Cumenal stepped down from his position as CEO effective February 5, 2017 and resigned as a director effective February 10, 2017.

m) Mr. Erceg was appointed as CFO effective October 18, 2016.

n) Mr. Nicoletti resigned as CFO effective May 20, 2016.

o) Includes 36,894 shares issuable upon the exercise of Vested Stock Options.

p) Includes 109,126 shares issuable upon the exercise of Vested Stock Options, 3,406 shares issuable upon the vesting of performance-based restricted stock units on March 22, 2017 and 512 shares held in Ms. Cloud's account under the Tiffany Employee Profit Sharing and Retirement Savings Plan.

q) Includes 12,822 shares issuable upon the exercise of Vested Stock Options.

r) Includes 635,981 shares issuable upon the exercise of Vested Stock Options; 25,297 shares issuable upon the vesting of performance-based restricted stock units on March 22, 2017; 936 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-61 for a discussion of the Company's share ownership policy.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act 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 2016, 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
Michael J. Kowalski	65	Chairman of the Board and Interim Chief Executive Officer	1983
Mark J. Erceg	48	Executive Vice President – Chief Financial Officer	2016
Jean-Marc Bellaiche	47	Senior Vice President – Strategy & Business Development	2014
Victoria Berger-Gross	61	Senior Vice President – Chief Human Resources Officer	2001
Pamela H. Cloud	47	Senior Vice President – Global Category Marketing	1994
Jennifer de Winter	56	Senior Vice President – Americas	2015
Philippe Galtie	56	Senior Vice President – International	2015
Leigh M. Harlan	40	Senior Vice President – Secretary & General Counsel	2012
Andrew W. Hart	49	Senior Vice President – Diamond & Jewelry Supply	1999
Caroline D. Naggiar	59	Senior Vice President – Chief Brand Officer	1997

Michael J. Kowalski. Mr. Kowalski joined Tiffany in 1983 and served as Chief Executive Officer ("CEO") from 1999 until his retirement from that position in 2015. Mr. Kowalski has been a director of Tiffany & Co. since 1995 and has been Chairman since the end of Fiscal 2002. He was appointed Interim CEO of Tiffany & Co. effective February 5, 2017, and it is expected that he will continue to serve in such capacity until a new CEO is appointed by the Company. Mr. Kowalski also served on the Board of Directors of The Bank of New York Mellon Corporation from 2007 to 2015. 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 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.

Mark J. Erceg. Mr. Erceg joined Tiffany on October 18, 2016 as Executive Vice President – Chief Financial Officer. Prior to joining Tiffany, Mr. Erceg held the role of executive vice president and chief financial officer for Canadian Pacific Railway Limited, a transcontinental railway, from 2015 to 2016, and for Masonite International Corporation, a global manufacturer of commercial and residential doors, from 2010 to 2015. Previously, Mr. Erceg held finance, market strategy, customer response, general management and global investor relations positions at The Procter & Gamble Company during his tenure there from 1992 to 2010.

Jean-Marc Bellaiche. Mr. Bellaiche joined Tiffany in 2014 as Senior Vice President – Strategy & 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 – Chief Human Resources Officer.

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 in March 2015 as Senior Vice President – Northern America, with responsibility for all sales channels in the United States and Canada. In July 2015, Ms. De Winter was designated an

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executive officer of the Company and her responsibilities were expanded, as she became responsible for all sales channels in the Company's Americas region. Her current title is Senior Vice President – Americas. 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 Galtie. Mr. Galtie joined Tiffany in August 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 development and global sales operations. In 2016, Mr. Galtie assumed responsibility for global customer and omnichannel management and in 2017 he also assumed responsibility for global customer and sales service. Prior to joining Tiffany, Mr. Galtie 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.

Leigh M. Harlan. Ms. Harlan joined Tiffany in 2012 as Associate General Counsel. In 2014, she was promoted to Senior Vice President – Secretary & 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 & 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. Her current responsibilities include the establishment of the strategic vision for the TIFFANY & CO. brand, managing brand equity, global brand management and global public relations.

ITEM 1. ELECTION OF THE BOARD

Each year, the Company elects directors at an annual meeting of its shareholders. Pursuant to the Company's 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. The Board has granted such a waiver in respect of the nomination of Charles K. Marquis, who is currently age 74, at the 2017 Annual Meeting. See "Board of Directors and Corporate Governance–Board Leadership Structure" and "–Board Refreshment" for additional information regarding this waiver.

At the 2017 Annual Meeting, 11 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. Peter W. May is not standing for re-election at the 2017 Annual Meeting, and the Board thanks him for his exemplary service to the Company.

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 2017 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 2017 Annual Meeting.

Why the Nominees were Chosen to Serve. Each of the 11 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. All nominees, except Messrs. Farah, Lillie and Trapani, have previously been elected as directors by the Company's shareholders.

On February 20, 2017, JANA and the Company entered into a Cooperation Agreement (the "Cooperation Agreement"), pursuant to which the Company agreed that, subject to the conditions set forth therein, the Board would appoint (i) Messrs. Farah, Lillie and Trapani to the Board and (ii) Mr. Trapani to the Search and Nominating/Corporate Governance Committees, in each case no later than 10 business days after the date of the Cooperation Agreement. Messrs. Farah, Lillie and Trapani were subsequently appointed to the aforementioned positions on March 6, 2017. Pursuant to the Cooperation Agreement, the Company also agreed that, subject to the conditions set forth therein, the Board would nominate each of Messrs. Farah, Lillie and Trapani for election to the Board at the 2017 Annual Meeting.

Messrs. Farah, Lillie and Trapani have each provided to the Company an executed irrevocable resignation letter from the Board that will be effective (subject to Board acceptance) if JANA ceases to comply with or breaches any of the terms of the Cooperation Agreement in any material respect and, after receiving notice of such breach, does not cure such breach, and, solely with respect to Mr. Trapani, such resignation letter will also be effective (subject to Board acceptance) if Mr. Trapani ceases to comply with or breaches any of the terms of a separate cooperation agreement, entered into on February 20, 2017 between the Company and Mr. Trapani (the "Trapani Cooperation Agreement") in any material respect and, after receiving notice of such breach, does not cure such breach. JANA and Mr. Trapani have also each agreed that, for a specified period of time, they will vote their respective shares in favor of the election of each of Messrs. Farah, Lillie and Trapani, as well as all directors who were members of the Board as of February 20, 2017 who are nominated and recommended by the Board for election at an annual meeting of shareholders. Pursuant to the Cooperation Agreement and the Trapani Cooperation Agreement, JANA and Mr. Trapani are each committed to be independent of each other following the date of such Agreements.

Pursuant to the Cooperation Agreement, the Company agreed to limit waivers under the retirement age provision of its By-laws referenced above, such that, in accordance with such mandatory retirement age, Mr. May will not stand for re-election at the 2017 Annual Meeting and Messrs. Marquis and Costley will not stand for re-election at the 2018 Annual Meeting. The foregoing summary of the Cooperation Agreement and Trapani Cooperation Agreement is not complete and is subject to, and is qualified by reference to, the full text of the Cooperation Agreement and Trapani Cooperation Agreement, which are filed as Exhibits 10.37 and 10.38, respectively, to the Company's Current Report on Form 8-K filed with the SEC on February 21, 2017.

The specific experience and qualifications of each director nominee is set forth in the brief biographies that follow. 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, 65, was named Interim Chief Executive Officer of Tiffany & Co. effective February 5, 2017 and it is expected that he will continue to serve in such capacity until a new Chief Executive Officer ("CEO") is appointed by the Company. Mr. Kowalski joined Tiffany in 1983 and was CEO from 1999 until his retirement effective March 31, 2015. Mr. Kowalski has been a director of Tiffany & Co. since 1995 and has been Chairman since the end of Fiscal 2002. 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 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, motivation and strategic planning.

Rose Marie Bravo

Ms. Bravo, CBE, 66, 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 positions 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, 73, 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 and as Lead Director of Prestige Brands Holdings, Inc. and as the Chairman of the Board of Directors of NanoBio Corporation, a private early stage vaccine company. He has also served on the Board of Directors of the following public companies during the past five years: Covance Inc. and The Principal Financial Group.

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

Roger N. Farah

Mr. Farah, 64, became a director of Tiffany & Co. on March 6, 2017. He served as the Co-CEO of Tory Burch LLC from September 2014 to March 1, 2017, when he transitioned to the role of Executive Director in which he serves in an advisory capacity to that company. He has also served as a member of the Board of Directors of Tory Burch LLC since September 2014. Mr. Farah served as President and Chief Operating Officer of Ralph Lauren Corporation from 2000 to 2013 and as Executive Vice Chairman from November 2013 to May 2014. He was a member of the Board of Directors of Ralph Lauren Corporation from 2000 to 2014. Prior to joining Ralph Lauren Corporation, he served as Chairman of the Board and CEO of Venator Group, Inc. (now Foot Locker, Inc.), as President and Chief Operating Officer of R.H. Macy & Co., Inc. and as Chairman and CEO of Federated Merchandising Services. Mr. Farah currently serves on the Board of Directors of The Progressive Corporation and Aetna, Inc., and as a non-executive director of Metro Bank PLC. Mr. Farah holds a B.S. in Economics from the University of Pennsylvania, Wharton School of Business.

Key Skills: luxury brand management, global management, marketing and product development.

Lawrence K. Fish

Mr. Fish, 72, 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, as Chairman of Management Sciences for Health and as a Trustee of Woods Hole Oceanographic Institute.

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

Abby F. Kohnstamm

Ms. Kohnstamm, 63, 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 company during the past five years: 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.

James E. Lillie

Mr. Lillie, 55, became a director of Tiffany & Co. on March 6, 2017. He is the Vice Chairman of Mariposa Capital, a private investment office, and a consultant for Newell Brands, which acquired Jarden Corporation in April 2016. He held senior positions at Jarden Corporation from 2003 through the aforementioned acquisition of the company, including as President and Chief Operating Officer and, beginning in 2011, CEO. He also served as a member of the Board of Directors of Jarden Corporation from 2011 until the aforementioned acquisition. Prior to joining Jarden Corporation, Mr. Lillie served as Executive Vice President of Operations at Moore Corporation Limited and held several senior level management positions at portfolio companies of Kohlberg, Kravis, Roberts & Company. Mr. Lillie serves on the Board of Directors of Nomad Foods Limited and Royal Oak Charcoal, and previously served on the Board of Directors of Radio Prisa in Spain and the US-China Business Council. Mr. Lillie holds a B.A. from the University of Wisconsin.

Key Skills: global management, strategic planning, finance, product innovation and business process optimization.

Charles K. Marquis

Mr. Marquis, 74, 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, governance, risk analysis, crisis management and investor relations.

William A. Shutzer

Mr. Shutzer, 70, 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 planning.

Robert S. Singer

Mr. Singer, 65, 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.

Francesco Trapani

Mr. Trapani, 60, became a director of Tiffany & Co. on March 6, 2017. From 1984 until 2011, Mr. Trapani served as CEO of Bulgari S.p.A., including in connection with the company's listing on the Italian Stock Exchange, creation of Bulgari Hotels & Resorts, and acquisition by LVMH Moët Hennessy – Louis Vuitton S.A. ("LVMH") in 2011. From 2011 to 2014, Mr. Trapani served as Chairman and CEO of the LVMH Watches and Jewelry Division, following which he served on the Board of Directors of LVMH and as a senior advisor to the LVMH CEO until his resignation on February 20, 2017. Mr. Trapani joined Clessidra SGR, the largest private equity fund in Italy, as Executive Vice-Chairman in 2014, and later served as Chairman of the Board until the company's sale in 2016. Mr. Trapani holds a degree in business administration from the University of Naples.

Key Skills: luxury brand management, finance, strategic planning and global management.

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 tendered a resignation letter to the Nominating/Corporate Governance Committee to be considered in the event that he or she does not receive such a majority vote. 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 11 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 tendered a resignation letter to the Nominating/ Corporate Governance Committee to be considered 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** – 9 of the Company's 11 directors up for election are independent;
- **Presiding independent director** – the Company's 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** – the Company's 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
- **Leading compensation practices** – see "Compensation of the CEO and Other Executive Officers–Compensation Discussion and Analysis–Executive Summary–Corporate Governance Best Practices" at PS-44.

THE BOARD, IN GENERAL

The Board is currently composed of 12 members. The Board can fill vacancies and newly created directorships, as well as provide for a greater or lesser number of directors, subject to the terms of the Cooperation Agreement, which limits the Board's ability to increase in size over 12 members (with certain exceptions, including an increase in the Board's size to accommodate the appointment to the Board of a new CEO). Effective as of the date of the 2017 Annual Meeting, the Board intends to take action to establish the number of directors constituting the whole Board at 11.

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:

- 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;
- 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 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

Michael J. Kowalski, the Company's current Interim CEO, served as the Company's CEO from 1999 until March 31, 2015 and has held the position of Chairman of the Board since the end of Fiscal 2002. As such, the role of Chairman of the Board and the office of CEO have been held by the same individual for much of the Company's recent history (other than from March 31, 2015 through February 5, 2017, when the position of CEO was held by Mr. Cumenal). On February 5, 2017, when Mr. Kowalski was named Interim CEO, the Board also commenced a search to recruit a new CEO. Mr. Kowalski has stated that he anticipates relinquishing his responsibilities as Chairman of the Board to a successor after an appropriate period following the appointment of a new CEO.

The Company also has a presiding independent director. Charles K. Marquis occupies such position.

Mr. Kowalski, as 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 existence of a presiding independent director also 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. As such, the Board recognizes that the presiding independent director can be an important advisor to the CEO. The Board further believes the presiding independent director performs an important role in the Board's consideration of, and efforts regarding, its own effectiveness, in establishing leading governance practices and in facilitating effective Board oversight in crisis or transitional situations.

The Nominating/Corporate Governance Committee believes the Company's existing leadership structure is appropriate in the context of the Board's current size and given the recent addition of three new directors, the recent departure of the Company's CEO and the ongoing search for a new CEO. See "Item 1. Election of the Board" at PS-17.

Given Mr. Kowalski's tenure as Chairman of the Board, the Board has had significant opportunity 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 also believes Mr. Kowalski's extensive experience as the CEO of the Company is valuable to his service as Chairman of the Board. Not only does his in-depth understanding of the Company's operations improve his ability to set the agenda for each Board meeting, but his experience in leading the Company also allows the Board additional insight into key matters within its purview, including the strategic planning process and management succession.

The independent directors of the Board similarly believe that Mr. Marquis's extensive experience with the Company and his expertise in governance matters are invaluable in light of the changes in Board composition and executive leadership. During Mr. Marquis's tenure, the Board has effectively planned for and implemented changes in Board composition as well as CEO transitions. The Board believes his continued role as presiding independent director, until his planned retirement from the Board in May 2018, is uniquely important to the Company during the current period of transition. Therefore, the Board has granted a waiver of the Company's policy on the mandatory retirement age for directors in respect of the nomination of Mr. Marquis at the 2017 Annual Meeting.

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 the participation of management directors or executive officers. 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, Roger N. Farah, Lawrence K. Fish, Abby F. Kohnstamm, James E. Lillie, Charles K. Marquis, Peter W. May, Robert S. Singer and Francesco Trapani.

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

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

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

In determining that Mr. Trapani is independent, the Board specifically considered the Cooperation Agreement, the Trapani Cooperation Agreement and the Nomination Agreement (as defined below). In determining that Messrs. Farah and Lillie are independent, the Board specifically considered the Cooperation Agreement. See "Item 1. Election of the Board" at PS-17 for additional information regarding the Cooperation Agreement and Trapani Cooperation Agreement. See "Item 3. Approval, on an Advisory Basis, of the Compensation of the Company's Named Executive Officers–Director Compensation Table–Additional Compensation from JANA Partners LLC" at PS-97 for additional information regarding the Nomination Agreement.

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

BOARD AND COMMITTEE MEETINGS AND ATTENDANCE DURING FISCAL 2016

Pursuant to the Company's Corporate Governance Principles, directors are expected to attend the 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 or other communications equipment.

The Board holds one of its regularly scheduled meetings on the date of the annual meeting of its shareholders to facilitate attendance at the annual meeting by the directors. Seven of the Company's 11 directors up for election attended the 2016 Annual Meeting (three of the non-attending directors were not on the Board in May 2016). Mr. Cumenal, who resigned as a director as of February 10, 2017, also attended the 2016 Annual Meeting.

Each director who served on the Board during Fiscal 2016 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.

- The full Board held six meetings. Attendance averaged 98% amongst all members.
- The Audit Committee held ten meetings. Attendance averaged 93% amongst all members.
- The Compensation Committee and its Stock Option Subcommittee held six meetings. Attendance averaged 97% amongst all members.
- The Nominating/Corporate Governance Committee held six meetings. Attendance averaged 96% amongst all members.
- The Finance Committee held six meetings. All members attended all meetings.
- The Corporate Social Responsibility Committee held three meetings. All members attended all meetings.

COMMITTEES OF THE BOARD

Board Committee Membership

The committees of the Board, as well as the memberships thereof, consisted of the following as of March 20, 2017:

Director	Audit*	Compensation Committee & Stock Option Sub-committee*	Corporate Social Responsibility	Dividend	Finance	Nominating/ Corporate Governance*	Search
Rose Marie Bravo		✓				✓	Chair
Gary E. Costley		Chair	✓			✓	
Roger N. Farah							
Lawrence K. Fish	✓		Chair		✓		
Abby F. Kohnstamm	✓	✓	✓			✓	✓
James E. Lillie							
Charles K. Marquis	✓	✓				Chair	
Peter W. May		✓			✓		✓
William A. Shutzer					Chair		✓
Robert S. Singer	Chair	✓			✓		
Francesco Trapani						✓	✓
Michael J. Kowalski			✓	✓			✓

* *Composed solely of independent directors.*

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 the Company's 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. and Mead Johnson Nutrition Company. The Board also considered Mr. Singer's role as Chairman of the audit committee for Jimmy Choo PLC and Coty Inc. The Board has determined that Mr. Singer's simultaneous service on the audit committee of two 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-34.

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-35.

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. ("FW Cook") is an independent advisor retained by the Compensation Committee to provide advice with respect to the amount and form of executive compensation. FW Cook also provides advice to the Nominating/ Corporate Governance Committee with respect to non-management director compensation.

FW Cook 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 FW Cook, and FW Cook was found to be independent. The Compensation Committee has instructed FW Cook to act independently of management and only at the direction of the Committee, and has advised FW Cook that its ongoing engagement will be determined solely by the Compensation Committee. FW Cook 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 FW Cook and the Compensation Committee and in facilitating FW Cook'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-46 and "Report of the Compensation Committee" at PS-67.

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 2016, 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 2016 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 identify individuals to become Board members consistent with criteria approved by the Board, and 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, expertise and skills, with a view to supplementing the business experience, expertise and skills 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 engaged a third party search firm in 2015 to assist the Committee in the identification of certain non-executive director candidates, in light of the fact that certain of the Company's directors would reach the mandatory retirement age of 74 set forth in the Company's By-laws prior to the Company's 2017 and 2018 Annual Meetings. 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" below.

While the Company's Corporate Governance Principles do not prescribe diversity standards, as a matter of practice, the Nominating/Corporate Governance Committee considers the diversity of the Board as a whole when considering candidates for director. In this context, diversity is broadly construed to include differences of viewpoint, professional experience, education, skill and other individual qualities and attributes that contribute to an active, effective board. In addition, one of the factors that the Board considers during its annual self-evaluation is whether the membership of the Board provides an appropriate mix of skills, experience and backgrounds.

Messrs. Farah, Lillie and Trapani were appointed to the Board pursuant to the Cooperation Agreement, as discussed under "Item 1. Election of the Board" above.

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 exercises the power otherwise vested in the Board with respect to the declaration of regular quarterly dividends in accordance with the dividend policy established by the Board. The Dividend 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. Mr. Kowalski 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.

Search Committee

The Board formed the Search Committee in February 2017, following the departure of Frederic Cumenal as CEO, in order to identify and perform an initial assessment of potential candidates to serve as CEO of the Company and, based on such assessment, to propose suitable individuals for consideration by the full Board. The Search 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. Pursuant to its charter, the Search Committee will dissolve automatically and without any further action of the Board once a new CEO is appointed, unless the Board determines otherwise by resolution prior to such time.

BOARD SELF-EVALUATION

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 presiding independent director leads a full Board discussion of the results of such self-assessments.

BOARD REFRESHMENT

Changes to Board composition may result from the Board's self-evaluation practices and related discussions; however, the Board also ensures refreshment through By-law provisions requiring that directors 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. The Board has granted such a waiver in respect of the nomination of Charles K. Marquis, who is currently age 74, for election at the 2017 Annual Meeting. The Board has deemed Mr. Marquis's continued service to be uniquely important to the Company at this time, as discussed above under "Board Leadership Structure".

In light of upcoming retirements, in 2015 the Board engaged a leading search firm to assist in its search for new director candidates. On March 6, 2017, after working collaboratively with JANA Partners LLC in connection with the

Board's refreshment objectives, the Board appointed three new independent directors as contemplated by the Cooperation Agreement.

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 the Company's CEO. Pursuant to the Company's 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 performance.

In February 2017, the Board determined that accelerating execution of the Company's core business strategies was necessary for the Company to compete more effectively and improve performance, and the Company's then-serving CEO stepped down from that position. On that same date, the Board appointed Mr. Kowalski as Interim CEO and formed a Search Committee to identify potential candidates for the CEO position. Based on the Search Committee's initial assessment of candidates, it will propose suitable individuals for consideration by the full Board. The Company expects that Mr. Kowalski will continue to serve as Interim CEO until a new CEO is appointed by the Company.

The Board also evaluates at least annually, in conjunction with the CEO, the performance and potential of the Company's other executive officers. The Board, assisted by the Nominating/Corporate Governance Committee, also participates in the planning for the succession of the Company's 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; annual operating and profit planning; 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.

The Company also has 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 the Company's business conduct policy. Waivers may only be made by the Board. A summary of the Company's business conduct policy and a copy of the Code of Business and Ethical Conduct are posted 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 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 the Company's website. Accordingly, the Company 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. The Company 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 2016: 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, including with respect to the proposed Pebble Mine in Bristol Bay, Alaska, and in communications with certain governmental agencies regarding international gemstone sourcing as well as 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. The Company and its affiliates did not make any political expenditures during Fiscal 2016.

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. The Company strives 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-28 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 or greater 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 2016. None of the independent directors serve as an executive officer of these charities:

- 92nd Street Y: merchandise grants of $950 (Mr. May is an Honorary Director).
- Fish Family Foundation: $10,000 cash contribution to support the Japanese Women's Leadership Initiative and merchandise grants of $135 (Mr. Fish is a Trustee).
- 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 $1,850 (Mr. Shutzer is a Trustee).
- Prep for Prep: merchandise grants of $2,600 (Mr. Shutzer is a Trustee).
- 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. Mr. Cumenal served on the Board of Trustees of the Whitney during Fiscal 2016 and resigned as a Trustee effective February 10, 2017 in connection with his departure as CEO.

ITEM 2. RATIFICATION OF THE SELECTION OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM TO AUDIT OUR FISCAL 2017 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 2017. 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 2017 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 2017.

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 (United States) (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, 2017 and 2016, 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, 2017. 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. 1301, "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, 2017.

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-25, 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, 2018. 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, 2018, 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 (viii) 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, 2017 and 2016, 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, 2017	January 31, 2016
Audit Fees	$ 3,345,400	$ 3,618,400
Audit-related Fees	163,300	147,300
Audit and Audit-related Fees	3,508,700	3,765,700
Tax Fees[a]	2,003,900	1,253,600
All Other Fees[b]	195,400	203,400
Total Fees	$ 5,708,000	$ 5,222,700

a) Tax fees consist of fees for tax compliance and tax consulting services. These fees include tax compliance fees of $947,300 for the year ended January 31, 2017 and $1,090,500 for the year ended January 31, 2016.

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, 2017 and January 31, 2016.

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

Rule 14a-21(a) ("SEC Rule 14") was adopted by the SEC under the Exchange Act. It requires the Company to include in its proxy statement, at least once 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 2017 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 (as amended) 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, Erceg, Nicoletti, Bellaiche and Galtie, and Ms. Cloud) for which your approval is sought may be found at PS-38 through PS-94 inclusive of this Proxy Statement.

At the 2016 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 for the 2015 fiscal year. The Company's Say on Pay proposal passed with 96.6% of the shareholder advisory votes in favor of the Company's executive compensation program. The Committee considered shareholder approval of the executive compensation program in evaluating the design of the program for Fiscal 2017.

THE BOARD RECOMMENDS A VOTE "FOR" APPROVAL OF THE COMPENSATION PAID TO THE NAMED EXECUTIVE OFFICERS IN FISCAL 2016.

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 ("NEOs") for Fiscal 2016.

NAMED EXECUTIVE OFFICERS

The Company's NEOs for Fiscal 2016 were as follows:

Frederic Cumenal	Chief Executive Officer, departure effective February 5, 2017
Mark J. Erceg	Executive Vice President – Chief Financial Officer, appointment effective October 18, 2016
Ralph Nicoletti	Executive Vice President – Chief Financial Officer, departure effective May 20, 2016
Jean-Marc Bellaiche	Senior Vice President – Strategy and Business Development
Pamela H. Cloud	Senior Vice President – Global Category Marketing
Philippe Galtie	Senior Vice President – International

EXECUTIVE SUMMARY

2016 Company Performance

Reflected below are key highlights for Fiscal 2016:

Stock Price at January 31, 2017	Stock Price at January 31, 2016	Total Dividends Paid Per Share	Total Shareholder Return
$78.72	$63.84	$1.75	26%

(in millions, except per share amounts)	Fiscal 2016	Fiscal 2015	Percentage Increase/ (Decrease)
Earnings from operations			
As reported	$ 721.2	$ 760.1	(5)%
As adjusted*	759.2	806.8	(6)%
Net earnings			
As reported	446.1	463.9	(4)%
As adjusted*	470.1	493.8	(5)%
Diluted earnings per share			
As reported	3.55	3.59	(1)%
As adjusted*	3.75	3.83	(2)%

*See Appendix I at PS-105 for Non-GAAP reconciliation.

Sales: Worldwide net sales decreased 3% to $4.0 billion reflecting declines in the Americas and Europe partly offset by an increase in Japan and unchanged sales in Asia-Pacific. 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 decreased 3% from the prior year.

Profitability: Net earnings decreased 4% to $446.1 million in 2016, or $3.55 per diluted share. Net earnings in 2016 included impairment charges of $0.19 per diluted share (see Appendix I at PS-105). Net earnings in 2015 included charges of $0.24 per diluted share (see Appendix I at PS-105).

Store Expansion: The Company added a net of 6 TIFFANY & CO. stores, resulting in a 3% net increase in gross retail square footage.

Product Introductions: The Company expanded its offerings within several existing jewelry collections, including its TIFFANY T and RETURN TO TIFFANY® LOVE collections, and introduced new watch designs.

Cash Flow: The Company generated cash flow from operating activities of $702.1 million in 2016, compared with $813.6 million in 2015. Cash flow from operating activities in 2016 included a voluntary cash contribution of $120.0 million made by the Company to its U.S. pension plan.

Returning Capital to Shareholders: The Company returned cash to shareholders by continuing to pay regular quarterly dividends (which were increased 12.5% effective July 2016 to $0.45 per share, or an annualized rate of $1.80 per share) and spending $183.6 million to repurchase 2.8 million shares of its common stock.

Chief Executive Officer Transition

After the close of Fiscal 2016, on February 5, 2017, Frederic Cumenal stepped down as Chief Executive Officer, and Michael J. Kowalski was appointed Interim Chief Executive Officer. For transition purposes, Mr. Cumenal remained employed by the Company until February 10, 2017.

Frederic Cumenal Departure

The Company and Tiffany entered into a separation agreement with Mr. Cumenal on March 6, 2017. The separation agreement affirmed that Mr. Cumenal would receive the following severance payments and benefits required by his employment agreement:

- Cash severance in the amount of $1,909,387;
- Payment of his short-term incentive award for Fiscal 2016 based on actual performance, as determined by the Committee in accordance with the targets and guidelines established at the beginning of the performance period. For information concerning the payout of this award, see below under "2016 Incentive Compensation"; and
- Payment of the cost of one year of continued health care coverage.

The separation agreement also provided for a release and waiver of claims by Mr. Cumenal in favor of the Company and its affiliates, as well as his agreement to assist in the transition of his responsibilities and with respect to litigation matters. As additional consideration for these benefits (which were not contemplated by his employment agreement), the separation agreement provided Mr. Cumenal (i) an additional cash payment of $690,613, (ii) a reduction in the length of certain post-employment non-solicitation obligations from eighteen to twelve months, (iii) certain outplacement benefits and (iv) amendment to the terms applicable to certain of Mr. Cumenal's equity awards to provide that:

- All stock option awards that were vested but unexercised as of the termination of his employment – which ordinarily would have expired three months after the termination date – will remain exercisable until February 10, 2018 (the one-year anniversary of his termination of employment);
- The unvested portions of stock option awards granted to Mr. Cumenal in September 2013, January 2014, January 2015 and January 2016 that were scheduled to vest in Fiscal 2017, and that ordinarily

would have been forfeited upon the termination of his employment, vested as of March 14, 2017, and will remain exercisable until February 10, 2018; and

- Performance-based restricted stock units granted to Mr. Cumenal in January 2015, which otherwise would have been forfeited upon the termination of his employment, will continue to vest according to their terms. The payout of this award to Mr. Cumenal – which will remain contingent upon pre-established performance goals that were not amended in any respect – will be pro-rated to reflect Mr. Cumenal's employment during the performance period. In addition, the Committee may only exercise its discretion to reduce the amount of the award to be vested if the reduction applies to the executive officers generally.

Aside from the grants described above and others that vested according to their terms, all of Mr. Cumenal's unvested equity grants were forfeited upon his departure. The Company will be entitled to recover or revoke the additional consideration in the event Mr. Cumenal breaches his agreement to provide transition or litigation assistance or his applicable confidentiality, no-hire and non-solicitation obligations. As required by his employment agreement, the Company also paid Mr. Cumenal for accrued but unused vacation and an amount in lieu of the applicable notice period.

The foregoing summary of the separation agreement by and among Mr. Cumenal, Tiffany and the Company is not complete and is subject to, and is qualified by reference to, the full text of the agreement filed as Exhibit 10.41 to the Company's Current Report on Form 8-K filed with the SEC on March 7, 2017.

Michael J. Kowalski Appointment

In connection with his appointment as Interim Chief Executive Officer, Mr. Kowalski was provided a monthly base salary of $60,078. In addition, on February 15, 2017, Mr. Kowalski was granted an award of 43,615 stock options with a grant date fair value of $625,395, which will vest in its entirety on the first anniversary of the grant date, subject to certain conditions. As an executive, Mr. Kowalski is eligible to participate in certain executive benefits programs; however, unless the Board determines otherwise, he will not be eligible to participate in the Company's 2014 Employee Incentive Plan (aside from the stock options above), any cash bonus program or any Company severance program, plan or arrangement. While serving as Interim Chief Executive Officer, Mr. Kowalski will remain Chairman of the Board but will no longer receive compensation for his service in such position.

Other Changes in Executive Management

Mark J. Erceg was appointed Executive Vice President – Chief Financial Officer, effective October 18, 2016. The former Executive Vice President – Chief Financial Officer, Ralph Nicoletti, resigned effective May 20, 2016.

2016 Incentive Compensation

Short-Term Incentive Award

Under the targets and guidelines established by the Committee at the start of Fiscal 2016, the NEOs shown below were eligible to earn up to 200% of their target short-term incentive awards based on corporate and individual performance, as described below. Based on the extent to which those pre-established goals were achieved, Fiscal 2016 short-term incentive awards were paid out as follows:

	Potential Payout Based on Achievement of Operating Earnings Target (160% of Target)	Potential Payout Based on Individual Performance (40% of Target)	Potential Total Payout of Annual Incentive Award (200% of Target)	Actual Payout of Annual Incentive Award (87-99% of Target)
Frederic Cumenal	$ 3,000,000	$ 750,000	$ 3,750,000	$ 1,631,250
Jean-Marc Bellaiche	$ 720,000	$ 180,000	$ 900,000	$ 445,500
Pamela H. Cloud	$ 576,000	$ 144,000	$ 720,000	$ 356,400
Philippe Galtie	$ 552,000	$ 138,000	$ 690,000	$ 341,550

Mr. Erceg was not granted a short-term incentive award for Fiscal 2016 due to his appointment in October 2016. Mr. Nicoletti was not eligible to be paid a short-term incentive award for Fiscal 2016 as a result of his departure in May 2016.

Performance-Based Restricted Stock Units

The performance-based restricted stock units ("PSUs") awarded to executive officers in January 2014 for the three-year period ended January 31, 2017, vested at 54.92% of target shares (27.46% of maximum shares). This was based on diluted earnings per share ("EPS") of $11.77 for the three-year performance period, compared to the EPS threshold, target and maximum of $10.18, $14.17 and $16.26, respectively, for the three-year performance period; and average return on assets ("ROA") of 9.9% for the three-year performance period, compared to the ROA target of 11%, resulting in no ROA modifier being applied.

Messrs. Cumenal and Nicoletti and Ms. Cloud were the only NEOs granted PSUs for the three-year period ended January 31, 2017. Mr. Nicoletti was not eligible for a payout with respect to these PSUs due to his departure in May 2016. The extent to which goals were achieved resulted in payouts to Mr. Cumenal and Ms. Cloud as follows:

	Potential Performance-Based Restricted Stock Units under January 2014 Award (200% of target)	**Actual Performance-Based Restricted Stock Units to Vest under January 2014 Award, in accordance with achievement of pre-established goals**
Frederic Cumenal	30,400	8,348
Pamela H. Cloud	12,400	3,406

Fiscal 2017 Changes to Executive Incentive Compensation

During Fiscal 2016, with the assistance of its independent compensation consultant, the Committee reviewed the Company's senior executive compensation program and adopted several changes to its incentive compensation design. The changes take into account the executive compensation program objectives of attracting, motivating and retaining talent; rewarding achievement of short- and long-term financial goals; and linking management and shareholder interests. The changes also enhance alignment with the Company's strategic goals of driving total shareholder return through sales growth, margin expansion and cash flow generation.

Annual incentive awards and long-term incentive awards granted in January 2017 have the following new features:

- *New performance metric for annual incentive awards: net sales growth on a constant currency basis.* To support the Company's strategy to accelerate sales growth, the Committee added growth in annual net sales, on a constant-exchange-rate basis that excludes the effect of translating foreign-currency-denominated sales into U.S. dollars (see Appendix I at PS-105), as a performance metric for annual incentive awards (such metric, "Constant Currency Sales Growth"). The Committee believes that Constant Currency Sales Growth serves as an appropriate measure of the success of product initiatives, as well as other initiatives to enhance brand positioning and the overall customer experience. Constant Currency Sales Growth goals will be weighted 20%, while operating earnings and individual factors will be weighted 60% and 20%, respectively. The performance weighting of metrics for the annual incentive awards granted in January 2017, compared to those for annual incentive awards granted in January 2016, are shown below.

	Weighting*		
	Operating Earnings	Constant Currency Sales Growth	Individual Factors
Annual incentive awards granted in January 2017	60%	20%	20%
Annual incentive awards granted in January 2016	80%	—	20%

* Percentage of target award that may be paid upon achievement of goals at target.

PROXY STATEMENT

PROXY STATEMENT

- *New performance metric for performance-based restricted stock units: operating cash flow.* To incentivize execution of the Company's strategy to maximize cash flow through inventory management, cost-reducing procurement initiatives and systems and process enhancements, the Committee added operating cash flow as a performance metric for PSUs in lieu of the ROA modifier used in prior years. Operating cash flow goals will be weighted 20% and EPS goals will be weighted 80% (reduced from 100% in the prior year). The performance metrics for the PSUs granted in January 2017, compared to those for the PSUs granted in January 2016, are shown below.

	Weighting*		
	EPS	Return on Assets	Operating Cash Flow
Performance-based restricted stock units granted in January 2017	80%	—	20%
Performance-based restricted stock units granted in January 2016	100%	Modifier (adjustment of +/-10% if target achieved)	—

* Percentage of target award that may be paid upon achievement of goals at target.

- *Summary of performance metrics for short-term and long-term incentives.* The new performance metrics for short-term and long-term incentive compensation, and the strategic objectives to which they are linked, are summarized below.

Form of Incentive	Strategic objective	Performance metric and weighting*
Annual incentive awards	Increased profitability through sales growth and margin expansion.	Operating earnings (60%)
	Sales growth through effective brand positioning and customer engagement initiatives.	Constant Currency Sales Growth** (20%)
	Individual goals, including strategic thinking and leadership.	Individual factors determined by the Committee (20%)
Performance-based restricted stock units	Earnings growth through sales growth, margin expansion, network optimization and capital allocation decisions.	EPS (80%)
	Effective cash generation, excluding impact of capital expenditures, through focus on inventory management, procurement strategy and systems and process enhancements. Ability to return value to shareholders through dividends and share repurchases.	Operating cash flow ** (20%)

*Percentage of target award that may be paid upon achievement of goals at target.
** New performance metric added for Fiscal 2017.

- *Addition of time-vesting restricted stock units.* Time-vesting restricted stock units ("RSUs") were added to the long-term incentive compensation provided to senior executive officers other than the Chief Executive Officer ("CEO") and executives with the title of Executive Vice President (which currently includes only the Chief Financial Officer ("CFO")). The NEOs affected by this change will receive 25% of their long-term incentive compensation in the form of RSUs, 25% in the form of stock options (reduced from 50% in past years), and 50% in the form of PSUs (unchanged from past years). The addition of RSUs is designed to balance the Company's objectives of attracting and retaining key talent with incentivizing performance. The CEO and the CFO will continue to receive 50% of their long-term incentives in the form of stock options, and 50% in the form of PSUs, as the Committee believes that executives in these positions have the greatest direct influence on achievement of financial performance metrics

and total shareholder return. The long-term incentives provided to NEOs in January 2017, compared to those provided in January 2016, are shown below.

	Mix of Long-term Incentive Opportunities		
	Stock Options	Time-Vesting Restricted Stock Units	Performance-based Restricted Stock Units
Long-term incentives granted in January 2017	CEO and CFO: 50% Other NEOs: 25%	CEO and CFO: 0% Other NEOs: 25%	All NEOs: 50%
Long-term incentives granted in January 2016	All NEOs: 50%	All NEOs: 0%	All NEOs: 50%

- *Other changes to grant terms.* RSUs and PSUs will be credited with dividend equivalent units that will be converted into shares (with fractional units being paid out in cash) upon vesting of the underlying stock units. This change is designed to permit executives to participate in total shareholder return, in alignment with the interests of shareholders, and supports the balanced consideration of share repurchases and dividend payments in capital allocation decisions.

- In the event of an executive's voluntary retirement at age 65 (or age 55 with 10 years of service), or involuntary termination without cause following at least 10 years of service as an executive, stock options and PSUs granted at least six months prior to retirement or termination will continue to vest in accordance with their terms, and the exercise period applicable to vested options will be five years (not to exceed the original expiration date). For grants made in the prior fiscal year, retirement resulted in forfeiture of unvested stock options, the application of a two-year exercise period to any vested stock options (not to exceed the expiration date), and continued pro rata vesting of PSUs; while involuntary termination without cause resulted in forfeiture of unvested stock options, application of a three-month exercise period to any vested options (not to exceed the expiration date), and Committee discretion to permit continued pro rata vesting of PSUs. These changes — the benefits of which are subject to compliance with restrictive covenants — were made to advance the Company's goals of attracting and retaining talent and ensuring executives remain focused on the Company's long-term performance.

Target Compensation for Named Executive Officers in Fiscal 2017

At its January 2017 meeting, the Committee approved the following target direct compensation for Fiscal 2017:

	Annual Base Salary	**Target Short-Term Incentive Award (% of base salary)**	**Target Long-Term Incentive Award (% of base salary)**	**Total Target Direct Compensation**	**Change in total target direct compensation from Fiscal 2016**
Mark J. Erceg	$850,000	$680,000 (80%)	$2,125,000 (250%)	$3,655,000	appointed in October 2016
Jean-Marc Bellaiche	$770,000	$577,500 (75%)	$1,155,000 (150%)	$2,502,500	7.6%
Pamela H. Cloud	$650,000	$390,000 (60%)	$1,105,000 (170%)	$2,145,000	6.7%
Philippe Galtie	$650,000	$487,500 (75%)	$975,000 (150%)	$2,112,500	18.51%

In addition to the amounts shown above, for Fiscal 2017 the Committee left Mr. Cumenal's compensation unchanged from Fiscal 2016, granting him a base salary at $1,250,000, a target short-term incentive award at $1,875,000 (150% of base salary), and a target long-term incentive award at $6,250,000 (500% of base salary), for total target direct compensation of $9,375,000. However, the short- and long-term incentives awarded to Mr. Cumenal were forfeited upon his departure in February 2017.

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:

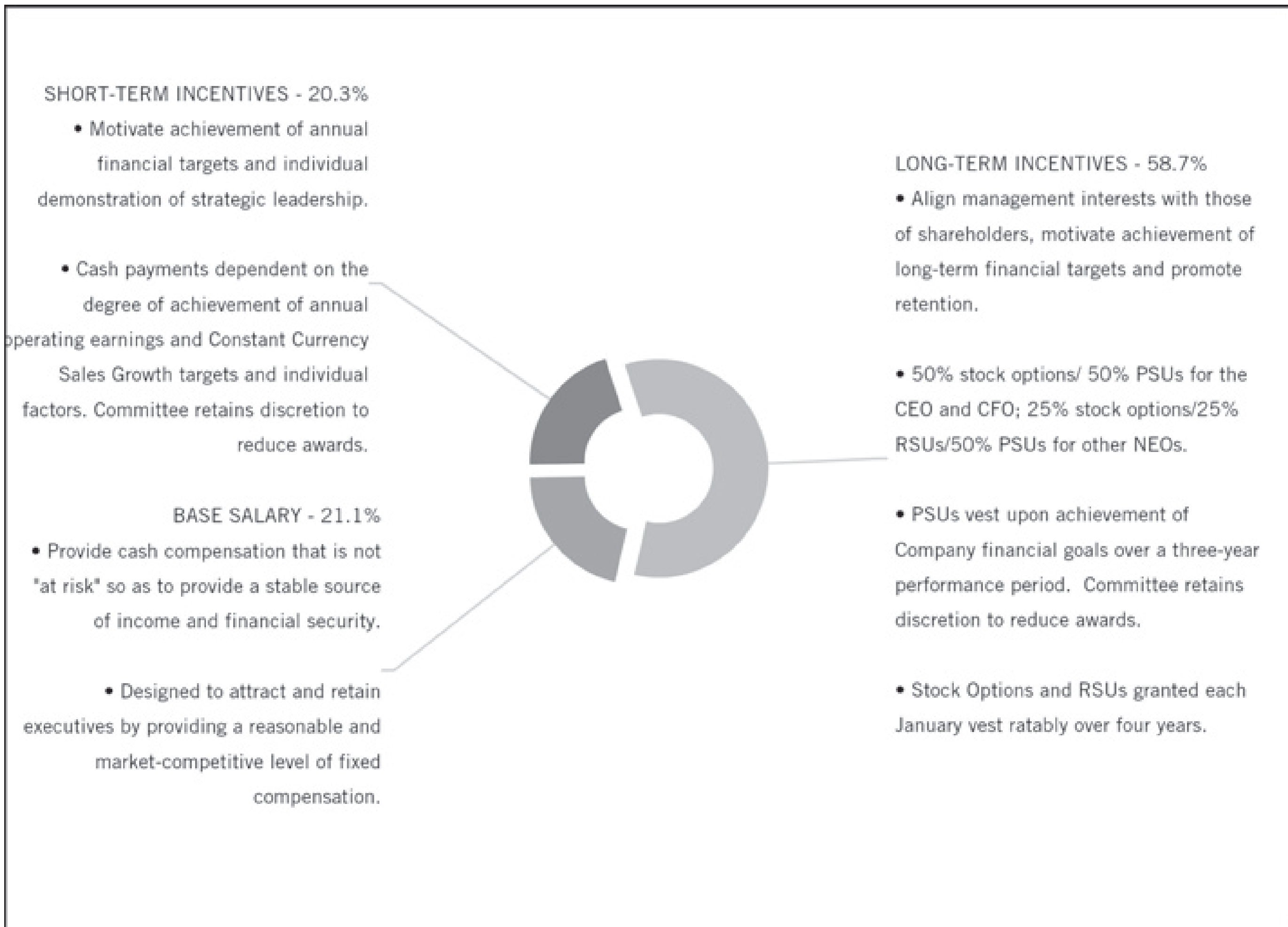
WHAT WE DO	WHAT WE DON'T DO
☑ **Pay for performance:** 87% of CEO compensation and, on average, 72% of other NEO compensation, is tied to the Company's financial performance and/or the performance of the stock price.	☒ **Tax gross-ups:** No tax gross-ups, for example for life insurance benefits, are 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 stock options and are not paid on unvested RSUs and PSUs until vesting.
☑ **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 PSUs are subject to recoupment in the event of an accounting restatement due to material noncompliance with financial reporting requirements.	

Say on Pay

In May 2016, the Company's Say on Pay proposal passed with 96.6% 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 awarded to the CEO and the other NEOs in January 2017. See charts of "CEO Target Pay Mix" and "Named Executive Officer Target Pay Mix" under "Relative Values of Key Compensation Components" at PS-51. However, Mr. Cumenal is not eligible for payment of short- or long-term incentives granted in January 2017 due to his departure in February 2017.

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

Time-vesting restricted stock units	In addition to being granted as a component of long-term incentive compensation to certain NEOs, RSUs are granted 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 operational and strategic plans and initiatives 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 that 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 (including capital allocation).

"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 certain new designs can enhance brand image and attract new customers, but affect overall margin negatively in the short term; increased staffing can positively affect customer service while negatively affecting earnings in the short term; and expanding inventory can enhance the customer experience but also affect operating cash flow negatively in the short term. Through the planning process, management must balance expectations for annual earnings growth and cash flow generation with its focus on brand stewardship and sustainable 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, RSUs 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 FW Cook, its independent compensation consultant, and the competitive compensation analysis provided by FW Cook.

See "Board of Directors and Corporate Governance–Committees of the Board–Role of Compensation Consultants" at PS-26 for discussion of the selection process for FW Cook, 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 as well as information regarding share ownership and other benefits accumulated 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 percentage of base salary. The Committee also relies on its own business judgment as to each executive officer's 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 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 PSU 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 grants stock option awards and, if applicable, RSUs to executive officers at a meeting in January of each year. Stock option awards and RSUs may also be granted in connection with new hires or promotions, or for recognition purposes. The Committee has never delegated to management its authority to make such awards. At that same January meeting, PSUs are granted for the three-year performance period beginning the next February 1, with reference to preliminary drafts of the Company's strategic plan, while annual incentive awards are granted for the one-year performance period beginning the next February 1, with reference to the Company's annual operating plan. However, the specific financial goals for the PSUs and the annual incentive awards are not established 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 FW Cook, 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 challenging because there are few U.S.-based companies of similar size in the luxury retail business with an integrated manufacturing function and extensive global 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 NEOs, 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 NEOs to the NEOs 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 global sales, manufacturing/sourcing operations), products and customers. The peer group used in Fiscal 2016 consists of the 19 companies shown below:

	Financial Data			Common Factors			
	Revenue (in millions)	Net Income (in millions)	Market Cap (in millions)	Multi-Channel Retailing	Mfg. Operations	Significant Foreign Sales	Similar Products/ Customers
Tiffany & Co.	**$ 3,975**	**$ 447**	**$ 9,170**	✓	✓	✓	✓
Burberry	$ 3,622	$ 446	$ 7,858	✓	✓	✓	✓
Coach	$ 4,499	$ 482	$ 10,060	✓		✓	✓
Coty	$ 4,349	$ 157	$ 7,733	✓	✓	✓	
Fossil	$ 3,076	$ 100	$ 1,312	✓	✓	✓	✓
Hanesbrands	$ 5,862	$ 501	$ 9,713		✓		
Kate Spade	$ 1,340	$ 129	$ 2,144	✓			✓
L Brands	$ 12,381	$ 1,205	$ 20,644	✓			✓
Estee Lauder	$ 11,292	$ 1,100	$ 31,914	✓	✓	✓	✓
Lululemon Athletica	$ 2,194	$ 270	$ 7,846	✓			
Michael Kors	$ 4,714	$ 812	$ 8,582	✓		✓	✓
Nordstrom	$ 14,421	$ 424	$ 9,019	✓			✓
Pier 1 Imports	$ 1,845	$ 20	$ 358	✓			✓
PVH	$ 8,128	$ 678	$ 8,583	✓		✓	✓
Ralph Lauren	$ 7,339	$ 310	$ 8,070	✓		✓	✓
Restoration Hardware	$ 2,178	$ 47	$ 1,179	✓			✓
Signet Jewelers	$ 6,814	$ 516	$ 6,143	✓			✓
Starwood Hotels	$ 2,965	$ 81	$ 13,064				✓
VF Corporation	$ 12,369	$ 1,122	$ 22,483	✓	✓		
Williams-Sonoma	$ 5,075	$ 303	$ 4,092	✓			✓

Source: S&P Capital IQ; revenue and net income based on the most recent four quarters for which data was publicly available as of October 31, 2016; market capitalization based on the most recent publicly available data as of October 31, 2016.

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 2016, target total direct compensation was at the 25th percentile for Mr. Bellaiche and Ms. Cloud, at the median for Mr. Cumenal, and in the median to 75th percentile range for Mr. Erceg. Target total compensation, which includes the value of pension accruals and all other compensation, was at the median for Messrs. Cumenal and Erceg and Ms. Cloud, and at the 25th percentile for Mr. Bellaiche. Mr. Galtie's compensation was compared solely to third party survey data and was not compared to the peer group, as he was not an NEO prior to Fiscal 2016.

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 was at the median for Mr. Galtie, and at or above the 75th percentile for the other NEOs.

RELATIVE VALUES OF KEY COMPENSATION COMPONENTS

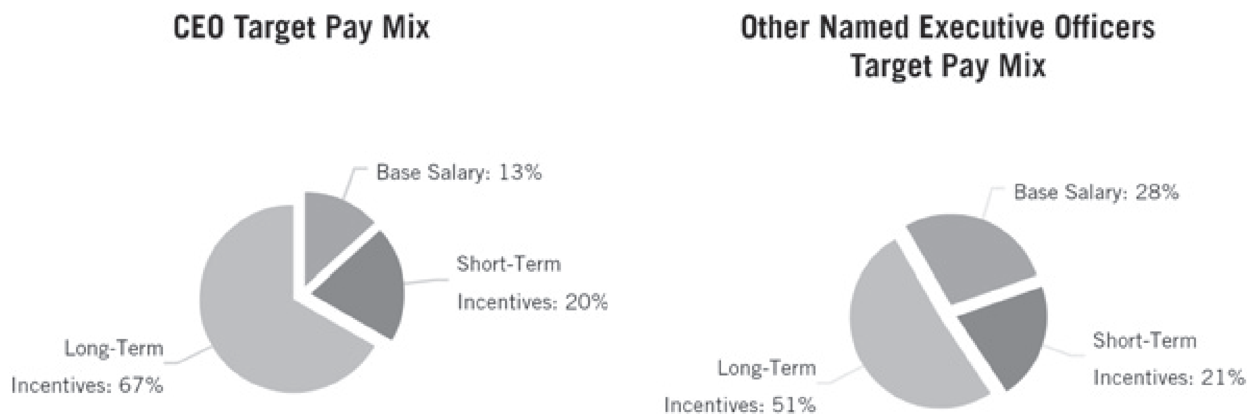
In January 2017, as part of its annual review of the target level of short- and long-term incentives for each executive officer, the Committee adopted the following target incentive opportunities expressed as a percentage of base salary. For the CEO and CFO, the Committee split the estimated value of the long-term incentives evenly between the grant-date fair market value of the targeted number of PSUs and the estimated (Black-Scholes) value of stock options. For the remaining NEOs, the Committee awarded 50% of target long-term incentives in the form of PSUs (calculated based on the grant date fair market value), 25% in the form of stock options (calculated based on the Black-Scholes value) and 25% in the form of RSUs (calculated based on the grant date fair market value).

Executive	Position	Target Short-term Incentive as a Percent of Salary	Target Long-term Incentive as a Percent of Salary
Frederic Cumenal	CEO, departure effective February 2017	150%	500%
Mark J. Erceg	EVP – CFO	80%	250%
Jean Marc Bellaiche	SVP – Strategy and Business Development	75%	150%
Pamela H. Cloud	SVP – Global Category Marketing	60%	170%
Philippe Galtie	SVP – International	75%	150%

The amounts shown above for Mr. Cumenal were adopted by the Committee in January 2017; however, Mr. Cumenal will not be eligible for payment of short- or long-term incentives granted in January 2017 due to his departure in February 2017.

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 granted in January 2017, the mix of pay for the CEO and other NEOs, 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 talent, but does not use base salary increases as the primary means of recognizing talent and performance.

In January 2017, the Committee reviewed base salaries for all executive officers. The Committee increased the base salaries for all NEOs other than Messrs. Cumenal and Erceg.

Executive	Position	Fiscal 2016 Base Salary	Fiscal 2017 Base Salary	Percent Increase from Fiscal 2016 to Fiscal 2017
Frederic Cumenal Fiscal 2017 salary ceased upon departure in February 2017	CEO	$ 1,250,000	$ 1,250,000	—%
Mark J. Erceg Fiscal 2016 salary commenced with appointment in October 2016	EVP – CFO	$ 850,000	$ 850,000	—%
Jean-Marc Bellaiche	SVP – Strategy and Business Development	$ 750,000	$ 770,000	2.67%
Pamela H. Cloud	SVP – Global Category Marketing	$ 600,000	$ 650,000	8.33%
Philippe Galtie	SVP – International	$ 575,000	$ 650,000	13.04%

Base salaries for Fiscal 2017 for 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 2016 Say on Pay vote.

SHORT-TERM INCENTIVES

The Committee uses short-term incentives, which are typically awarded in January of each year, to motivate executive officers to achieve the annual financial targets established by the Committee 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 the majority of the award based on achievement of annual financial targets that agree to the Company's annual operating plan.

For short-term incentives for Fiscal 2016, 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, and professionalism; 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 2017.

For Fiscal 2017, the Committee increased the short-term incentives granted to Messrs. Bellaiche and Galtie from 60% to 75% of base salary. The Committee did not change short-term incentives, as a percentage of base salary, for any of the other NEOs.

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

Fiscal 2016

For Fiscal 2016, 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 determined that, if the operating earnings threshold was not met, then no short-term incentive would be paid. The Committee provided guidance to the executive officers indicating that, if the operating earnings threshold was met, then the Committee intended to calculate the amount to be paid based 80% on corporate performance (the "Corporate Portion") and 20% on individual performance (the "Individual Portion"). Thus, full achievement of corporate goals at the maximum goal level would result in payment of 80% of the maximum short-term incentive (160% of target), while full achievement of individual goals at the maximum would result in payment of 20% of the maximum short-term incentive (40% of target). Notwithstanding this guidance, the Committee retained the discretion to pay out the maximum short-term incentive, or reduce the payout from the maximum to any amount down to $0, provided the operating earnings threshold was met.

At the beginning of the fiscal year, the Committee established the operating earnings threshold at $457 million (subject to permitted adjustments). The operating earnings goals (outlined below) against which performance was measured were substantially in excess of this threshold amount.

Neither Mr. Nicoletti (due to his departure in May 2016) nor Mr. Erceg (due to his appointment in October 2016) was eligible for payment of a short-term incentive award for Fiscal 2016.

Corporate Portion

The Committee advised the executive officers that it intended to calculate payment of the Corporate Portion of the award based on the following operating earnings targets, subject to proration if Fiscal 2016 operating earnings fell between the amounts in the first column:

If Operating Earnings, as adjusted, Equal:	Then Percentage Payout of Incentive Award Will Be:
Below $609 million	0% of Target Short-term Incentive Award
$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

PROXY STATEMENT

In March 2017, after reviewing and concurring with the recommendation of the Interim CEO, the Committee determined that the payout percentage for the Corporate Portion would be 79% of the target short-term incentive award, as Fiscal 2016 operating earnings, excluding certain charges as permitted under the 2014 Employee Incentive Plan, equaled $759.2 million (see Appendix I at PS-105).

Individual Portion

In March 2017, the Committee reviewed and concurred with the Interim CEO's recommendations with respect to the payout of the Individual Portion for the NEOs. The individual performance of each NEO eligible for payment of a Fiscal 2016 award was compared to the objectives set at the beginning of Fiscal 2016. Based on the Individual Portion, the Committee determined to pay Mr. Cumenal 8% of his target award, and each of the remaining NEO's 20% of his or her target award.

Based on the Committee's determination as to the Corporate and Individual Portions, Mr. Cumenal was paid 87% of his target award. The remaining NEOs eligible for payment of a short-term incentive award for Fiscal 2016 were paid 99% of their target awards.

Fiscal 2017

For Fiscal 2017, the Committee generally retained the short-term incentive structure from Fiscal 2016, but added a second corporate performance metric, Constant Currency Sales Growth. In January 2017, the Committee established target and maximum short-term incentive amounts for the NEOs, with the maximum amount equal to 200% of the target amount.

In March 2017, the Committee established $469 million of operating earnings (subject to permitted adjustments) as the threshold necessary for a pay-out of the Fiscal 2017 short-term incentive awards (the "Base Threshold"). Payment of any short-term incentive awarded for Fiscal 2017 will be contingent on meeting the Base Threshold. If the Base Threshold is not met, no short-term incentive will be paid. The Committee has provided guidance to the executive officers indicating that, if the Base Threshold is met, the Committee intends to calculate the amount to be paid based 60% on achievement of operating earnings goals, 20% on achievement of Constant Currency Sales Growth goals, and 20% on individual performance based on the factors described at PS-52. Thus, full achievement of operating earnings goals, Constant Currency Sales Growth goals and individual goals, each at the maximum goal levels, will result in payment of 60%, 20% and 20%, respectively, of the maximum short-term incentive (120%, 40%, and 40%, respectively, of target). Notwithstanding this guidance, the Committee has retained the discretion to pay out the maximum short-term incentive, or reduce the payout from the maximum to any amount down to $0, provided the Base Threshold is met.

For purposes of evaluating performance once the Base Threshold is achieved, the Committee also established in March 2017 threshold, target and maximum performance goals for operating earnings and Constant Currency Sales Growth. The operating earnings goals against which operating earnings performance will be measured are substantially higher than the Base Threshold. In addition, in recognition of the challenges of setting precise target amounts, and to avoid windfalls or deficits resulting from slight variances from target, target goals for operating earnings and Constant Currency Sales Growth were expressed as ranges. To increase incentives for above-target performance and in recognition of the difficulty of achieving above-target results, the threshold, target and maximum goals for each metric were set so that the increase in payout resulting from above-target performance is greater than the reduction in payout resulting from an equivalent level of below-target performance.

Corporate and Individual Performance Goals

The operating earnings and Constant Currency Sales Growth goals for the grants made in January 2017, and the corresponding percentage of target short-term incentives to be paid out (if any), together with the percentage of target short-term incentives that may be paid out based on individual performance, are shown below. In evaluating achievement of performance goals, the Committee is permitted under the 2014 Employee Incentive Plan to exclude certain events. See "Short-Term Incentives–Permissible Adjustments to Evaluation of Performance" below.

	Operating Earnings		**Constant Currency Sales Growth**		**Individual Performance**
	Operating earnings *(millions)*	Percentage of target short-term incentive that may be paid:*	Constant Currency Sales Growth	Percentage of target short-term incentive that may be paid:*	Up to 40% of the target short-term incentive may be paid based on individual performance factors
Threshold	Less than or equal to $626	0%	Less than or equal to -6.3%	0%	
Target	Within the range of $774 to $790	60%	Within the range of 2.7% to 4.7%	20%	
Maximum	Equal to or greater than $861	120%	Equal to or greater than 8.7%	40%	
	Percentage calculated based on operating earnings, Constant Currency Sales Growth and individual performance = total percentage of target annual incentive paid out*				

*Subject to linear interpolation if actual performance falls between the threshold and the bottom of the target range, or between the top of the target range and the maximum. Target ranges include the ends of the ranges.

Five-year History of Short-term Incentive Payouts

The following summarizes average short-term incentive payouts (including bonuses) for the executive officers as a group, as a percentage 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 Payout as a Percentage of Target Short-term Incentive Award**
2016	96%
2015	75%
2014	101%
2013	124%
2012	15%
Five-Year Average	82%

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 (effective 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. The 2005 Employee Incentive Plan, under which earlier grants were made, permits similar adjustments.

LONG-TERM INCENTIVES

The Committee uses long-term incentives to align management interest with those of shareholders, to motivate management to achieve earnings growth and generate operating cash flow, as well as 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 NEOs under "Relative Values of Key Compensation Components" at PS-50 for Fiscal 2017, and the ratio of long-term incentive target to base salary is reviewed annually at the same time that base salaries are reviewed.

Ms. Cloud's target long-term incentive as a percentage of base salary decreased from 175% for Fiscal 2016 to 170% for Fiscal 2017. This change was intended to better align the target long-term incentive percentage for Ms. Cloud with those of the other executive officers, as an increase in a prior year had been intended to recognize specific contributions and was not intended to be a long-term increase. For the remaining NEOs, the Fiscal 2017 target long-term incentive opportunities as a percentage of base salary remain unchanged from Fiscal 2016.

Types of Equity Awards

The Committee awards three different types of equity awards to NEOs: PSUs, stock options and RSUs.

- PSUs 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 for increases in stock price and provide returns aligned with those of shareholders, whether or not performance goals have been met. This balances an inherent challenge associated with PSUs, as non-controllable and highly variable external factors affect the Company's performance and make it difficult to establish appropriate strategic performance goals.
- RSUs support talent attraction and retention objectives.

For Fiscal 2016, the NEOs were provided long-term incentives divided equally between PSUs and stock options. Prior to Fiscal 2017, it was the Committee's practice to award RSUs on occasion for reasons such as recognition of prior performance; promotion; attraction of new talent; retention of key talent; and in lieu of cash compensation increases.

For Fiscal 2017, NEOs other than the CEO and CFO received 50% of their long-term incentives in the form of PSUs, 25% in the form of stock options, and 25% in the form of RSUs. Consistent with the prior year, the CEO and the CFO received 50% of their long-term incentives in the form of PSUs, and 50% in the form of stock options.

For purposes of achieving the grant date target value, apportioned according to the above-described mix of long-term incentives, the Committee values awards as follows:

- for PSUs and RSUs, using the higher of (i) the simple arithmetic mean of the high and low sale price of the Company's common 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 PSUs will vest at the target value described under "Performance-Based Restricted Stock Unit Grants" below; and
- for stock options, on the basis of the Black-Scholes model.

Performance-Based Restricted Stock Unit Grants

Performance-Based Restricted Stock Units Granted for Fiscal 2017

The Committee's practice has generally been to award PSUs to executive officers in January of each year. For the PSUs granted in January 2017, the Committee established threshold, target and maximum goals for EPS and operating cash flow at the start of the performance period. Vesting of these PSUs is dependent upon achievement of either the EPS or operating cash flow threshold. If neither threshold is met, no PSUs will vest. The Committee has provided guidance to the executive officers indicating that, if either the EPS or operating cash threshold is met, it intends to calculate the number to vest based 80% on EPS goals and 20% on operating cash flow goals. Thus, full achievement of the EPS goals and operating cash flow goals at the maximum goal levels will result in vesting of 80% and 20%, respectively, of the maximum PSUs granted (160% and 40%, respectively, of target PSUs).

- EPS was selected as a performance metric to reward earnings growth and incentivize execution of the Company's strategic plans relating to sales growth, margin expansion, network optimization and efficient capital allocation. This metric also aligns with shareholder interest, as the Committee believes the Company's stock price over the long term is primarily driven by growth in EPS. EPS goals are measured on a diluted basis and calculated on a cumulative basis for the three-year performance period.

- Operating cash flow was added as a performance metric in January 2017, in lieu of the ROA modifier used in prior years, to reward cash flow generation from operations through measures such as inventory management, procurement initiatives intended to reduce costs, and systems and process enhancements. Operating cash flow goals are also calculated on a cumulative basis for the three-year performance period. The target goal is expressed as a range.

- The EPS and operating cash flow goals were set by the Committee with reference to the Company's strategic plan as approved by the Board.

- The EPS and operating cash flow threshold, target and maximum goals, and the corresponding percentage of target shares to be paid out at the end of the performance period (if any), are shown below. In evaluating achievement of performance goals, the Committee is permitted under the 2014 Employee Incentive Plan to exclude certain events. See "Short-Term Incentives–Permissible Adjustments to Evaluation of Performance" at PS-54.

	EPS		**Operating Cash Flow**	
	EPS	Percentage of target shares earned*	Operating Cash Flow *(millions)*	Percentage of target shares earned:*
Below Threshold	Less than $9.55	0%	Less than $1,997	0%
Threshold	Equal to $9.55	20%	Equal to $1,997	0%
Target	Equal to $12.80	80%	Within the range of $2,447 to $2,547	20%
Maximum	Equal to or greater than $13.66	160%	Equal to or greater than $2,746	40%
	Shares calculated based on EPS goals plus operating cash flow goals = total percentage of target shares paid out*			

*Subject to linear interpolation if actual performance falls between threshold and target (or, in the case of a target expressed as a range, the bottom of the target range), or between target (or, in the case of a target expressed as a range, the top of the target range) and maximum. Target ranges include the ends of the ranges.

- Notwithstanding the above guidance, the Committee has retained the discretion to vest the maximum number of PSUs granted, or reduce the number to vest from the maximum to any number down to zero, provided that either the EPS or operating cash flow threshold is met.

Performance-Based Restricted Stock Units Granted for Fiscal 2016, 2015 and 2014

Vesting of PSUs granted in January 2016, 2015 and 2014 is dependent upon the achievement of an EPS threshold. If the EPS threshold is not met, no shares will vest. The Committee has provided guidance to the executive officers indicating that, if the EPS threshold is met, it intends to calculate the number of shares to vest based on achievement of EPS goals and an average ROA goal over the applicable three-year performance period. The Committee provided the following chart to the NEOs to illustrate the manner in which the number of shares to vest would be calculated at the conclusion of the three-year performance period, subject to interpolation if actual amounts fall between the levels shown:

<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>

Notwithstanding the guidance shown above, the Committee retained the discretion to vest the maximum number of PSUs granted, or reduce the number to vest from the maximum to any number down to zero, provided the EPS threshold is met.

The EPS and ROA goals for the January 2014, 2015 and 2016 grants were set by the Committee in March of each respective year, with reference to the Company's strategic plan as approved by the Board. The EPS goals are cumulative over the three-year performance period and determined 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. The EPS and ROA goals for the PSUs granted in January 2014, 2015 and 2016, compared to the EPS goals established for the PSUs granted in January 2017, are shown below. The goals are subject to adjustment as permitted under the applicable employee incentive plan.

For Performance Period:	EPS Threshold	EPS Target	EPS Maximum	ROA Target
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%
February 2017 - January 2020	$ 9.55	$ 12.80	$ 13.66	Replaced with operating cash flow for Fiscal 2017

Vesting of Performance-Based Restricted Stock Units Granted for Fiscal 2014

In March 2017, the PSU awards granted in January 2014, for the three-year period ended January 31, 2017, vested at 54.92% of target shares (27.46% of maximum shares). This was based on cumulative EPS of $11.77 for the three-year period ended January 31, 2017, against the EPS target of $14.17 for such three-year period, and without an ROA modifier based on ROA of 9.9% compared to the ROA target of 11%.

For additional information about the PSUs, 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, see "Discussion of Summary Compensation Table and Grants of Plan-Based Awards–Equity Incentive Plan Awards–Performance-Based Restricted Stock Units" at PS-75.

Stock Option Grants

Each January, 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. Special grants are occasionally made in connection with promotions and new hires, and for recognition purposes.

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.

In addition to the stock option awards granted in January 2017, the Committee granted Mr. Erceg an award of 140,847 stock options in November 2016, in connection with his recruitment and appointment to the role of Executive Vice President – CFO. Mr. Erceg's award will vest in equal installments on the first, second and third anniversary of the grant, provided he remains employed on those dates.

For additional information about stock options see "Discussion of Summary Compensation Table and Grants of Plan-Based Awards–Equity Incentive Plan Awards–Stock Options" at PS-76.

Time-Vesting Restricted Stock Unit Awards

The RSUs granted to NEOs other than the CEO and CFO in January 2017 vest ratably over four years. For additional information about the RSUs, see "Discussion of Summary Compensation Table and Grants of Plan-Based Awards–Equity Incentive Plan Awards–Time-Vesting Restricted Stock Units" at PS-77. Special grants of RSUs may be made from time to time in connection with promotions and new hires, and for recognition purposes.

In addition to the RSUs granted to certain executive officers in January 2017, the Committee granted Mr. Erceg an award of 26,253 RSUs in November 2016, in connection with his recruitment and appointment. Mr. Erceg's award will vest in equal installments on the first, second and third anniversary of the grant, provided he remains employed on those dates.

Mr. Cumenal's Long-Term Incentive Awards

Upon the termination of Mr. Cumenal's employment on February 10, 2017, 12,419 RSUs granted to him in September 2013 vested according to their terms. The PSUs granted to him in January 2014 for the performance period ending on January 31, 2017 likewise vested according to their terms in March 2017, as the performance period had been completed by the time of his departure from the Company.

In accordance with Mr. Cumenal's separation agreement (which provided for a release and waiver of claims by Mr. Cumenal in favor of the Company and its affiliates, as well as his agreement to assist in the transition of his responsibilities and with respect to litigation matters), in March 2017 the Committee amended certain of his equity grants to provide for the following:

- All stock option awards that were vested but unexercised as of the termination of his employment – which would ordinarily have expired three months after that date – will remain exercisable until February 10, 2018;

- The unvested portions of stock option awards granted in September 2013, January 2014, January 2015, and January 2016 that were scheduled to vest in Fiscal 2017 (a total of 36,523, 11,000, 35,250 and 57,743 stock options, respectively), and that ordinarily would have been forfeited upon the termination of his employment, vested as of March 14, 2017, and will remain exercisable until February 10, 2018; and

- A maximum number of 71,000 PSUs granted to Mr. Cumenal in January 2015, which otherwise would have been forfeited upon his termination date, will continue to vest according to their terms. The payout of this award to Mr. Cumenal – which will remain contingent upon pre-established performance goals that were not amended in any respect – will be pro-rated to reflect Mr. Cumenal's employment during the performance period. Pursuant to the terms of the separation agreement, the Committee may only exercise its discretion to reduce the amount of the award to be vested if the reduction applies to the executive officers generally.

- The benefits described above are contingent on Mr. Cumenal's continued compliance with his obligation to provide transition and litigation assistance, and with his confidentiality, no-hire and non-solicitation restrictive covenants.

All other unvested long-term incentive awards granted to Mr. Cumenal were forfeited upon the termination of his employment. For additional information about the equity awards granted to Mr. Cumenal that remained outstanding at the end of Fiscal 2016, see the Outstanding Equity Awards at Fiscal Year-End Table at PS-80. For information concerning his separation agreement, see "Chief Executive Officer Transition" at PS-39.

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 NEOs other than 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 limited by reason of the Internal Revenue Code. Messrs. Erceg, Bellaiche, and Galtie are eligible to receive Excess DCRB Contributions. Messrs. Cumenal and Nicoletti became entitled to distribution of their vested Excess DCRB Contributions upon their departures from the Company, and forfeited the unvested portion of their Excess DCRB Contributions. See Note (b) to the Nonqualified Deferred Compensation Table at PS-88 for further information concerning their Excess DCRB Contributions.

Mr. Cumenal's employment agreement called for payments during the first 10 years of his employment to an interest-bearing retirement account. These payments were intended to make Mr. Cumenal whole for significant long-term pension benefits he forfeited at his prior employer. See "Other Employment Agreements or Severance Plans for Named Executive Officers–Frederic Cumenal Employment Agreement" at PS-63. Upon his departure the balance of this account became payable in ten annual installments starting on the first anniversary of his termination date. During his employment, additional contributions were made on his behalf to certain French social security and pension schemes.

Mr. Galtie also receives additional retirement benefits agreed upon at the time of his recruitment. See "Discussion of Summary Compensation Table and Grants of Plan-Based Awards-Philippe Galtie Compensatory Arrangement" at PS-78.

Traditional Pension Retirement Benefit

Ms. Cloud participates in the tax-qualified defined benefit pension plan available to all full-time U.S. employees hired before January 1, 2006. She also receives incremental benefits under the 2004 Tiffany and Company Unfunded Retirement Income Plan to Recognize Compensation in Excess of Internal Revenue Code Limits ("Excess Plan") and the 1994 Tiffany and Company Supplemental Retirement Income Plan ("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-84.

Equity Grants - Retirement Provisions

RSUs are forfeited upon retirement. Prior to January 2017, the terms applicable to stock options did not provide for continued vesting beyond retirement, and the exercise period for vested options was two years from retirement. Stock options awarded in January 2017 provide for continued vesting upon retirement, and an exercise period for vested options of five years from retirement, provided that the grant was made at least six months prior to the retirement date, and subject to continued compliance with post-employment restrictive covenants.

Prior to 2015, the terms applicable to awards of PSUs did not provide for continued vesting beyond retirement. The Committee amended the terms applicable to the PSUs awarded 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. The Committee again amended the terms applicable to PSUs in January 2017 such that PSUs awarded in January 2017 will continue to vest upon retirement in accordance with their terms (including satisfaction of pre-determined performance goals), without pro-rating based on length of time worked during the performance period, provided that the grant was awarded at least six months prior to the retirement date, and subject to continued compliance with post-employment restrictive covenants.

LIFE INSURANCE BENEFITS

IRS limitations render the life insurance benefits that the Company provides to all full-time U.S. employees in multiples of their annual base salaries largely unavailable to the Company's executive officers. The Company maintains the relationship established for lower-compensated employees between annual base salaries and life insurance benefits through executive-owned, employer-paid whole-life policies. (For an explanation of the key features of the life insurance benefits, see "Discussion of Summary Compensation Table and Grants of Plan-Based Awards–Life Insurance Benefits" at PS-77.) Life insurance premiums are taxable to the executives, and no gross-up is paid. Mr. Nicoletti declined this benefit upon joining the Company.

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 or the vesting of restricted stock units.
RSUs issued under the Company's 2008 Directors Incentive Plan that 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.

Each 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 may, however, 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, 2017, one NEO held a Significant Portfolio. The remaining NEOs were all appointed to their current positions in Fiscal 2014 or later. As of March 20, 2017, one non-executive director (who became a director in March 2017) did not hold a Significant Portfolio; each of the other non-executive directors held a Significant Portfolio.

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 entered into retention agreements with each of the executive officers (other than Mr. Cumenal, who had 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 Termination Following a Change in Control–Severance Arrangements" at PS-93. For a description of Mr. Cumenal's employment agreement, which contained 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 50% or more of the consolidated assets of the Company or its subsidiaries.

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

Aside from the retention letters previously described and the arrangements described below, the Company is not party to any employment agreement with an NEO that currently provides for cash severance or other severance benefits upon termination (absent a change in control), although the Company is permitted to provide such benefits if it deems appropriate to do so.

Under his employment agreement with Tiffany, Mr. Cumenal was entitled to cash payments and other severance benefits upon termination of his employment under certain circumstances. Under the offer letters extended to them, Messrs. Erceg and Galtie are similarly entitled to severance benefits upon termination of employment under certain circumstances. The foregoing arrangements were negotiated in connection with the recruitment of those individuals to the Company.

Frederic Cumenal Employment Agreement

On March 10, 2011, Mr. Cumenal commenced employment with Tiffany as an executive officer and 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, addressed 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.

The employment agreement included the following key compensatory features, subject to increase:

- Term: Sequential one-year terms following an initial term;
- Initial compensatory terms related to base salary, short-term incentive award and long-term incentive award, a sign-on equity grant and a one-time relocation award;
- Deferred compensation: Credit of $365,000 per year, subject to cost of living adjustments, 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 significant long-term pension benefits Mr. Cumenal forfeited at his prior employer;
- French pension scheme payments: Payment of approximately $75,000 annually for the benefit of Mr. Cumenal's account with certain French social security and pension schemes. This payment was intended to avoid loss of Mr. Cumenal's accruals under those schemes;
- 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); any unpaid short-term incentive award for the last completed fiscal year; and continuation of medical and dental benefits for one year;

PROXY STATEMENT

- Severance payments and other benefits following a Change in Control - Certain payments and other benefits applicable in the event of termination without Cause or resignation for Good Reason, including Tiffany's refusal to extend the term; 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 contained definitions of "Change in Control," "Cause" and "Good Reason." For additional information about Mr. Cumenal's compensatory arrangements, see "Discussion of Summary Compensation Table and Grants of Plan-Based Awards–Frederic Cumenal Employment Agreement" at PS-77.

For a discussion of benefits provided to Mr. Cumenal upon his departure in February 2017, pursuant to the above employment agreement and otherwise, see "Chief Executive Officer Transition" at PS-39.

Mark J. Erceg Offer Letter

On October 18, 2016, Mr. Erceg commenced employment with Tiffany and was appointed Executive Vice President – Chief Financial Officer. The key terms of the offer letter were:

- Initial Base Salary: $850,000 per year;
- Initial Target Annual Incentive Award (beginning in Fiscal 2017): 80% of base salary;
- Initial Target Long-term Incentive Award (beginning in Fiscal 2017): 250% of base salary;
- One-time sign-on awards of (i) RSUs equal in value to $2,000,000 on the grant date, to vest in equal installments on the first, second and third anniversary of the grant date; (ii) stock options equal in value to $2,000,000 on the grant date, to vest in equal installments on the first, second and third anniversary of the grant date; and (iii) a $750,000 cash sign-on bonus, and an additional cash payment of $750,000 as reimbursement for the repayment of a sign-on award to his prior employer, both of which are subject to recoupment pursuant to a schedule in the event of resignation without good reason or termination with cause on or before January 31, 2020; 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 (or if the last completed fiscal year is Fiscal 2016, the unpaid portion of the cash sign-on bonus); pro-rated short-term incentive award for the current year (calculated based on actual corporate results and as if individual achievement goals had been met at target or, if the termination or resignation occurs in Fiscal 2016, then a pro-rated portion of the cash sign-on bonus); plus reimbursement of continued health coverage for one year.

The offer letter incorporates definitions of "Change in Control," "Cause" and "Good Reason." For additional information about Mr. Erceg's compensatory arrangements, see "Discussion of Summary Compensation Table and Grants of Plan-Based Awards–Mark J. Erceg Compensatory Arrangement" at PS-77.

Offer Letters Extended to Other NEOs

Offer letters were also extended to Messrs. Nicoletti, Bellaiche and Galtie in connection with their respective recruitments to the company. Each of these offer letters captures the key terms negotiated as part of the recruitment, including compensatory terms relating to base salary, short-term incentives, long-term incentives and sign-on awards. Mr. Galtie's offer letter also provides for severance benefits and payments to certain retirement schemes. For a more detailed discussion of these arrangements, see "Discussion of Summary Compensation Table and Grants of Plan-Based Awards–Ralph Nicoletti Compensatory Arrangement," "–Jean-Marc Bellaiche Compensatory Arrangement," and "–Philippe Galtie Compensatory Arrangement" beginning at PS-78.

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 Termination following a Change in Control" at PS-93.

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. PSUs will not vest if termination for cause occurs before the conclusion of the three-year performance period. Likewise, time-vesting RSUs will not vest if termination for cause occurs before the vesting date provided for in the award.

RESTRICTIVE COVENANTS

Mr. Nicoletti is subject to restrictive covenants that will terminate in January 2018 or, if earlier, a change in control (as defined in such covenants). Mr. Cumenal's employment agreement also provided for certain post-employment restrictions (as modified by his separation agreement). See "Other Employment Agreements or Severance Plans for Named Executive Officers–Frederic Cumenal Employment Agreement" at PS-63.

The remaining NEOs are required to sign restrictive covenants with a post-employment term that will end upon the earlier of a Change in Control (as defined in the retention agreements), or the first anniversary of the termination of employment. 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 certain benefits under the nonqualified retirement plans;
- loss of all rights under stock options, RSUs and PSUs (whether or not vested); and
- mandatory repayment of all proceeds from stock options exercised or RSUs or PSUs vested during a period beginning six months before termination and throughout the duration of the non-competition covenant.

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 PSUs and cash incentive awards. Time-vesting stock options and RSUs, 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.

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 payout 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 NEOs 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 PSUs, 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 NEO to whom Section 162(m) applies, consisting of the following elements: "Salary" and "All Other Compensation" in the Summary Compensation Table at PS-68, plus compensation that relates to the RSUs 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 Interim 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, 2017.

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 15, 2017

SUMMARY COMPENSATION TABLE
Fiscal 2016, Fiscal 2015 and Fiscal 2014

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	2016	$ 1,246,644	$ —	$ 3,125,069	$ 3,128,754	$ 1,631,250	$ —	$ 941,686	$ 10,073,403
CEO [1]	2015	$ 1,239,931	$ —	$ 2,886,364	$ 3,131,796	$ 1,406,250	$ —	$ 758,640	$ 9,422,981
	2014	$ 896,625	$ —	$ 2,919,875	$ 3,041,032	$ 1,136,250	$ —	$ 755,209	$ 8,748,991
Mark J. Erceg	2016	$ 224,971	$ —	$ 2,979,811	$ 3,065,962	$ —		$ 815,104	$ 7,085,848
Executive Vice President CFO [2]									
Ralph Nicoletti	2016	$ 252,206	$ —	$ —	$ —	$ —	$ —	$ 50,577	$ 302,783
Executive Vice President - CFO [2]	2015	$ 747,986	$ —	$ 715,840	$ 776,779	$ 420,000	$ —	$ 33,667	$ 2,694,272
	2014	$ 642,117	$ —	$ 2,851,466	$ 1,484,359	$ 530,250	$ —	$ 166,913	$ 5,675,105
Jean-Marc Bellaiche	2016	$ 747,986		$ 866,539	$ 289,140	$ 445,500	$ —	$ 157,879	$ 2,507,044
Senior Vice President - Strategy and Business Development[3]	2015	$ 747,986	$ —	$ 519,542	$ 563,737	$ 315,000	$ —	$ 597,105	$ 2,743,370
Pamela H. Cloud	2016	$ 597,909	$ —	$ 828,904	$ 276,630	$ 356,400	$ 170,297	$ 53,920	$ 2,284,060
Senior Vice President - Global Category Marketing	2015	$ 572,977	$ —	$ 484,952	$ 526,151	$ 258,750	$ —	$ 64,667	$ 1,907,497
	2014	$ 547,852	$ —	$ 534,625	$ 560,758	$ 333,300	$ 1,576,062	$ 86,572	$ 3,639,169
Philippe Galtie	2016	$ 572,018	$ —	$ 731,531	$ 244,044	$ 341,550	$ —	$ 278,773	$ 2,167,916
Senior Vice President - International [4]									

1 Mr. Cumenal held the role of Chief Executive Officer from April 1, 2015 to February 5, 2017.
2 Mr. Erceg assumed responsibilities as Executive Vice President - Chief Financial Officer on October 18, 2016. Mr. Nicoletti held this role from April 2, 2014 to May 20, 2016.
3 Mr. Bellaiche assumed responsibilities as Senior Vice President - Strategy and Business Development on June 2, 2014, and was designated an executive officer of the Company on April 1, 2015.
4 Mr. Galtie assumed responsibilities as Senior Vice President - International on August 17, 2015, and was not an NEO for Fiscal 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-88.

(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 payout of short-term incentive awards. Annual incentive awards granted to NEOs are granted pursuant to the 2014 Employee Incentive Plan and paid only if objective performance goals are met, and accordingly appear in the column headed "Non-Equity Incentive Plan Compensation."

(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. The amounts shown for Fiscal 2016 include grants of PSUs (and, where applicable, RSUs) made in January 2017, and the amounts shown for the prior fiscal years likewise include grants made in January of the applicable fiscal year. The amounts shown are based on the assumption that applicable performance targets for the three-year performance period established by the Committee for each respective grant of PSUs will

be met at 100%. The amounts further reflect that the PSU and RSU grants made on January 19, 2017 provide for dividend equivalent units, while prior awards do not.

The maximum value of each PSU award, assuming the highest level of performance conditions are met for the applicable period, calculated in accordance with Codification Topic 718, appears in the chart below.

For Mr. Cumenal, the amounts reported for 2016 and 2015 (which represent PSUs granted in January 2017 and January 2016, respectively) were forfeited upon his departure in February 2017. With respect to the amount reported for 2014 (which represents PSUs granted in January 2015), in March 2017 the Committee amended the terms of the award to permit continued vesting following his departure and a pro-rated payout (contingent on achievement of performance goals) based on the length of his employment during the performance period. See "Chief Executive Officer Transition–Frederic Cumenal Departure" at PS-39.

For Mr. Erceg, the 2016 amount represents: (i) the grant date fair value of the PSU award made on January 19, 2017, and (ii) a one-time award of RSUs with a grant date fair value of $1,917,257, made on November 16, 2016, in connection with his recruitment to the Company.

For Mr. Nicoletti, the 2014 amount represents, in addition to the grant date fair value of a PSU award made on January 14, 2015, (i) a one-time RSU award with a grant date fair value of $1,434,894, made on March 19, 2014, in connection with his recruitment to the Company; and (ii) a PSU award with a grant date fair value of $717,447, made on March 19, 2014, in lieu of the Fiscal 2014 PSU award that would have been made to him in January 2014, had he commenced employment at that time. These awards, as well as the awards reflected in the amounts shown for Fiscal 2014 and Fiscal 2015, were forfeited upon his departure in May 2016.

Maximum Value of Stock Awards at Grant Date Value

Executive	2016	2015	2014
Frederic Cumenal	$ 6,250,138	$ 5,772,729	$ 5,839,750
Mark J. Erceg	$ 4,042,364	Not a named executive officer	Not a named executive officer
Ralph Nicoletti	$ —	$ 1,431,681	$ 4,268,038
Jean-Marc Bellaiche	$ 2,021,553	$ 1,039,084	Not a named executive officer
Pamela H. Cloud	$ 1,381,454	$ 969,903	$ 1,069,250
Philippe Galtie	$ 1,219,033	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 19, 2017) 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. Cumenal, the amount reported for 2016 (which reflects stock options granted in January 2017) was forfeited upon his departure in February 2017. With respect to the amounts reported for 2015 and 2014 (which reflect stock options granted in January 2016 and January 2015, respectively), the Committee amended the terms of applicable awards in March 2017 to cause the number of stock options that were scheduled to vest in Fiscal 2017 to vest on March 14, 2017. This resulted in the vesting of 57,743 stock options granted in January 2016, and 35,250 stock options granted in January 2015. See "Chief Executive Officer Transition–Frederic Cumenal Departure" at PS-39. All other unvested stock options granted in January 2016 and 2015 that were outstanding on his termination date were forfeited.

For Mr. Erceg, the 2016 amount represents: (i) the grant date fair value of the stock option award made on January 19, 2017, and (ii) a one-time award of stock options with a grant date fair value of $2,002,154, made on November 16, 2016, in connection with his recruitment to the Company.

For Mr. Nicoletti, the 2014 amount represents, in addition to the grant date fair value of the stock option award made on January 14, 2015, a stock option award with a grant date fair value 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 in January 2014, had he commenced employment at that time. The unvested portion of this award was forfeited upon his departure in May 2016.

(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 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 Nonqualified Pension Plans
Fiscal 2016	4.25%	4.25%
Fiscal 2015	4.50%	4.25%
Fiscal 2014	3.75%	3.75%

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 for the 2014 change in pension value are the RP-2014 Mortality Tables with White Collar Adjustments and generational projections using the Scale MP-2014.

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 nonqualified plans).

(g) **All Other Compensation.** The table below shows a detailed description of all other compensation paid to the NEOs. 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 ($)	Notes	Total ($)
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	**2016**	13,194	276,513	7,950	9,275	72,952	561,802	(ii)	941,686
	2015	12,475	178,671	7,800	7,800	46,294	505,600	(iii)	758,640
	2014	12,475	178,671	7,650	26,220	20,332	509,861	(iv)	755,209
Mark J. Erceg	**2016**	6,578	1,540	—	—	—	806,986	(v)	815,104
Ralph Nicoletti	**2016**	4,280		7,950	7,950	30,397	—		50,577
	2015	8,330	—	7,800	7,800	9,737	—		33,667
	2014	7,948	—	—	—	—	158,965	(vi)	166,913
Jean-Marc Bellaiche	**2016**	9,669	101,788	7,950	6,625	31,847	—		157,879
	2015	9,669	109,788	5,610	6,500	15,538	450,000	(vii)	597,105
Pamela H. Cloud	**2016**	9,366	36,604	7,950	—	—	—		53,920
	2015	9,366	47,001	7,800			500	(viii)	64,667
	2014	8,909	70,013	7,650					86,572
Philippe Galtie	**2016**	10,043	106,103	7,950	5,466	—	149,211	(ix)	278,773

(i) This amount reflects the benefit paid under the defined contribution retirement benefit ("DCRB") feature of the 401(k) Plan. Messrs. Cumenal and Nicoletti forfeited a portion of these benefits upon their departures from the Company. See Note (b) under "Note to Nonqualified Deferred Compensation Table" at PS-88.

(ii) For Mr. Cumenal, the amount reported as "other compensation" for Fiscal 2016 represents: defined contribution to certain French social security and pension schemes ($80,046); payment to a special retirement account ($462,834); and payment towards tax preparation consultation services ($18,922). Please see the discussion of Mr. Cumenal's employment agreement and compensation paid thereunder under "Other Employment Agreements or Severance Plans for Named Executive Officers–Frederic Cumenal Employment Agreement" at PS-63.

(iii) For Mr. Cumenal, the amount reported as "other compensation" for Fiscal 2015 represents: defined contribution to certain French social security and pension schemes ($75,017); payment towards tax preparation consultation services ($22,895); and payment to a special retirement amount ($407,688). (The amount of the payment to the special retirement account differs from the amount reported for this payment in the Proxy Statement for Fiscal 2015 ($406,757) due to the use of updated interest rates and cost of living adjustments.)

(iv) For Mr. Cumenal, the amount reported as "other compensation" for Fiscal 2014 represents: defined contribution to certain French social security and pension schemes ($84,655); payment towards tax preparation consultation services ($23,890); and payment to a special retirement amount ($401,316). (The amount of the payment to the special retirement account differs from the amount reported for this payment in the Proxy Statements for Fiscal 2014 and Fiscal 2015 ($435,291) due to the use of updated interest rates and cost of living adjustments.)

(v) For Mr. Erceg, the amount reported as "other compensation" for Fiscal 2016 represents relocation expenses ($56,986), and a one-time cash payment of $750,000 to reimburse Mr. Erceg for his repayment of a prior sign-on bonus, each of which was contemplated in the offer letter extended to him. For a more detailed discussion of Mr. Erceg's compensatory arrangements, see "Other Employment Agreements or Severance Plans for Named Executive Officers–Mark J. Erceg Offer Letter" at PS-64.

(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 installment 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-78.

(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 Mr. Galtie, the amount reported as "other compensation" for Fiscal 2016 represents: defined contribution to certain French social security and pension schemes ($106,354) and relocation costs provided in the offer letter extended to him ($42,857). For a more detailed discussion of Mr. Galtie's compensatory arrangements, see "Discussion of Summary Compensation Table and Grants of Plan-Based Awards–Philippe Galtie Compensatory Arrangement" at PS-78.

GRANTS OF PLAN-BASED AWARDS
Fiscal 2016

2014 Employee Incentive Plan

Name (a)	Award Type	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards (b)			All Other Option/ Stock Awards: Number of Securities Underlying Options/ Awards (#) (b)	Exercise or Base Price of Option Awards ($/Sh) (c)	Grant Date Fair Value of Equity Awards (d)
			Threshold ($)	Target ($)	Maximum ($)	Threshold Number of Shares	Target Number of Shares	Maximum Number of Shares			
Frederic Cumenal	Annual Incentive		$ —	$ 1,875,000	$ 3,750,000						
	PSU	1/19/2017				7,889	39,443	78,886			$ 3,125,069
	Stock Option	1/19/2017							215,076	$ 79.23	$ 3,128,754
Mark J. Erceg	Annual Incentive		$ —	$ 680,000	$ 1,360,000						
	January 2017 PSU	1/19/2017				2,683	13,411	26,822			$ 1,062,554
	January 2017 Stock Option	1/19/2017	$ —						73,128	$ 79.23	$ 1,063,808
	November 2016 RSU	11/16/2016							26,253		$ 1,917,257
	November 2016 Stock Option	11/16/2016							140,847	$ 76.19	$ 2,002,154
Jean-Marc Bellaiche	Annual Incentive		$ —	$ 577,500	$ 1,155,000						
	PSU	1/19/2017				1,458	7,289	14,578			$ 577,507
	Stock Option	1/19/2017							19,876	$ 79.23	$ 289,140
	RSU	1/19/2017							3,648		$ 289,031
Pamela H. Cloud	Annual Incentive		$ —	$ 390,000	$ 780,000						
	PSU	1/19/2017				1,395	6,974	13,948			$ 552,550
	Stock Option	1/19/2017							19,016	$ 79.23	$ 276,630
	RSU	1/19/2017							3,488		$ 276,354
Philippe Galtie	Annual Incentive		$ —	$ 487,500	$ 975,000						
	PSU	1/19/2017				1,231	6,153	12,306			$ 487,502
	Stock Option	1/19/2017							16,776	$ 79.23	$ 244,044
	RSU	1/19/2017							3,080		$ 244,028

Notes to Grants of Plan-Based Awards Table

(a) All grants shown above for Mr. Cumenal were forfeited upon his departure in February 2017. Mr. Nicoletti was granted no plan-based awards during Fiscal 2016 due to his departure in May 2016.

(b) All grants shown above for Mr. Cumenal were forfeited upon his departure in February 2017. Mr. Nicoletti was granted no plan-based awards during Fiscal 2016 due to his departure in May 2016.

The RSUs and stock options granted to Mr. Erceg on November 16, 2016 will vest in equal installments on the first, second and third anniversaries of the grant date, subject to continued employment on those dates.

The other RSUs and stock options shown will vest in equal installments on the first, second, third and fourth anniversaries of the grant date, subject to continued employment. For the PSU grants shown, the Committee established threshold, target and maximum goals for EPS and operating cash flow at the beginning of the applicable performance period. The Committee has communicated to the NEOs that, if the EPS threshold or the operating cash flow threshold is attained, the Committee intends to calculate the number of shares to vest as indicated in the chart below, based on actual results compared to threshold, target and maximum goals shown; however, the Committee retains the discretion to vest the maximum number of shares granted, or reduce the number to vest to any amount down to zero, provided the EPS or operating cash flow threshold is met.

	EPS		**Operating Cash Flow**	
	EPS	Percentage of target shares earned*	Operating Cash Flow *(millions)*	Percentage of target shares earned:*
Below Threshold	Less than $9.55	0%	Less than $1,997	0%
Threshold	Equal to $9.55	20%	Equal to $1,997	0%
Target	Equal to $12.80	80%	Within the range of $2,447 to $2,547	20%
Maximum	Equal to or greater than $13.66	160%	Equal to or greater than $2,746	40%
	Shares calculated based on EPS goals plus operating cash flow goals = total percentage of target shares paid out*			

*Subject to linear interpolation if actual performance falls between threshold and target (or, in the case of a target expressed as a range, the bottom of the target range), or between target (or, in the case of a target expressed as a range, the top of the target range) and maximum. Target ranges include the ends of the ranges.

Amounts listed in the sub-column labeled "Target Number of Shares" reflects the number of shares awarded assuming the EPS and operating cash flow targets are met at 100%. By contrast, if the EPS target is met at 100% and the operating cash flow threshold is not met, exercise of the Committee's discretion in accordance with the chart above would result in vesting of 80% of target stock units for each NEO, corresponding to an aggregate number of shares as follows: Mr. Erceg - 10,729 shares, Mr. Bellaiche - 5,832 shares, Ms. Cloud - 5,580 shares and Mr. Galtie - 4,923 shares. Conversely, if the EPS threshold is not met and the operating cash flow target is met at 100%, exercise of the Committee's discretion in accordance with the chart above would result in vesting of 20% of target stock units for each NEO, corresponding to an aggregate number of shares as follows: Mr. Erceg - 2,683 shares, Mr. Bellaiche - 1,458 shares, Ms. Cloud - 1,395 shares and Mr. Galtie - 1,231 shares. Amounts listed in the sub-column labeled "Maximum Number of Shares" reflects the number of shares awarded assuming the EPS and operating cash flow maximums are met.

(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.

(d) The grant date fair value of each stock 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 PSU award was computed assuming that the EPS target and operating cash flow target were each met at 100%, resulting in vesting of the target number of shares. For additional information regarding PSU awards, see the table titled "Outstanding Equity Awards at Fiscal Year-End" at PS-80. The amount reported for the RSUs shown represents the grant date fair value of those grants.

DISCUSSION OF SUMMARY COMPENSATION TABLE AND GRANTS OF PLAN-BASED AWARDS

NON-EQUITY INCENTIVE PLAN AWARDS

Fiscal 2016 Grants - Performance and Payout

Payout amounts for the short-term incentive awards granted in January 2016 are shown in the Summary Compensation Table under the column headed "Non-Equity Incentive Plan Compensation." For a description of these awards, including the performance goals established at the start of the performance period for the Corporate Portion and the Individual Portion, see "Short-Term Incentives–Fiscal 2016" at PS-52.

In March 2017, the Committee determined that the operating earnings threshold of $457 million had been met. The Committee further determined that the payout percentage for the Corporate Portion would be 79% of the target award, based on Fiscal 2016 operating earnings of $759.2 million, excluding certain charges as permitted under the 2014 Employee Incentive Plan. See "Short-Term Incentives–Permissible Adjustments to Evaluation of Performance" at PS-54. Based on achievement of individual goals, the Committee determined that the payout percentage of the Individual Portion would be 8% of the target award for Mr. Cumenal and 20% for the remaining NEOs.

As a result of the Committee's determination as to the Corporate and Individual Portions, Mr. Cumenal was paid 87% of his target award, and each of the remaining NEOs eligible for a short-term incentive for Fiscal 2016 was paid 99% of his or her target award.

Fiscal 2015 and Fiscal 2014 Grants

In Fiscal 2015 and 2014, short-term incentive awards were paid out as follows:

- In Fiscal 2015, the Company's consolidated operating earnings exceeded the threshold established by the Committee, and short-term incentive awards were paid out at 75% of the target amount, on average.

- In Fiscal 2014, the Company's consolidated operating earnings, exceeded the threshold established by the Committee, and short-term incentive awards were paid out at 101% of the target amount, on average.

EQUITY INCENTIVE PLAN AWARDS – PERFORMANCE-BASED RESTRICTED STOCK UNITS

The PSUs awarded in January 2017 are reflected in the Grants of Plan-Based Awards table under the column headed "Estimated Future Payouts Under Equity Incentive Plan Awards."

General Terms of PSU Grants

PSU grants have the following general features:

- Stock units included in the grant ("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 (unless for retirement, as described 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 (or, if such death or disability occurs in the final year of the performance period, then full vesting will occur, subject to performance conditions).
- PSUs granted in January 2017 continue to vest upon retirement, subject to compliance with applicable restrictive covenants, though payout remains contingent on the extent to which pre-established performance goals have been achieved. PSUs granted in January 2015 and January 2016 similarly continue to vest upon retirement, but on a pro-rated basis reflecting the portion of the performance period worked. PSUs granted in January 2014 are forfeited upon retirement.
- In the event of an executive's involuntary termination without cause following at least 10 years of service, PSUs granted in January 2017, if granted at least six months prior to such termination, will continue to vest, though payout again remains contingent on attainment of performance goals, and is further subject to compliance with

applicable restrictive covenants. PSUs granted in January 2014, 2015 and 2016 are forfeited upon involuntary termination without cause, subject to the Committee's discretion to permit continued vesting.

- PSUs granted in January 2017 accrue dividend equivalent units that will only be paid out upon vesting of the underlying Units, if any. No dividend equivalent units are paid or accrued on PSUs granted prior to January 2017, and no dividends are paid on any PSUs.
- Vesting of PSUs (for reasons other than those described above or upon a Change in Control) is dependent upon achievement of one or more threshold performance goals established by the Committee within 90 days of the start of the performance period.
- Under no combination of circumstances will vesting occur for more than the number of Units granted (twice the number of target Units).

For a further description of the PSUs granted in January of 2017, 2016, 2015 and 2014, including the performance goals established at the start of each performance period, see "Performance-Based Restricted Stock Unit Grants–Performance-Based Restricted Stock Units Granted for Fiscal 2017" and "–Performance-Based Restricted Stock Units Granted for Fiscal 2016, 2015 and 2014" at PS-56 to PS-57.

Vesting of Performance-Based Restricted Stock Units for the February 2014 - January 2017 Performance Period

In March 2017, for the three-year performance period ending January 31, 2017, it was determined that a cumulative net EPS of $11.77 per diluted share was achieved, compared to the EPS target of $14.17 and, based on ROA of 9.9% compared to the ROA target of 11%, no ROA modifier was applied. As a result, vesting of 54.92% of target shares (27.46% of the maximum shares granted) occurred.

As permitted under the 2005 Employee Incentive Plan and the 2014 Employee Incentive Plan, the Committee retains the discretion to adjust achieved performance so that executive officers will not be advantaged or disadvantaged by certain types of events. For the PSUs granted for the three-year performance period ending January 31, 2017:

- The EPS considered for Fiscal 2014 excluded a charge of approximately $60.9 million related to the redemption of certain senior notes prior to their scheduled maturities.
- The EPS considered for Fiscal 2015 excluded $29.9 million associated with impairment charges related to a financing arrangement with Koidu Limited and expenses associated with specific cost-reduction initiatives.
- The EPS considered for Fiscal 2016 excluded $24.0 million associated with impairment charges related to capitalized software development costs and loans to diamond mining companies.

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, certain events following a change in control or, in the case of stock options granted in January 2017, retirement or involuntary termination without cause following at least 10 years of service, provided certain conditions are met. See "Potential Payments on Termination or Change in Control–Explanation of Potential Payments on Termination following a Change in Control" at PS-93. Special grants are occasionally made in connection with promotions and new hires and for recognition purposes, and may be awarded on a cliff-vesting basis. For an explanation of the method of determining the exercise price of options, see "Long Term Incentive–Stock Option Grants" at PS-58.

Stock options expire no later than the tenth anniversary of the grant date. Stock options generally expire earlier on:

- Termination of employment for cause (immediately upon termination);
- Voluntary resignation, other than for retirement (three months after termination);
- Retirement (for stock options granted in January 2017, five years after retirement provided certain circumstances are met; for prior grants, two years after retirement);
- Involuntary termination without cause following 10 years of service (for stock options granted in January 2017, five years after retirement provided certain circumstances are met; for prior grants, three months after retirement); or
- Death or disability (two years after the event).

EQUITY INCENTIVE PLAN AWARDS – TIME-VESTING RESTRICTED STOCK UNITS

The RSUs granted in January 2017 vest in equal installments on the first, second, third and fourth anniversary of the grant date. Outstanding RSUs vest upon death, disability or certain events following a change in control. Termination of employment for any other reason results in forfeiture of any unvested RSUs.

RSUs may also be granted from time to time in connection with promotions and new hires and for recognition purposes, and may be awarded on a cliff-vesting basis.

LIFE INSURANCE BENEFITS

The key features of the life insurance benefit that the Company provides to its executive officers are:

- executive officers own whole life policies on their own lives;
- the death benefit is three times annual base salary and target short-term incentive award;
- 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.

Mr. Nicoletti declined this benefit. See the table shown under note (g) to the Summary Compensation Table at PS-71 for information concerning life insurance premiums paid for the benefit of the other NEOs.

FREDERIC CUMENAL EMPLOYMENT AGREEMENT

Elements of Mr. Cumenal's compensation disclosed in the Summary Compensation Table were provided pursuant to the employment agreement, entered into between Tiffany, the Company and Mr. Cumenal as part of his recruiting process in March 2011. For key features of this Agreement, see "Other Employment Agreements or Severance Plans for Named Executive Officer–Frederic Cumenal Employment Agreement" at PS-63.

The employment agreement 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-68, after being hired in Fiscal 2011 under the terms of his employment agreement, Mr. Cumenal received various compensation increases and promotions outside of the original terms of his agreement.

MARK J. ERCEG COMPENSATORY ARRANGEMENT

Elements of Mr. Erceg's compensation disclosed in the Summary Compensation Table are provided pursuant to the terms of the offer letter extended to him in connection with his recruitment. For terms of the offer letter, see "Other Employment Agreements or Severance Plans for Named Executive Officers–Mark J. Erceg Offer Letter" at PS-64. The offer letter has been filed with the Securities and Exchange Commission as Exhibit 10.29 to the Company's Annual Report on Form 10-K dated March 17, 2017.

RALPH NICOLETTI COMPENSATORY ARRANGEMENT

Elements of Mr. Nicoletti's compensation disclosed in the Summary Compensation Table were 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 award of RSUs 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) RSUs 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, such bonus being 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 (a period that has since expired): 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.

PROXY STATEMENT

PHILIPPE GALTIE COMPENSATORY ARRANGEMENT

Elements of Mr. Galtie's compensation disclosed in the Summary Compensation Table are provided pursuant to the terms of the offer letter extended to Mr. Galtie in connection with his recruitment. The key terms of the offer letter were:

- Initial base salary: $500,000 per year;
- Initial Target Annual Incentive Award: 50% of base salary;
- Initial Target Long-term Incentive Award: 150% of base salary;
- One-time sign-on awards of (i) RSUs equal in value to $375,000, to vest in equal installments on the first, second, third and fourth anniversary of the grant date; and (ii) stock options equal in value to $375,000, to vest in equal installments on the first, second, third and fourth anniversary of the grant date. Vesting of these awards is subject to conditions, including continued employment;
- 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; and a pro-rated short-term incentive award for the current year, calculated at target;

- French pension scheme payments: payment of contributions for the benefit of Mr. Galtie's account with certain French social security and pension schemes. This payment is intended to avoid loss of Mr. Galtie's accrual under such schemes; and

- Certain relocation costs.

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 17, 2017.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END
January 31, 2017

	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				
	39,000	—	$ 63.76	1/16/2023				
	—	36,523	$ 80.52	9/19/2023				
	33,000	11,000	$ 88.77	1/16/2024				
	70,500	70,500	$ 86.74	1/14/2025				
	57,743	173,229	$ 61.80	1/20/2026				
	—	215,076	$ 79.23	1/19/2027				
					8,348/30,400	(c)	$ 657,155	(d)
					8,875/71,000	(e)	$ 698,640	(f)
					12,642/101,134	(g)	$ 995,178	(h)
					7,889/78,886	(i)	$ 621,022	(j)
					12,419/12,419	(k)	$ 977,624	(l)
Mark J. Erceg								
	—	140,847	$ 76.19	11/16/2026				
	—	73,128	$ 79.23	1/19/2027				
					2,683/26,822	(i)	$ 211,206	(j)
					26,253/26,253	(m)	$ 2,066,636	(l)
Ralph Nicoletti (n)								
Jean-Marc Bellaiche								
	14,000	7,000	$ 100.65	7/16/2024				
	12,500	12,500	$ 86.74	1/14/2025				
	10,394	31,182	$ 61.80	1/20/2026				
	—	19,876	$ 79.23	1/19/2027				
					1,600/12,800	(e)	$ 125,952	(f)
					2,276/18,204	(g)	$ 179,167	(h)
					1,458/14,578	(i)	$ 114,774	(j)
					1,863/1,863	(o)	$ 146,655	(l)
					3,648/3,648	(p)	$ 287,171	(l)

	Option Awards				Stock Awards			
Name	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price ($)	Option Expiration Date (a)	Equity Incentive Plan Awards Number of Unearned Shares, Units, or Other Rights That Have Not Vested (#) (b)		Equity Incentive Plan Awards Market or Payout Value of Unearned Shares, Units, or Other Rights That Have Not Vested ($)	
Pamela H. Cloud								
	20,000	—	$ 43.37	1/20/2020				
	17,000	—	$ 58.00	1/20/2021				
	18,000	—	$ 60.54	1/18/2022				
	18,000	—	$ 63.76	1/16/2023				
	13,425	4,475	$ 88.77	1/16/2024				
	13,000	13,000	$ 86.74	1/14/2025				
	9,701	29,103	$ 61.80	1/20/2026				
	—	19,016	$ 79.23	1/19/2027				
					3,406/12,400	(c)	$ 268,120	(d)
					1,625/13,000	(e)	$ 127,920	(f)
					2,124/16,992	(g)	$ 167,201	(h)
					1,395/13,948	(i)	$ 109,814	(j)
					3,488/3,488	(p)	$ 274,575	(l)
Philippe Galtie								
	4,853	14,557	$ 81.44	9/16/2025				
	7,969	23,907	$ 61.80	1/20/2026				
	—	16,776	$ 79.23	1/19/2027				
					1,745/13,958	(g)	$ 137,366	(h)
					1,231/12,306	(i)	$ 96,904	(j)
					3,453/3,453	(q)	$ 271,820	(l)
					3,080/3,080	(p)	$ 242,458	(l)

Notes to Outstanding Equity Awards at Fiscal Year-End Table

(a) For all option grants shown, 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 19, 2023 (granted to Mr. Cumenal, which were scheduled to vest on a three-year cliff-vesting basis), July 16, 2024 (granted to Mr. Bellaiche, which vest in three equal installments) and November 16, 2026 (granted to Mr. Erceg, which vest in three equal installments).

The unvested options shown for Mr. Cumenal in the column headed "Number of Securities Underlying Unexercised Options Unexercisable" became subject to forfeiture upon, and the exercise period for options shown in the column headed "Number of Securities Underlying Unexercised Options Exercisable" would ordinarily have ended three months following, his departure in February 2017. In March 2017, the Committee amended the applicable grant terms to provide that the following unvested stock options would vest on March 14, 2017: all of the unvested stock options shown with the expiration date of September 19, 2023 (granted on September 19, 2013); all of the unvested stock options shown with the expiration date of January 16, 2024 (granted on January 16, 2014); a portion (35,250) of the unvested stock options shown with the expiration date of January 14, 2025 (granted on January 14, 2015); and a portion (57,743) of the unvested stock options shown with the expiration date of January 20, 2026 (granted on January 20, 2016). The remaining unvested stock options were forfeited upon his departure. In addition, the amendments also extended the end of the expiration period for all vested stock options to the one-year anniversary of his termination date. See "Long-Term Incentives–Mr. Cumenal's Long-Term Incentive Awards" at PS-58.

(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 (e) 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 at the maximum goal level over the three-year performance period.

(c) This January 2014 grant of PSUs vested three business days following the date on which the Company's audited financial results for Fiscal 2016 were publicly reported.

(d) This value has been computed at 27.46% of maximum based on Company EPS and ROA performance in Fiscal 2014, Fiscal 2015 and Fiscal 2016. The resulting value was computed on the basis of the closing stock price of $78.72 on January 31, 2017.

(e) This January 2015 grant of PSUs will vest three business days following the date on which the Company's audited financial results for Fiscal 2017 are publicly reported. The grant shown for Mr. Cumenal became forfeitable upon his departure in February 2017. In March 2017, the terms of Mr. Cumenal's award were amended to provide for continued vesting following his departure. Payout of this award will remain contingent upon pre-established performance goals, will be pro-rated based on his employment during the performance period, and may only be reduced in the Committee's discretion if the reduction applies to the executive officers generally. See "Chief Executive Officer Transition–Frederic Cumenal Departure" at PS-39.

(f) This value has been computed at 12.5% of maximum on the assumption that the EPS threshold is reached but not exceeded and the ROA target is not met (resulting in no ROA adjustment) for the performance period of Fiscal 2015 through Fiscal 2017. The resulting value was computed on the basis of the closing stock price of $78.72 on January 31, 2017. If the EPS and ROA targets are both met at 100% (again resulting in no ROA adjustment) for the respective performance period, the value would be computed at 50% of maximum, corresponding to an aggregate number of shares as follows: Mr. Bellaiche - 6,400 shares and Ms. Cloud - 6,500 shares.

(g) This January 2016 grant of PSUs will vest three business days following the date on which the Company's audited financial results for Fiscal 2018 are publicly reported. The grant shown for Mr. Cumenal was forfeited upon his departure in February 2017.

(h) This value has been computed at 12.5% of maximum on the assumption that the EPS threshold is reached but not exceeded and the ROA target is not met (resulting in no ROA adjustment) for the performance period of Fiscal 2016 through Fiscal 2018. The resulting value was computed on the basis of the closing stock price of $78.72 on January 31, 2017. If the EPS and ROA targets are both met at 100% (again resulting in no ROA adjustment) for the respective performance period, the value would be computed at 50% of maximum, corresponding to an aggregate number of shares as follows: Mr. Bellaiche - 9,102 shares, Ms. Cloud - 8,496 shares and Mr. Galtie - 6,979 shares.

(i) This January 2017 grant of PSUs will vest three business days following the date on which the Company's audited financial results for Fiscal 2019 are publicly reported. The grant shown for Mr. Cumenal was forfeited upon his departure in February 2017.

(j) This value has been computed at 10% of maximum on the assumption that the EPS and operating cash flow thresholds are reached but not exceeded. The resulting value was computed on the basis of the closing stock price of $78.72 on January 31, 2017. If the EPS and operating cash flow targets are both met at 100%, the value would be computed at 50% of maximum, corresponding to an aggregate number of shares as follows: Mr. Erceg - 13,411 shares, Mr. Bellaiche - 7,289 shares, Ms. Cloud - 6,974 shares and Mr. Galtie - 6,153 shares.

(k) This one-time RSU award, granted to Mr. Cumenal in September 2013 in connection with his promotion to President, vested in full pursuant to its terms upon his departure in February 2017.

(l) The value was computed on the basis of the Company's closing stock price of $78.72 on January 31, 2017.

(m) This one-time RSU award, granted to Mr. Erceg in November 2016 in connection with his recruitment, vests in equal installments over a three-year period ending November 16, 2019. The number of shares shown is the portion of the award that had not vested as of January 31, 2017.

(n) All outstanding grants to Mr. Nicoletti were forfeited upon his departure, effective May 20, 2016.

(o) This one-time RSU award, granted to Mr. Bellaiche in July 2014 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, 2017.

(p) This January 2017 grant of RSUs will vest in equal installments over a four-year period ending January 19, 2021. The number of shares shown is the portion of the award that had not vested as of January 31, 2017.

(q) This one-time RSU award, granted to Mr. Galtie in September 2015 in connection with his recruitment, vests in equal installments over a four-year period ending September 16, 2019. The number of shares shown is the portion of the award that had not vested as of January 31, 2017.

OPTION EXERCISES AND STOCK VESTED
Fiscal 2016

	Option Awards			Stock Awards	
Name	Number of Shares Acquired on Exercise (#)		Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Frederic Cumenal	—		—	14,499	$ 1,060,747
Mark J. Erceg	—		—	—	$ —
Ralph Nicoletti	—		—	—	$ —
Jean-Marc Bellaiche	—		—	1,863	$ 114,658
Pamela H. Cloud	—		—	6,601	$ 482,929
Philippe Galtie	—		—	1,152	$ 83,388

PENSION BENEFITS TABLE

Name (a)	Plan Name (b)	Number of Years Credited Service	Actuarial Present Value of Accumulated Benefits	Payments During Last Fiscal Year
Pamela H. Cloud	Pension Plan	22.5	$ 525,071	$ —
	Excess Plan	22.5	$ 1,434,073	$ —
	Supplemental Plan	22.5	$ 643,097	$ —

Notes to Pension Benefits Table

(a) Only executive officers hired prior to January 1, 2006 are eligible for participation in the Pension Plan, Excess Plan, and Supplemental Plan. Messrs. Cumenal, Erceg, Nicoletti, Bellaiche and Galtie accordingly do not participate in these plans.

(b) The formal names of the plans are: the Tiffany and Company Pension Plan ("Pension Plan"), the 2004 Tiffany and Company Un-funded Retirement Income Plan to Recognize Compensation in Excess of Internal Revenue Code Limits and the 1994 Tiffany and Company Supplemental Retirement Income Plan.

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-2016; and a discount rate of 4.25% 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 2016, 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. Ms. Cloud is 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-68 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-94);
- 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.

PROXY STATEMENT

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

The normal retirement age under the Pension, Excess and Supplemental Plans is 65. However, those eligible for early retirement (defined as age 55 with at least 10 years of service) 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.

Tiffany does not have a policy or practice of granting extra years of credited service under the Excess, Pension and Supplemental Plans.

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-89. Messrs. Erceg, Bellaiche and Galtie are eligible to receive Excess DCRB Contributions. Upon their departures, Messrs. Cumenal and Nicoletti became entitled to distribution of their vested Excess DCRB Contributions, and forfeited the unvested portion of their Excess DCRB Contributions. See Note (b) to the Nonqualified Deferred Compensation Table at PS-88 for further information concerning their Excess DCRB Contributions.

During Mr. Cumenal's employment, contributions intended to make up amounts he forfeited at his prior employer were made to a special retirement account for his benefit. Contributions were also made for the benefit of his account with certain French social security and pension schemes. Mr. Galtie also receives contributions for the benefit of his accounts with those schemes. For details about the foregoing retirement benefits, see "Other Employment Agreements or Severance Plans for Named Executive Officers–Frederic Cumenal Employment Agreement" at PS-63 and "Discussion of Summary Compensation Table and Grants of Plan-Based Awards–Philippe Galtie Compensatory Arrangement" at PS-78.

NONQUALIFIED DEFERRED COMPENSATION TABLE

(Fiscal 2016)

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	$ 984,375	$ 72,952	$ 483,668	$ —	$ 3,372,240
Mark J. Erceg	$ —	$ —	$ —	$ —	$ —
Ralph Nicoletti	$ —	$ 30,397	$ 9	$ 8,029	$ —
Jean-Marc Bellaiche	$ 579,818	$ 31,847	$ 121,888	$ —	$ 1,298,130
Pamela H. Cloud	$ —	$ —	$ —	$ —	$ —
Philippe Galtie	$ —	$ —	$ —	$ —	$ —

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-68.

(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 $72,952, $30,397 and $31,847, respectively, in Fiscal 2016. As of January 31, 2017, Mr. Cumenal was vested in 80% of the total Excess DCRB Contributions credited to him, based on his years of service; following his departure in February 2017, the vested amount of his aggregate balance, totaling $157,772, became payable to him in accordance with the form of payment he elected, and the remainder was forfeited. Mr. Nicoletti was vested in 20% of the total Excess DCRB Contributions credited to him; upon his departure in May 2016, the vested amount of his aggregate balance, totaling $8,029, was distributed to him, and the remainder was forfeited. Mr. Bellaiche is vested in 20% of the total Excess DCRB Contributions credited to him. 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.

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 the Board;
- Termination of services generally triggers a distribution of all account balances other than, in the case of retirement or disability, retirement balances; and
- Most participants, including all executive officers, will not receive any distribution from the plan until six months following termination of services.

Excess DCRB Feature of the 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. Erceg, Bellaiche and Galtie are eligible for benefits under the Excess DCRB feature of the Deferral Plan. Upon their departures, Messrs. Cumenal and Nicoletti became entitled to distribution of their vested Excess DCRB Contributions, and forfeited the unvested portion of their Excess DCRB Contributions. See Note (b) to the Nonqualified Deferred Compensation Table above for further information concerning their Excess DCRB Contributions.

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 NEOs shown upon involuntary termination absent a Change in Control (defined below), and upon involuntary termination subsequent to a Change in Control. In either case, the values below assume the NEO shown was involuntarily terminated on January 31, 2017. An "involuntary termination" does not include a termination for cause, but does include a resignation for good reason.

For information about payments and other benefits provided to Mr. Cumenal upon his actual departure in February 2017, see "Payments and Other Benefits Provided to Mr. Cumenal" below.

No information is shown for Mr. Nicoletti on the following table because his departure in May 2016 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	$1,909,387	$ 23,424	$ 977,624	$2,910,435	$ —	$ 3,818,774	$ 47,143	$ 2,931,035	$ 9,147,491	$ 15,944,443
Mark J. Erceg	$1,065,164	$ 23,424	$ —	$1,088,588	$ —	$ 1,700,000	$ 47,143	$ 356,343	$ 2,066,636	$ 4,170,122
Jean-Marc Bellaiche	$ —	$ —	$ —	$ —	$ —	$ 2,400,000	$ 47,143	$ 527,599	$ 1,776,159	$ 4,750,901
Pamela H. Cloud	$ —	$ —	$ —	$ —	$ 694,701	$ 1,920,000	$ 47,143	$ 492,423	$ 1,865,607	$ 5,019,874
Philippe Galtie	$ 919,057	$ —	$ —	$ 919,057	$ —	$ 1,840,000	$ 34,576	$ 404,506	$ 1,118,532	$ 3,397,614

Notes to Potential Payments on Termination or Change in Control Table

(a) Prior to his departure, Mr. Cumenal was, and Messrs. Erceg and Galtie currently are, entitled to certain 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 "Other Employment Agreements or Severance Plans for Named Executive Officers–Frederic Cumenal Employment Agreement," and "–Mark J. Erceg Offer Letter" at PS-63 and PS-64 and "Discussion of Summary Compensation Table and Grants of Plan-Based Awards–Philippe Galtie Compensatory Arrangement" at PS-78.

(b) The terms applicable to the one-time award of time-vesting restricted stock units made to Mr. Cumenal on September 19, 2013 (12,419), with respect to his promotion to President, 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 at the time of the Change in Control 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, 2017, 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) $1,318,774, 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 annual stock option grants made in 2014, 2015, 2016 and 2017 was determined using $78.72, the closing value of the Company's common stock on January 31, 2017. 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 the outstanding portions of the stock option grants awarded to Mr. Cumenal upon his promotion in September 2013 (36,523 outstanding), to Mr. Erceg upon his hire in November 2016 (140,847 outstanding), to Mr. Bellaiche upon his hire in July 2014 (7,000 outstanding) and to Mr. Galtie upon his hire in September 2015 (14,557 outstanding).

(g) The value of early vesting of annual PSU and RSU grants made in 2014, 2015, 2016 and 2017 was determined using $78.72, the closing value of the Company's common stock on January 31, 2017. In the event of a Change in Control that is not a Terminating Transaction, vesting of these RSUs and PSUs will only occur upon the executive's involuntary termination from employment. Upon such an involuntary termination, the outstanding portion of the RSUs will vest in full, while the portion of PSUs to vest will be determined by 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 early vesting of 30% of the total number of PSU's granted in 2014; early vesting of 55% of the PSUs granted in 2015 and 2016; and no early vesting of PSUs granted in 2017. This column also assumes early vesting of 100% of the outstanding portions of the RSU grants awarded to certain executive officers in January 2017, as well as of the RSUs granted to Mr. Cumenal in September 2013 (12,419), to Mr. Erceg in November 2016 (26,253 outstanding), to Mr. Bellaiche in July 2014 (1,863 outstanding) and to Mr. Galtie in September 2015 (3,453 outstanding).

Payments and Other Benefits Provided to Mr. Cumenal

In connection with the termination of his employment on February 10, 2017, Mr. Cumenal was provided the following severance payments and benefits, as required by his employment agreement and affirmed in his separation agreement with Tiffany and the Company:

- Cash severance in the amount of $1,909,387;
- Payment of his short-term incentive award for Fiscal 2016. Based on achievement of corporate and individual performance goals, Mr. Cumenal was paid $1,631,250, less applicable withholdings, representing 87% of his target award of $1,875,000. For additional information concerning the payout of this award, see "Short-Term Incentives–Fiscal 2016" at PS-52; and
- Payment of the cost of one year of continued health-care coverage.

For a discussion of severance provisions in Mr. Cumenal's employment agreement, see "Other Employment Agreements or Severance Plans for Named Executive Officers–Frederic Cumenal Employment Agreement" at PS-63. For a discussion of his separation agreement, see "Chief Executive Officer Transition–Frederic Cumenal Departure" at PS-39.

The separation agreement also provided for a release and waiver of claims by Mr. Cumenal in favor of the Company and its affiliates, as well as his agreement to assist in the transition of his responsibilities and with respect to litigation matters. As additional consideration for these benefits (which were not contemplated by his employment agreement), the separation agreement provided Mr. Cumenal (i) an additional cash payment of $690,613, (ii) a reduction in the length of certain post-employment non-solicitation obligations from 18 to 12 months, (iii) certain outplacement benefits and (iv) amendment to the terms applicable to certain of Mr. Cumenal's equity awards to provide that:

- The following stock option grants, or portions thereof, which ordinarily would have been forfeited on his termination date, vested as of March 14, 2017: 36,523 stock options granted in September 2013, 11,000 stock options granted in January 2014, 35,250 stock options granted in January 2015, and 57,743 stock options granted in January 2016. These stock options, as well as stock options that were vested but unexercised as of February 10, 2017, remain exercisable until February 10, 2018. The aggregate fair value of the amended

stock option grants described, calculated in accordance with Codification Topic 718 as of the amendment date, was $2,859,100.

- A maximum number of 71,000 PSUs granted to Mr. Cumenal in January 2015, which otherwise would have been forfeited upon his termination date, will continue to vest in accordance with their terms. The payout of this award to Mr. Cumenal will remain contingent upon pre-established performance goals, will be pro-rated to reflect Mr. Cumenal's employment during the performance period, and may only be reduced in the Committee's discretion if the reduction applies to the executive officers generally. The fair value of the amended award, calculated in accordance with Codification Topic 718 as of the amendment date, was $2,089,266 (computed at 50% of maximum on the assumption that the EPS target is reached but not exceeded and the ROA target is not met (resulting in no ROA adjustment) for the performance period of Fiscal 2015 through Fiscal 2017).

The Company will be entitled to recover or revoke the additional consideration in the event Mr. Cumenal breaches his agreement to provide transition or litigation assistance or his applicable confidentiality, no-hire and non-solicitation obligations. As required by his employment agreement, the Company also paid Mr. Cumenal for accrued but unused vacation and an amount in lieu of the applicable notice period.

In addition, upon the termination date, 12,419 RSUs granted to Mr. Cumenal in September 2013 vested according to their terms. Based on $81.37, the closing value of the Company's stock on February 10, 2017, the value of the early vesting of this award was $1,010,534.

PSUs granted to Mr. Cumenal in January 2014 for the performance period ending on January 31, 2017 likewise vested according to their terms, as the performance period had been completed by the time of his departure from the Company. Based on the Company's achievement of applicable performance goals, this award vested at 54.92% of target shares, resulting in the vesting of 8,348 shares for Mr. Cumenal. For additional information concerning the payout of this award, see "Long-Term Incentives–Vesting of Performance-Based Restricted Stock Units Granted for Fiscal 2014" at PS-58.

For information concerning the distribution, following the termination of Mr. Cumenal's employment, of his vested, nonqualified deferred compensation benefits and the special retirement account required by his employment agreement, see Note (b) to the Nonqualified Deferred Compensation Table at PS-88 and "Retirement Benefits–Defined Contribution Retirement Benefit" at PS-59, respectively.

Explanation of Potential Payments on a Termination Absent a Change in Control

Severance Arrangements

Messrs. Erceg and Galtie are entitled to severance benefits in the event of an involuntary termination in the absence of a Change in Control, as was Mr. Cumenal prior to his departure from the Company. For a full discussion of these arrangements, see "Compensation Discussion and Analysis–Other Employment Agreements or Severance Plans for Named Executive Officers" at PS-63. Aside from these individuals, the Company is not obligated to pay cash severance benefits to any other NEO 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.

Performance-Based Restricted Stock Unit Awards

The terms applicable to PSUs granted in January 2016 and 2015 reserve the right of the Committee, under certain circumstances, to permit vesting of such units in the event of an involuntary termination without cause absent a Change in Control. The terms applicable to PSUs granted in January 2017 provide for continued vesting in the event of an involuntary termination without cause absent a Change in Control following at least 10 years of service as an executive, provided the PSUs were granted at least six months prior to such termination. In each case the terms set forth parameters and requirements for 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 entered into retention agreements with each of the executive officers (other than Mr. Cumenal, whose employment agreement with the Company addressed 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.

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 that is a Terminating Transaction (as defined below in "Definition of a Change in Control.")

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

In the event of a Change in Control, PSUs convert to time-vesting restricted stock units as follows:

i. If a Change in Control occurs before the start of the three-year performance period, 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 PSUs 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 will be pro-rated for the cumulative two-year period (66.67%). For PSUs granted in 2014, 2015 and 2016, the ROA target will be disregarded for these purposes.

The resulting time-vesting restricted stock units will vest on the earlier of (i) the original maturity date in the notice of grant (which, for grants made in January 2014, 2015 and 2016, is three business days following the public announcement of the Company's audited, consolidated financial results for the last fiscal year in the performance period), or (ii) if the executive is earlier involuntarily terminated without cause, on such termination date.

An assumed Change of Control on January 31, 2017, would occur in the third year of the performance period of the PSUs granted in 2014. Actual results for the first and second years of the performance period, compared to pro-rated performance goals, would result in 30% of such PSUs converting to time-vesting restricted stock units. The assumed Change in Control would occur in the first two years of the performance period of the 2015 and 2016 PSUs, resulting in 55% of each of those grants converting to time-vesting restricted stock units. For the grants awarded in January 2017, the three-year performance period began on February 1, 2017; because the Change in Control is assumed to have taken place before that date, no portion of the January 2017 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 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. No other NEO as of January 31, 2017 was a participant 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 are currently on the Board or who were approved by the current directors or directors approved by the current 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, the retention agreements and certain outstanding equity awards); or all or substantially all assets of the Company or Tiffany are sold or disposed of to an unrelated party (in the case of other outstanding equity awards).

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, certain non-competition covenants, which ordinarily would apply for the year following termination of employment, would terminate upon a Change in Control. In the table at PS-90, we have not assigned any value to a potential reduction.

PROXY STATEMENT

OTHER TERMINATIONS

Death or Disability

If any of the NEOs had died or become disabled on January 31, 2017, 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-90. Further, RSUs and certain PSUs would have vested under the terms of the outstanding awards at the following values: Mr. Cumenal, $5,044,929; Mr. Erceg, $2,066,636; Mr. Bellaiche, $1,019,975; Ms. Cloud, $1,181,745; and Mr. Galtie, $701,002.

DIRECTOR COMPENSATION TABLE
Fiscal 2016

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	$ 80,000	$ 79,492	$ 78,005	$ —	$ —	$ 237,497
Gary E. Costley	$ 100,000	$ 79,492	$ 78,005	N/A	$ —	$ 257,497
Lawrence K. Fish	$ 95,000	$ 79,492	$ 78,005	N/A	$ —	$ 252,497
Abby F. Kohnstamm	$ 80,000	$ 79,492	$ 78,005	N/A	$ —	$ 237,497
Michael J. Kowalski	$ 110,000	$ 79,492	$ 78,005	N/A	$ —	$ 267,497
Charles K. Marquis	$ 95,000	$ 79,492	$ 78,005	$ —	$ —	$ 252,497
Peter W. May	$ 80,000	$ 79,492	$ 78,005	N/A	$ —	$ 237,497
William A. Shutzer	$ 95,000	$ 79,492	$ 78,005	$ —	$ —	$ 252,497
Robert S. Singer	$ 100,000	$ 79,492	$ 78,005	N/A	$ —	$ 257,497

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 2016. 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, 2017. 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	24,506
Gary E. Costley	24,506
Lawrence K. Fish	20,646
Abby F. Kohnstamm	39,223
Michael Kowalski	9,429
Charles K. Marquis	39,223
Peter W. May	49,223
William A. Shutzer	39,223
Robert S. Singer	18,169

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 and does not include awards granted to him in connection with his employment with Tiffany.

PROXY STATEMENT

(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-2016; 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, 2017). 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 Ms. Bravo and Messrs. Marquis and Shutzer decreased in value in Fiscal 2016 by $18,007, $19,845 and $18,763, 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.

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-49. For Fiscal 2016, 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	$ 100,000	$ —	$ 9,479	$ —	$ 109,479
Charles K. Marquis	$ —	$ —	$ 80,411	$ —	$ 713,155
William A. Shutzer	$ —	$ —	$ 271,816	$ —	$ 1,561,279

Mr. Cumenal, as an employee, received no separate compensation for service as a director.

Additional Compensation from JANA Partners LLC

In addition to the compensation described above to be paid by the Company as compensation for his service as a director, Mr. Trapani received additional compensation from JANA in connection with his appointment to the Board. Pursuant to the nomination agreement (the "Nomination Agreement") entered into between JANA and Mr. Trapani on February 8, 2017, in which Mr. Trapani agreed to serve as a nominee of a JANA affiliate for election or appointment to the Board, Mr. Trapani is to receive from JANA:

- $100,000 in cash to be paid by JANA within three business days of the date of the Nomination Agreement;
- $150,000 in cash to be paid by JANA within three business days of the appointment of Mr. Trapani to the Board. The Nomination Agreement requires Mr. Trapani to hold an amount of Company common stock with a fair market value equal to the estimated after-tax proceeds of $250,000 (assuming a combined federal, state and city tax rate of 45%) until at least the later of (A) the first date as of which Mr. Trapani is no longer a director of the Company and (B) three (3) years from the date of his appointment or election. As Mr. Trapani owned more than such after-tax amount in Company common stock at the time of his appointment to the Board, he was not required to invest any additional funds in Company shares; and
- certain cash settled stock appreciation rights ("SARs") with respect to a total of 75,000 shares of Company common stock as follows: (i) SARs with respect to 37,500 shares payable in 2020 (the "2020 SARs"); and (ii) SARs with respect to 37,500 shares payable in 2022 (the "2022 SARs"). The payment obligations with respect to the 2020 SARs and 2022 SARs are subject to the requirement that Mr. Trapani have served as a director for one full term. The amounts payable by JANA with respect to the SARs, if any, will be based on the increase in value from the share price on the date of the Nomination Agreement and the lesser of the share price and the 30 day volume weighted average price on the third anniversary (in respect of the 2020 SARs) and fifth anniversary (in respect of the 2022 SARs) of Mr. Trapani's appointment to the Board, as applicable.

The 2020 SARs vest immediately on the third anniversary of Mr. Trapani's appointment to the Board and the 2022 SARs vest immediately on the fifth anniversary of his appointment to the Board. The 2020 SARs and 2022 SARS will be settled in cash within 10 business days of the applicable vesting date.

The payment obligations with respect to the 2020 SARs and 2022 SARs are subject to the terms of the Nomination Agreement. The Company is not party to the Nomination Agreement nor is the Company responsible for any of the payments thereunder.

EQUITY COMPENSATION PLAN INFORMATION
(As of Fiscal Year 2016)

	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	1,712,149 [a]	$ 70.72	6,343,541 [b]
Equity compensation plans not approved by security holders	—	—	—
Total	1,712,149 [a]	$ 70.72	6,343,541 [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 1,118,060 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 615,885 and 279,448 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. PREFERENCE, ON AN ADVISORY BASIS, ON THE FREQUENCY OF SEEKING SHAREHOLDER APPROVAL OF THE COMPENSATION PAID TO THE COMPANY'S NAMED EXECUTIVE OFFICERS

SEC Rule 14 requires the Company to ask shareholders, on an advisory basis, how often a Say on Pay vote such as the one held under Item 3 above should be held. Accordingly, we are presenting the following question for the vote of the shareholders at the 2017 Annual Meeting:

> Should the Company solicit shareholder approval of the compensation of the Company's named executive officers each year, every second year or every third year?

Under SEC Rule 14, your advice on this question will be sought at least once every six years. In May 2011, 89.7% of the shareholder advisory votes supported conducting a Say on Pay vote every year.

Although polling on the frequency of Say on Pay votes is advisory, regulations adopted by the SEC require us to disclose to you how frequently the Company will conduct Say on Pay votes. We will make that disclosure by filing a Form 8-K no later than 150 days after the date of the meeting.

THE BOARD RECOMMENDS A VOTE TO SOLICIT SHAREHOLDER APPROVAL OF THE COMPENSATION PAID TO THE COMPANY'S NAMED EXECUTIVE OFFICERS ON AN ANNUAL BASIS.

ITEM 5. APPROVAL OF THE TIFFANY & CO. 2017 DIRECTORS EQUITY COMPENSATION PLAN

On March 16, 2017, the Board adopted, subject to stockholder approval at the 2017 Annual Meeting, the Tiffany & Co. 2017 Directors Equity Compensation Plan (the "2017 Directors Plan" or the "Plan"). If approved, the 2017 Directors Plan will become effective on the date of the 2017 Annual Meeting immediately following such Annual Meeting (the "Effective Time") and will replace the 2008 Directors Equity Compensation Plan (the "2008 Directors Plan"), under which no further awards may be granted after the Effective Time. The Tiffany & Co. 2014 Employee Incentive Plan will remain in full force and effect.

The Board believes adoption of the Plan will advance the interests of the Company by enabling the Company to attract, retain and motivate qualified individuals to serve on the Company's Board of Directors and to further link directors' interests with those of the Company's shareholders through compensation that is based on the Company's common stock, thereby promoting the long-term financial interests of the Company, including the growth in value of the Company's shareholders' equity and the enhancement of long-term returns to the Company's shareholders.

MATERIAL FEATURES OF THE 2017 DIRECTORS EQUITY COMPENSATION PLAN

Below is a summary of the principal features of the 2017 Directors Plan. This summary is not a complete description of the Plan, and is qualified in its entirety by reference to the full text of the Plan, which is attached as Appendix II. As of the record date, the closing value of the Company's stock was $95.07 per share.

Participants

Participation in the Plan is limited to directors who are not, at the time of an award under the Plan, also employees of the Company or any of its affiliated companies. Currently, 11 directors are eligible to participate in the Plan.

Grants Under the 2008 Directors Plan and Current Awards Outstanding

The Plan will replace the Company's 2008 Directors Plan approved by the Company's shareholders on May 15, 2008. As of the record date, 599,316 shares of the Company's common stock remained available for grant under the 2008 Directors Plan. Such shares will not be transferred to the 2017 Directors Plan and may not be awarded under the 2008 Directors Plan following the 2017 Annual Meeting if the proposed plan is approved by the shareholders. Whether or not the 2017 Directors Plan is approved by the shareholders, no further awards may be made under the 2008 Directors Plan after May 15, 2018. The 2008 Directors Plan itself replaced the Company's 1998 Directors Option Plan, under which no shares remain available for grant.

Shares currently subject to outstanding grants under the 2008 Directors Plan and the 1998 Directors Option Plan are shown below. Also shown below are shares currently subject to outstanding grants under the 2014 Employee Incentive Plan and the 2005 Employee Incentive Plan.

Selected data as of January 31, 2017:

	2008 Directors Plan*	1998 Directors Option Plan	2014 Employee Incentive Plan	2005 Employee Incentive Plan*
Stock options outstanding	240,485	30,000	1,471,664	615,885
weighted average exercise price	$ 65.82	$ 37.65	$ 74.68	$ 64.80
weighted average remaining term	6.01	0.96	9.03	4.76
Full value share awards outstanding	27,789	—	491,237	241,188
Shares remaining for grant	599,316	—	5,743,877	—

** Under the 2008 Directors Plan and the 2005 Employee Incentive Plan, stock option grants reduce the number of available shares by one share for every stock option granted, while full value awards (restricted stock units) reduce the number of available shares by 1.58 shares for every share subject to an award. Under the other plans, stock option and full value awards reduce the number of available shares by one share for every share subject to an award.*

In May 2017, prior to the 2017 Annual Meeting, the Company will make annual grants to directors, which will reduce the number of shares available under the 2008 Directors Plan. In addition, in March 2017, the Company made annual,

new hire and promotional and recognition grants to employees, in the total amount of 370,525 shares, and these and other grants awarded under the 2014 Employee Incentive Plan after January 31, 2017 will reduce the number of shares available under that plan.

Maximum Number of Shares

The maximum number of shares of common stock that may be issued under the 2017 Directors Plan is 1,000,000. The maximum number of shares that will be available for grant under the Plan will be reduced by one share for each share that is delivered on vesting of a stock award. The maximum number of shares available for grant under the Plan is also subject to adjustment for corporate transactions. See "Maximum Number of Shares and Adjustments for Corporate Transactions" below.

Per-Year-Per-Participant Limit Under the Plan

The Plan imposes the following limit: the total compensation (including without limitation cash, options, stock awards, or any combination thereof) that may be awarded to any one participant in any single fiscal year may not exceed $750,000. This limitation applies to all participants other than a non-executive chairperson of the Board.

Administration of the Plan

The Plan will be administered by the Board and/or a committee selected by the Board from amongst its members. If such a committee is selected, it must consist of two or more directors. As used below, the term "Board" refers to the Board or such a committee. The Board has the authority to determine:

- directors to whom awards are granted,
- the size and type of awards, and
- the terms and conditions of such awards.

Number and Identity of Future Participants and Form of Awards Not Yet Determined

Under the 2017 Directors Plan, the Board may designate any non-employee director of the Company as a participant. The number and identity of participants to whom awards will eventually be made under the Plan has not yet been determined, and, subject to the Plan, the form of such awards is at the discretion of the Board. It is therefore not possible at this time to provide specific information as to actual future award recipients or the form of such awards.

Under the 2008 Directors Plan, non-employee directors were granted options to purchase shares of Company common stock in May of each year. These options vest immediately, expire after 10 years and have an exercise price equal to the fair market value of the Company's common stock on the date of grant, which is calculated as the average of the highest and lowest sales prices on the date of grant. Most recently, in May 2016, non-employee directors were granted options with a grant date target value of approximately $80,000.

Under the 2008 Directors Plan, non-employee directors were also granted RSUs in May of each year. These RSUs vest in full after one year of service, and may be paid on the vest date or a later date, at the prior election of the director. Most recently, in May 2016, non-employee directors were granted RSUs with a grant date target value of approximately $80,000.

Awards Available under the 2017 Directors Plan

The following awards are available under the Plan:

Options. The grant of a stock option entitles the holder to purchase a specified number of shares of the Company's common stock at an exercise price specified at the time of grant. Stock options may be granted only in the form of nonqualified stock options ("NQSOs"). A NQSO does not qualify for special tax treatment under Section 422(b) of the Internal Revenue Code as a so-called "incentive stock option."

The Plan limits the discretion of the Board with respect to options as follows:

- the term of an option may not exceed 10 years,

- the per-share exercise price of each option must be established at or prior to the time of grant or determined by a formula established at the time of grant,
- the exercise price may not be less than 100% of fair market value as of the grant date (or if the relevant exchange is not open on the grant date, the most recent trading date prior to the grant date),
- the per-share exercise price may not be decreased after grant except for adjustments made to reflect stock splits and other corporate transactions (see *Maximum Number of Shares* above and *Adjustments for Corporate Transactions under the Plan* below), and
- an option may not be surrendered for cash, a new award, or a new option with a lower exercise price.

Stock Awards. A stock award is the grant of shares of the Company's common stock or a right to receive such shares, their cash equivalent or a combination of both. Each stock award shall be subject to such conditions, restrictions and contingencies as the Board or its committee shall determine.

Settlement of Awards, Deferred Settlements, Tax Withholding and Dividends and Dividend Equivalent Payments

The Board has the discretion to settle awards through cash payments, delivery of common stock, the grant of replacement awards or any combination thereof.

The Board may permit the payment of the option exercise price to be made as follows:

- in cash,
- by the tender of the Company's shares of common stock or the withholding of shares, or
- by irrevocable authorization to a third party to sell shares received upon exercise of the option and to remit the exercise price.

Before distribution of any shares pursuant to an award, the Board may require the participant to remit funds for any required tax withholdings. Alternatively, shares may be withheld to satisfy such tax requirements. All cash payments made may be net of any required tax withholdings.

The Committee has the discretion to provide participants with the right to receive dividends or dividend equivalent payments with respect to the underlying shares of common stock. No dividends or dividend equivalent payments may be settled or paid prior to the date that the underlying award vests or becomes payable according to its terms.

Duration of the Plan

If the 2017 Directors Plan is approved by the shareholders at the 2017 Annual Meeting, no award may be made under that Plan more than 10 years after such approval date. However, the Plan shall remain in effect as long as any awards previously made remain outstanding.

Adjustments for Corporate Transactions under the Plan

In the event of certain corporate changes, such as mergers, reorganizations, reclassifications, recapitalizations, stock splits, dividends (other than regular, quarterly dividends), or other distributions, spin-offs or the like, or if substantially all of the property and assets of the Company are sold, the 2017 Directors Plan provides for adjustments of the number and kinds of shares which may be delivered or subject to outstanding awards under the Plan. Such adjustments shall be made for the purpose of preserving the benefits or potential benefits of the Plan and the original awards under the Plan. However, adjustments may not change the aggregate exercise price applicable to the unexercised portions of outstanding options.

Amendment of Plan

The Board may, at any time, amend or terminate the Plan. However, the approval of the Company's shareholders will be required for any amendment (other than adjustments for corporate transactions discussed above) which would:

- increase the maximum number of shares that may be delivered under the Plan,
- increase the per-participant limit described above under *Per-Year-Per-Participant Limit Under the Plan*,

- decrease the minimum exercise price for an option or permit the surrender of an option as consideration in exchange for a new award with a lower exercise price, or
- increase the maximum term of an Option as described above under *Options*.

Federal Income Tax Consequences of Plan Awards

The Company believes that the federal income tax treatment of the various awards that may be made under the Plan will be as described below. The following is based on existing United States laws and regulations, and there can be no assurance that those laws and regulations will not change in the future. Tax consequences in other countries may vary. This information is not intended as tax advice to anyone, including participants in the 2017 Directors Plan.

The grant of an NQSO will not have any tax consequence to the Company nor to the participant. The exercise of an NQSO will require the participant to include in his or her taxable ordinary income the amount by which the fair market value of the acquired shares on the exercise date exceeds the option price. Upon a subsequent sale or taxable exchange of shares acquired upon the option exercise, the participant will recognize a long- or short-term capital gain or loss equal to the difference between the amount realized on the sale and the tax basis of such shares (the fair market value on the exercise date). The Company will be entitled to a deduction at the same time and in the same amount as the participant is in receipt of income in consequence of his or her exercise of an NQSO.

The grant of a stock award (including a stock unit) will not have any tax consequence to the Company nor to the participant if, at the time of the grant, the shares or units provided to the participant are subject to a substantial risk of forfeiture, and provided further that the participant chooses not to elect to recognize income. The participant may, however, elect to recognize taxable ordinary income at the time of a stock (but not a unit) grant equal to the fair market value of the stock awarded. Failing such an election, as of the date the shares provided to a participant under a stock award are no longer subject to a substantial risk of forfeiture, the participant will recognize taxable ordinary income equal to the fair market value of the stock. The Company will be entitled to a deduction at the same time and in the same amount as the participant is in receipt of income in consequence of the grant of a stock award.

THE BOARD RECOMMENDS A VOTE "FOR" APPROVAL OF THE ADOPTION OF THE TIFFANY & CO. 2017 DIRECTORS EQUITY COMPENSATION PLAN.

OTHER MATTERS

Shareholder Proposals for Inclusion in the Proxy Statement for the 2018 Annual Meeting

If you wish to submit a proposal to be included in the Proxy Statement for our 2018 Annual Meeting, we must receive it no later than December 8, 2017. 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. If you wish to nominate a candidate for election as a director at an annual meeting or propose other business for consideration at an annual meeting, written notice complying with the requirements set forth in our By-laws generally must be delivered to the Company at 727 Fifth Avenue, New York, New York 10022 to the attention of the Corporate Secretary (Legal Department), not later than 90 days, and not earlier than 120 days, prior to the first anniversary of the preceding year's annual meeting. Accordingly, a shareholder nomination or proposal intended to be considered at the 2018 Annual Meeting must be received by the Company no earlier than January 25, 2018 and no later than February 24, 2018.

Except as required by applicable law, the Company will consider only proposals meeting the requirements of the applicable requirements of the SEC and our By-laws.

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 7, 2017

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"). Sales on a constant-exchange-rate basis are calculated by taking the current year's sales in local currencies and translating them into U.S. dollars using the prior year's foreign exchange rates. Management believes this constant-exchange-rate basis provides a useful supplemental basis for the assessment of sales performance and of 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:

	2016		
	GAAP Reported	Translation Effect	Constant-Exchange-Rate Basis
Net Sales:			
Worldwide	(3)%	—%	(3)%
Americas	(5)	—	(5)
Asia-Pacific	—	(1)	1
Japan	12	12	—
Europe	(10)	(7)	(3)
Other	(8)	—	(8)

Net earnings. Internally, management monitors and measures its earnings performance excluding certain items listed below. Management believes excluding such items provides a useful supplemental basis for the assessment of the Company's results relative to the corresponding period in the prior year. The following tables reconcile certain GAAP amounts to non-GAAP amounts:

(in millions, except per share amounts)	GAAP	Impairment charges [a]	Non-GAAP
Year Ended January 31, 2017			
Selling, general and administrative ("SG&A") expenses	$ 1,769.1	$ (38.0)	$ 1,731.1
As a % of sales	44.2%		43.3%
Earnings from operations	721.2	38.0	759.2
As a % of sales	18.0%		19.0%
Provision for income taxes [b]	230.5	14.0	244.5
Net earnings	446.1	24.0	470.1
Diluted earnings per share *	3.55	0.19	3.75

*Amounts may not add due to rounding.

[a] Expenses associated with the following:

- $25.4 million of net pre-tax expense ($16.0 million net after tax expense, or $0.13 per diluted share) associated with an asset impairment charge related to software costs capitalized in connection with the development of a new finished goods inventory management and merchandising information system. See "Item 7. Management's Discussion and Analysis–Information Systems Assessment" in our Annual Report on Form 10-K, filed with the SEC on March 17, 2017, for further information; and
- $12.6 million of net pre-tax expense ($8.0 million net after tax expense, or $0.06 per diluted share)

associated with impairment charges related to financing arrangements with diamond mining and exploration companies. See "Item 8. Financial Statements and Supplementary Data–Note B. Summary of Significant Accounting Policies" in our Annual Report on Form 10-K, filed with the SEC on March 17, 2017, for further information.

(b) The income tax effect resulting from the adjustments has been calculated as both current and deferred tax benefit (expense), based upon the tax laws and statutory income tax rates applicable in the tax jurisdiction (s) of the underlying adjustment.

(in millions, except per share amounts)	GAAP	Impairment charges (c)	Specific cost-reduction initiatives (d)	Non-GAAP
Year Ended January 31, 2016				
SG&A 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%
Provision for income taxes (b)	246.0	13.6	3.2	262.8
Net earnings	463.9	24.3	5.6	493.8
Diluted earnings per share	$ 3.59	$ 0.19	$ 0.05	$ 3.83

(c) 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 17, 2017, for further information.

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

TIFFANY & CO.
2017 DIRECTORS EQUITY COMPENSATION PLAN

1. **General**

1.1 Purpose. The Tiffany & Co. 2017 Directors Equity Compensation Plan (the "Plan") has been established by Tiffany & Co., a Delaware corporation, (the "Company") to advance the interests of the Company by enabling the Company to attract, retain and motivate qualified individuals to serve on the Company's Board of Directors and to further link Participants' interests with those of the Company's stockholders through compensation that is based on the Company's Common Stock ("Stock"), thereby promoting the long-term financial interests of the Company and its Related Companies, including the growth in value of the Company's stockholders' equity and the enhancement of long-term returns to the Company's stockholders.

1.2 Participation. Subject to the terms and conditions of the Plan, the Committee shall, from time to time, determine and designate from among Eligible Individuals those persons who will be granted one or more Awards under the Plan. Eligible Individuals who are granted Awards become "Participants" in the Plan. At the discretion of the Committee, a Participant may be granted any Award permitted under the provisions of the Plan, and more than one Award may be granted to a Participant. Awards need not be identical but shall be subject to the terms and conditions specified in the Plan. Subject to the last two sentences of subsection 2.2 of the Plan, Awards may be granted as alternatives to or in replacement for awards outstanding under the Plan, or any other plan or arrangement of the Company.

1.3 Operation, Administration, and Definitions. The operation and administration of the Plan, including the Awards made under the Plan, shall be subject to the provisions of Section 4 (relating to operation and administration). Initially capitalized terms used in the Plan shall be defined as set forth in the Plan (including in the definitional provisions of Section 7 of the Plan).

1.4 Prior Plan. This Plan is intended to become effective on approval by the Company's stockholders, as provided for in Section 4.1 below. This Plan is intended to replace the Company's 2008 Directors Equity Compensation Plan (the "2008 Plan") and the 1998 Directors Option Plan (the "1998 Plan") approved by the Company's stockholders on May 15, 2008 and May 21, 1998, respectively (together, the "Prior Plans"). In accordance with the terms of the Prior Plans: (i) no Award may be granted or otherwise made under the 1998 Plan after May 21, 2008, or under the 2008 Plan after May 25, 2017, but (ii) the Prior Plans shall remain in effect as long as any awards under the Prior Plans are outstanding. Shares subject to the Prior Plans which are not subject to outstanding awards under the Prior Plans as of the Effective Date of this Plan (see subsection 4.1 of this Plan) and which have not been delivered to participants under the Prior Plans as of such Effective Date may not be awarded under the Prior Plans on or after such Effective Date and the Prior Plans shall be deemed amended accordingly on such Effective Date. Shares subject to the Prior Plans, as described in the preceding sentence, shall not be deemed transferred to this Plan.

2. **Options**

2.1 Definition. The grant of an "Option" entitles the Participant to purchase Shares at an Exercise Price established by the Committee. Options granted under this Section 2 shall be Non-Qualified Options. A "Non-Qualified Option" is an Option that is not intended to be an "incentive stock option" as that term is described in section 422(b) of the Code.

2.2 Exercise Price. The per-share "Exercise Price" of each Option granted under this Section 2 shall be established by the Committee or shall be determined by a formula established by the Committee at or prior to the time the Option is granted; except that the Exercise Price shall not be less than 100% of the Fair Market Value of a Share as of the Pricing Date. For purposes of the preceding sentence, the "Pricing Date" shall be the date on which the Option is granted unless the Option is granted on a date on which the principal exchange on which the Stock is then listed or admitted to trading is closed for trading, in which case the "Pricing Date" shall be the most recent date on which such exchange was open for trading

prior to such grant date. Except as provided in subsection 4.2(c), the Exercise Price of any Option may not be decreased after the grant of the Award. An Option may not be surrendered as consideration in exchange for cash or a new Award (including a new Option with a lower Exercise Price).

2.3 Exercise. Options shall be exercisable in accordance with such terms and conditions and during such periods as may be established by the Committee provided that no Option shall be exercisable after, and each Option shall become void no later than, the tenth (10th) anniversary of the date of the grant of such option.

2.4 Payment of Option Exercise Price. The payment of the Exercise Price of an Option granted under this Section 2 shall be subject to the following:

(a) The Exercise Price may be paid by ordinary check or such other form of tender as the Committee may specify.

(b) If permitted by the Committee, the Exercise Price for Shares purchased upon the exercise of an Option may be paid in part or in full by tendering Shares (either by actual delivery of shares or attestation), or the Company may withhold from the Shares to be delivered and/or otherwise issued Shares sufficient to pay the Exercise Price, in each case with such Shares valued at Fair Market Value as of the date of exercise. The Committee may refuse to accept payment in Shares if such payment would result in an accounting charge to the Company.

(c) The Committee may permit a Participant to elect to pay the Exercise Price upon the exercise of an Option by irrevocably authorizing a third party to sell Shares acquired upon exercise of the Option (or a sufficient portion of such shares) and remit to the Company a sufficient portion of the sale proceeds to pay the entire Exercise Price and any tax withholding resulting from such exercise.

3. **Stock Awards**

3.1 Definition. A "Stock Award" is a grant of Shares or of a right to receive Shares.

3.2 Restrictions on Stock Awards. Each Stock Award shall be subject to such conditions, restrictions and contingencies, if any, as the Committee shall determine.

4. **Operation and Administration**

4.1 Effective Date and Duration. Subject to approval of the stockholders of the Company at the Company's 2017 annual meeting, the Plan shall be effective as of the date of such approval (the "Effective Date") and shall remain in effect as long as any Awards under the Plan are outstanding; provided, however, that no Award may be granted or otherwise made under the Plan on a date that is more than ten (10) years from the Effective Date.

4.2 Shares Subject to Plan.

(a) (i) Subject to the following provisions of this subsection 4.2, the maximum aggregate number of Shares that may be delivered to Participants and their beneficiaries under the Plan shall be One Million (1,000,000) Shares, provided that such maximum shall be reduced by one Share for each Share that is delivered pursuant to a Stock Award. Shares issued under the Plan may be authorized and unissued Shares or Shares reacquired by the Company.

(ii) Any Shares granted under the Plan that are forfeited because of the failure to meet a Stock Award contingency or condition shall again be available for delivery pursuant to new Awards granted under the Plan. To the extent any Shares covered by an Award are not delivered to a Participant or a Participant's beneficiary because the Award is forfeited or canceled, such shares shall not be deemed to have been delivered for purposes of determining the maximum number of Shares available for delivery under the Plan.

(iii) If the Exercise Price and/or tax withholding obligation for any Option or Award granted under the Plan is satisfied by tendering Shares to the Company (by either actual delivery or attestation) or by the Company withholding Shares, the number of Shares issued on such exercise or Award without offset for the number of Shares so tendered shall be deemed delivered for purposes of determining the maximum number of Shares available for delivery under the Plan; if the Exercise Price and/or tax withholding obligation for any Option or Award granted under the Plan is satisfied by the Company withholding Shares, the full number of Shares for which such Option was exercised or such Award was granted, without reduction for the number of Shares withheld, shall be deemed delivered for purposes of determining the maximum number of Shares available for delivery under the Plan.

(b) The following additional limitation is imposed under the Plan: the total compensation (including without limitation non-equity compensation and the grant-date fair value of Options or Stock Awards, or any combination of Options and Stock Awards) that may be awarded to any one Participant in any single fiscal year of the Company in connection with his or her service as a member of the Board shall not exceed $750,000; provided, however, that this limitation shall not apply to a non-executive chairperson of the Board.

(c) If the outstanding Shares are increased or decreased, or are changed into or exchanged for cash, property, or a different number or kind of shares or securities, or if cash, property or Shares or other securities are distributed in respect of such outstanding Shares, in either case as a result of one or more mergers, reorganizations, reclassifications, recapitalizations, stock splits, reverse stock splits, stock dividends, dividends (other than regular, quarterly dividends), or other distributions, spin-offs or the like, or if substantially all of the property and assets of the Company are sold, then, unless the terms of the transaction shall provide otherwise, appropriate adjustments shall be made in the number and/or type of shares or securities for which Awards may thereafter be granted under the Plan and for which Awards then outstanding under the Plan may thereafter be exercised. Any such adjustments in outstanding Awards shall be made without changing the aggregate Exercise Price applicable to the unexercised portions of outstanding Options. The Committee shall make such adjustments to preserve the benefits or potential benefits of the Plan and the Awards; such adjustments may include, but shall not be limited to, adjustment of: (i) the number and kind of shares which may be delivered under the Plan; (ii) the number and kind of shares subject to outstanding Awards; (iii) the Exercise Price of outstanding Options; (iv) the limit specified in subsection 4.2(b) above; and (v) any other adjustments that the Committee determines to be equitable. No right to purchase or receive fractional shares shall result from any adjustment in Options or Stock Awards pursuant to this paragraph 4.2(c). In case of any such adjustment, Shares subject to the Option or Stock Award shall be rounded up to the nearest whole Share.

4.3 Limit on Distribution. Distribution of Shares or other amounts under the Plan shall be subject to the following:

(a) Notwithstanding any other provision of the Plan, the Company shall have no obligation to deliver any Shares under the Plan or make any other distribution of benefits under the Plan unless such delivery or distribution would comply with all applicable laws (including, without limitation, the requirements of the Securities Act of 1933) and the applicable requirements of any securities exchange or similar entity and the Committee may impose such restrictions on any Shares acquired pursuant to the Plan as the Committee may deem advisable, including, without limitation, restrictions under applicable federal securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, and under any blue sky or state securities laws applicable to such Shares. In the event that the Committee determines in its discretion that the registration, listing or qualification of the Shares issuable under the Plan on any securities exchange or under any applicable law or governmental regulation is necessary as a condition to the issuance of such Shares under an Option or Stock Award, such Option or Stock Award shall not be exercisable or exercised in whole or in part unless such registration, listing and qualification, and any necessary consents or approvals have been unconditionally obtained.

(b) Distribution of Shares under the Plan may be effected on a non-certificated basis, to the extent not prohibited by applicable law or the applicable rules of any stock exchange.

4.4 Tax Withholding. Before distribution of Shares under the Plan, the Company may require the recipient to remit to the Company an amount sufficient to satisfy any federal, state or local tax withholding requirements or, if agreed by the Committee, the Company may withhold from the Shares to be delivered and/or otherwise issued Shares sufficient to satisfy all or a portion of such tax withholding requirements. Whenever under the Plan payments are to be made in cash, such payments shall be in an amount sufficient to satisfy any federal, state or local tax withholding requirements as well as the amount of the cash payment otherwise required. Neither the Company nor any Related Company shall be liable to a Participant or any other person as to any tax consequence expected, but not realized, by any Participant or other person due to the receipt or exercise of any Award hereunder.

4.5 Reserved Rights. Subject to the limitations of subsection 4.2 on the number of Shares that may be delivered under the Plan, the Plan does not limit the right of the Company to use available Shares, including authorized but un-issued Shares and treasury Shares, as the form of payment for compensation, grants or rights earned or due under any other compensation plans or arrangements of the Company or a Related Company, including the plans or arrangements of the Company or a Related Company, including the plans or arrangements of the Company or a Related Company acquiring another entity (or an interest in another entity). The Committee may provide in the Award Agreement that the Shares to be issued upon exercise of an Option or receipt of a Stock Award shall be subject to such further conditions, restrictions or agreements as the Committee in its discretion may specify, including without limitation, conditions on vesting or transferability, and forfeiture and repurchase provisions.

4.6 Dividends and Dividend Equivalents. An Award may provide the Participant with the right to receive dividends or dividend equivalent payments with respect to Shares which may be paid currently or credited to an account for the Participant, and which may be settled in cash or Shares as determined by the Committee; provided, however, that no dividends or dividend payments shall be settled or paid prior to the date such Award vests or becomes payable according to its terms. Any such settlements, and any such crediting of dividends or dividend equivalents or reinvestment in Shares may be subject to such conditions, restrictions and contingencies as the Committee shall establish, including reinvestment of such credited amounts in Stock equivalents.

4.7 Settlements; Deferred Delivery. Awards may be settled through cash payments, the delivery of Shares, the granting of replacement Awards, or combinations thereof, all subject to such conditions, restrictions and contingencies as the Committee shall determine. The Committee may establish provisions for the deferred delivery of Shares in connection with the settlement of a Stock Award in accordance with Code Section 409A, with the deferral evidenced by use of "Stock Units" equal in number to the number of Shares whose delivery is so deferred. Stock Units represent an unfunded and unsecured obligation of the Company except as otherwise provided by the Committee. Settlement of Stock Units upon expiration of the deferral period shall be made in Shares or otherwise as determined by the Committee. The amount of Shares, or other settlement medium, to be distributed following such deferral may be increased by an interest factor or by dividend equivalents. Until such distribution, the number of Shares to be so distributed shall be subject to adjustment pursuant to paragraph 4.2(c). Unless otherwise specified by the Committee, any deferred delivery of Shares pursuant to an Award shall be settled by the delivery of Shares within 60 days following the date the person to whom such deferred delivery must be made incurs a "separation from service" as defined in Treasury Regulation 1.409A-1(h).

4.8 Transferability. Unless otherwise provided by the Committee, any Option granted under the Plan, and, until vested, any Stock Award granted under the Plan, shall by its terms be nontransferable by the Participant otherwise than by will, the laws of descent and distribution, and shall be exercisable by, or become vested in, during the Participant's lifetime, only the Participant.

4.9 Form and Time of Elections. Unless otherwise specified herein, each election required or permitted to be made by any Participant or other person entitled to benefits under the Plan, and any permitted modification, or revocation thereof, shall be in writing filed with the secretary of the Company at such times, in such form, and subject to such restrictions and limitations, not inconsistent with the terms of the Plan, as the Committee shall require.

4.10 Award Agreements with Company; Vesting and Acceleration of Vesting of Awards. At the time of an Award to a Participant, the Committee may require the Participant to enter into an agreement with the Company

(an "Award Agreement") in a form specified by the Committee, agreeing to the terms and conditions of the Plan and to such additional terms and conditions, not inconsistent with the Plan, as the Committee may, in its sole discretion, prescribe, including, but not limited to, conditions to the vesting or exercise of an Award, such as continued service as a director of the Company for a specified period of time. The Committee may waive such conditions to and/or accelerate exercisability or vesting of an Option or Stock Award, either automatically upon the occurrence of specified events (including in connection with a change of control of the Company) or otherwise in its discretion.

4.11 Limitation of Implied Rights.

(a) Neither a Participant nor any other person shall, by reason of the Plan or any Award Agreement, acquire any right in or title to any assets, funds or property of the Company or any Related Company whatsoever, including, without limitation, any specific funds, assets, or other property which the Company or any Related Company, in their sole discretion, may set aside in anticipation of a liability under the Plan. A Participant shall have only a contractual right to the Shares or amounts, if any, payable under the Plan, unsecured by the assets of the Company or of any Related Company. Nothing contained in the Plan or any Award Agreement shall constitute a guarantee that the assets of such companies shall be sufficient to pay any benefits to any person.

(b) Neither the Plan nor any Award Agreement shall constitute a contract of employment, and selection as a Participant will not confer upon any Participant any right to serve as a director of the Company, nor any right or claim to any benefit under the Plan, unless such right or claim has specifically accrued under the terms of the Plan or an Award. Except as otherwise provided in the Plan, no Award under the Plan shall confer upon the holder thereof any right as a stockholder of the Company prior to the date on which the individual fulfills all conditions for receipt of such rights.

4.12 Evidence. Evidence required of anyone under the Plan may be by certificate, affidavit, document or other information which an officer of the Company acting on it considers pertinent and reliable, and signed, made or presented by the proper party or parties.

4.13 Action by Company. Any action required or permitted to be taken by the Company shall be by resolution of the Board, or by action of one or more members of such Board (including a committee of such Board) who are duly authorized to act for such Board, or (except to the extent prohibited by applicable law or applicable rules of any stock exchange) by a duly authorized officer of the Company.

4.14 Gender and Number. Where the context admits, words in any gender shall include any other gender, words in the singular shall include the plural and the plural shall include the singular.

4.15 Non-exclusivity of the Plan. Neither the adoption of the Plan by the Board nor the submission of the Plan to the stockholders of the Company for approval shall be construed as creating any limitations on the power of such Board or a committee of such Board to adopt such other incentive arrangements as it or they may deem desirable, including without limitation, the granting of restricted stock, stock options or cash bonuses otherwise than under the Plan, and such arrangements may be generally applicable or applicable only in specific cases.

5. **Committee**

5.1 Administration. The authority to control and manage the operation and administration of the Plan shall be vested in the Board and/or a committee of the Board (either the Board or such committee the "Committee" hereunder) in accordance with this Section 5.

5.2 Selection of Committee. If consisting of less than the full membership of the Board, the Committee shall be selected by the Board and shall consist of two or more members of the Board.

5.3 Powers of Committee. The authority to manage and control the operation and administration of the Plan shall be vested in the Committee, subject to the following:

(a) Subject to the provisions of the Plan, the Committee will have the authority and discretion to select from amongst Eligible Individuals those persons who shall receive Awards, to determine who is an Eligible Individual, to determine the time or times of receipt, to determine the types of Awards and the number of Shares covered by the Awards, to establish the terms, conditions, restrictions, and other provisions of such Awards and Award Agreements, and (subject to the restrictions imposed by Section 6) to cancel, amend or suspend Awards. In making such Award determinations, the Committee may take into account such factors as the Committee deems relevant.

(b) The Committee will have the authority and discretion to establish terms and conditions of Awards as the Committee determines to be necessary or appropriate to conform to applicable requirements or practices of jurisdictions outside the United States.

(c) The Committee will have the authority and discretion to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, to determine the terms and provisions of any Award Agreements, and to make all other determinations that may be necessary or advisable for the administration of the Plan.

(d) Interpretations of the Plan by the Committee and decisions made by the Committee under the Plan are final and binding.

(e) In controlling and managing the operation and administration of the Plan, the Committee shall act by a majority of its then members, by meeting or by writing filed without a meeting. The Committee shall maintain adequate records concerning the Plan and concerning its proceedings and acts in such form and detail as the Committee may decide.

5.4 Delegation by Committee. Except to the extent prohibited by applicable law or the applicable rules of a stock exchange, the Committee may allocate all or any portion of its powers and responsibilities to any one or more of its members and may delegate all or part of its responsibilities and powers to any person or persons selected by it. Any such allocation or delegation may be revoked by the Committee at any time.

5.5 Information to be furnished to Committee. The Company shall furnish the Committee with such data and information as may be requested by the Committee to discharge its duties. The records of the Company as to an Eligible Individual's or a Participant's service as a director shall be conclusive on all persons unless determined to be incorrect by the Committee. Participants and other persons entitled to benefits under the Plan must furnish the Committee such evidence, data or information as the Committee considers necessary or desirable to carry out the terms of the Plan.

6. **Amendment and Termination**

6.1 Board's Right to Amend or Terminate. Subject to the limitations set forth in this Section 6, the Board may, at any time, amend or terminate the Plan.

6.2 Amendments Requiring Stockholder Approval. Other than as provided in subsection 4.2 (c) (relating to certain adjustments to Shares), the approval of the Company's stockholders shall be required for any amendment which: (i) increases the maximum number of Shares that may be delivered to Participants under the Plan set forth in subsection 4.2(a); (ii) increases the maximum limitation contained in Section 4.2(b); (iii) decreases the Exercise Price of any Option below the minimum provided in subsection 2.2; (iv) modifies or eliminates the prohibitions stated in the final two sentences of subsection 2.2; or (v) increases the maximum term of any Option set forth in Section 2.3. Whenever the approval of the Company's stockholders is required pursuant to this subsection 6.2, such approval shall be sufficient if obtained by a majority vote of those stockholders present or represented and actually voting on the matter at a meeting of stockholders duly called, at which meeting a majority of the outstanding shares actually vote on such matter.

6.3 Consent of Affected Participants. No amendment to or termination of the Plan shall, in the absence of written consent to the change by the affected Participant (or, if the Participant is not then living or if the Award has been transferred pursuant to a right of transfer contained in an Award Agreement, the affected beneficiary or affected transferee, as the case may be), adversely affect the rights of any Participant, beneficiary or permitted transferee under any Award granted under the Plan prior to the date such amendment or termination is adopted by the Board.

7. **Defined Terms**

For the purposes of the Plan, the terms listed below shall be defined as follows:

Award. The term "Award" shall mean, individually and collectively, any award or benefit granted to any Participant under the Plan, including, without limitation, the grant of Options and Stock Awards.

Award Agreement. The term "Award Agreement" is defined in subsection 4.10.

Board. The term "Board" shall mean the Board of Directors of the Company.

Code. The term "Code" shall mean the Internal Revenue Code of 1986, as amended. A reference to any provision of the Code shall include reference to any successor provision of the Code or of any law that is enacted to replace the Code.

Eligible Individual. The term "Eligible Individual" shall mean a Non-Employee Director. The term "Non-Employee Director" means a member of the Board who is not at the time of an Award also an employee of the Company or a Related Company.

Fair Market Value. For purposes of determining the "Fair Market Value" of a share of Stock, the following rules shall apply:

(i) If the Stock is at the time listed or admitted to trading on any stock exchange, then the Fair Market Value shall be the simple arithmetic mean between the lowest and the highest reported sales prices of the Stock on the date in question on the principal exchange on which the Stock is then listed or admitted to trading. If no reported sale of Stock takes place on the date in question on the principal exchange, then the reported closing asked price of the Stock on such date on the principal exchange shall be determinative of Fair Market Value.

(ii) If the Stock is not at the time listed or admitted to trading on a stock exchange, the Fair Market Value shall be the mean between the lowest reported bid price and the highest reported asked price of the Stock on the date in question in the over-the-counter market, as such prices are reported in a publication of general circulation selected by the Committee and regularly reporting the market price of the Stock in such market.

(iii) If the Stock is not listed or admitted to trading on any stock exchange or traded in the over-the-counter market, the Fair Market Value shall be as determined by the Committee, acting in good faith.

Related Companies. The term "Related Company" means:

(i) any corporation, partnership, joint venture or other entity during any period in which such corporation, partnership, joint venture or other entity owns, directly or indirectly, at least fifty percent (50%) of the voting power of all classes of voting stock of the Company (or any corporation, partnership, joint venture or other entity which is a successor to the Company);

(ii) any corporation, partnership, joint venture or other entity during any period in which the Company (or any corporation, partnership, joint venture or other entity which is a successor to the Company or any entity that is a Related Company by reason of clause (i) next above) owns, directly or indirectly, at least a fifty percent (50%) voting or profits interest; or

(iii) any business venture in which the Company has a significant interest, as determined at the discretion of the Committee.

Shares. The term "Shares" shall mean shares of the Common Stock of the Company, $.01 par value, as presently constituted, subject to adjustment as provided in paragraph 4.2(c) above.

8. **Other Provisions**

8.1 Successors. All obligations of the Company under the Plan with respect to Awards shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the business and/or assets of the Company.

8.2 Unfunded Plan. The adoption of the Plan and any reservation of shares of Common Stock or cash amounts by the Company to discharge its obligations hereunder shall not be deemed to create a trust or other funded arrangement. Except upon the issuance of Common Stock pursuant to an Award, any rights of a Participant under the Plan shall be those of a general unsecured creditor of the Company, and neither a Participant nor the Participant's permitted transferees or estate shall have any other interest in any assets of the Company by virtue of the Plan. Notwithstanding the foregoing, the Company shall have the right to implement or set aside funds in a grantor trust, subject to the claims of the Company's creditors or otherwise, to discharge its obligations under the Plan.

8.3 Governing Law. The Plan and all rights hereunder shall be subject to and interpreted in accordance with the laws of the State of New York, without reference to the principles of conflicts of laws, and to applicable Federal securities laws.

9. **Section 409A**

The Plan is intended to comply with the requirements of Code Section 409A, to the extent such requirements are applicable, and shall be limited, construed and interpreted in accordance with such intent. To the extent that any Award is subject to Code Section 409A, it shall be granted and paid in a manner intended to ensure that such Award complies with Code Section 409A. Any provision in the Plan or an Award Agreement that is inconsistent with Code Section 409A shall be deemed to be amended to comply with Code Section 409A and to the extent such provision cannot be amended to comply therewith, such provision shall be null and void. Notwithstanding any provision of the Plan or an Award Agreement to the contrary, the Board may at any time (without the consent of a Participant) modify or amend any or all of the provisions of the Plan or an Award to the extent the Board believes in good faith that such action is necessary to conform the provisions of the Plan or an Award with Code Section 409A and the regulations issued thereunder or an exception thereto, regardless of whether such modification or amendment of the Plan and/or Award shall adversely affect the rights of a Participant, subject to the limitations, if any, of applicable law; provided, however, such modification or amendment shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the Participant and the Company without violating the provisions of Code Section 409A. Notwithstanding the foregoing, any tax liabilities arising under Code Section 409A will be solely the responsibility of the affected Participants, and in no event shall any member of the Board, the Committee or the Company (or its employees, officers or directors) have any liability to any Participant (or any other person) due to the failure of an Award to satisfy the requirements of Code Section 409A.

CORPORATE INFORMATION

BOARD OF DIRECTORS

MICHAEL J. KOWALSKI
Chairman of the Board and Interim Chief Executive Officer,
Tiffany & Co.
(1995) 5, 6 and 7

ROSE MARIE BRAVO, CBE
Chief Executive Officer (Retired),
Burberry Limited
(1997) 2, 3 and 7*

GARY E. COSTLEY, Ph. D.
Chairman and Chief Executive Officer (Retired),
International Multifoods Corporation
(2007) 2*, 3 and 5

ROGER N. FARAH
Executive Director,
Tory Burch LLC
(2017)

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, 5 and 7

JAMES E. LILLIE
Former Chief Executive Officer,
Jarden Corporation
(2017)

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, 4 and 7

WILLIAM A. SHUTZER
Senior Managing Director,
Evercore Partners
(1984) 4* and 7

ROBERT S. SINGER
Former Chief Executive Officer,
Barilla Holding SpA
(2012) 1*, 2 and 4

FRANCESCO TRAPANI
Former Chief Executive Officer,
Bulgari
(2017) 3 and 7

(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
(7) Search Committee

EXECUTIVE OFFICERS OF TIFFANY & CO.

MICHAEL J. KOWALSKI
Chairman of the Board and Interim Chief Executive Officer

MARK J. ERCEG
Executive Vice President – Chief Financial Officer

JEAN-MARC BELLAICHE
Senior Vice President – Strategy and Business Development

VICTORIA BERGER-GROSS
Senior Vice President – Chief Human Resources Officer

PAMELA H. CLOUD
Senior Vice President – Global Category Marketing

JENNIFER DE WINTER
Senior Vice President – Americas

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

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 25, 2017, 9:30 a.m.
The Rubin Museum of Art, 150 West 17th Street (at Seventh Avenue), New York, New York

Website

For Tiffany's financial results, other information and reports filed with the Securities and Exchange Commission, please visit our website at http://investor.tiffany.com.

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

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

	2016	2015	2014	2013	2012
Stock price at end of fiscal year	$ 78.72	$ 63.84	$ 86.64	$ 83.19	$ 65.75

	Price Ranges of Tiffany & Co. Common Stock						Cash Dividends Per Share	
	2016			2015			2016	2015
Quarter	High	Low	Close	High	Low	Close		
First	$ 74.06	$59.75	$71.35	$90.83	$82.64	$87.48	$0.40	$0.38
Second	72.18	56.99	64.52	96.33	84.83	95.70	0.45	0.40
Third	74.81	58.77	73.42	96.43	74.28	82.44	0.45	0.40
Fourth	85.44	71.86	78.72	84.19	59.73	63.84	0.45	0.40

On March 20, 2017, the closing price of Tiffany & Co. Common Stock was $93.83 and there were 14,244 holders of record of the Company's Common Stock.

Certifications

Michael J. Kowalski and Mark J. Erceg 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, 2017.

As required by the New York Stock Exchange ("NYSE"), on June 22, 2016, Frederic Cumenal, former chief executive officer, 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 TOP LEFT: *Tiffany Cocktail watch, Tiffany T Two rings with diamonds, Paloma Picasso® Olive Leaf cuff, Tiffany Victoria® key pendant.*

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