TIFFANY & CO
Form 10-Q
September 02, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the quarter ended July 31, 2005. 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 (State of incorporation)	13-3228013 (I.R.S. Employer Identification No.)
727 Fifth Ave. New York, NY (Address of principal executive offices)	10022 (Zip Code)

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

Former name, former address and former fiscal year, if changed since last report _________.

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 X . No .

Indicate by check mark whether the registrant is an accelerated filer(as defined in Rule 12b-2 of the Exchange Act). Yes X . No .

APPLICABLE ONLY TO CORPORATE ISSUERS: Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date: Common Stock, $.01 par value, 142,430,610 shares outstanding at the close of business on August 31, 2005.

TIFFANY & CO. AND SUBSIDIARIES
INDEX TO FORM 10-Q
FOR THE QUARTER ENDED JULY 31, 2005

PART I. Financial Information
Item 1. Financial Statements

TIFFANY & CO. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(in thousands, except per share amounts)

	July 31, 2005	Ja
ASSETS		
Current assets:		
Cash and cash equivalents	$ 128,611	$
Short-term investments	-	
Accounts receivable, less allowances of $6,198, $7,491 and $5,979	126,000	
Inventories, net	1,066,371	
Deferred income taxes	72,084	
Prepaid expenses and other current assets	51,991	
Total current assets	1,445,057	
Property, plant and equipment, net	916,374	
Other assets, net	139,237	
	$ 2,500,668	$
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	$ 22,966	$
Current portion of long-term debt	-	
Accounts payable and accrued liabilities	178,322	
Income taxes payable	20,510	
Merchandise and other customer credits	51,491	
Total current liabilities	273,289	

Long-term debt	381,297	
Postretirement/employment benefit obligations	40,778	
Deferred income taxes	9,790	
Other long-term liabilities	101,539	
Commitments and contingencies		
Stockholders' equity:		
Common stock, $0.01 par value; authorized 240,000 shares, issued and outstanding 142,385, 144,548 and 146,371	1,424	
Additional paid-in capital	445,349	
Retained earnings	1,236,757	
Accumulated other comprehensive gain (loss), net of tax:		
Foreign currency translation adjustments	9,525	
Deferred hedging gains (losses)	591	
Unrealized gains (losses) on marketable securities	329	
Total stockholders' equity	1,693,975	
	$ 2,500,668	$

See notes to condensed consolidated financial statements.

TIFFANY & CO. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)
(in thousands, except per share amounts)

	Three Months Ended July 31,		
	2005	2004	2
Net sales	$ 526,701	$ 476,597	$ 1
Cost of sales	234,617	212,109	
Gross profit	292,084	264,488	
Selling, general and administrative expenses	218,016	206,318	
Earnings from operations	74,068	58,170	
Other expenses, net	3,858	4,798	

Earnings before income taxes	70,210	53,372	
Provision for income taxes	19,659	20,282	
Net earnings	$ 50,551	$ 33,090	$
Net earnings per share:			
Basic	$ 0.35	$ 0.23	$
Diluted	$ 0.35	$ 0.22	$
Weighted average number of common shares:			
Basic	142,989	146,370	
Diluted	144,930	148,592	

See notes to condensed consolidated financial statements.

TIFFANY & CO. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net earnings	$
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:	
Depreciation and amortization	
Gain on equity investments	
Provision for uncollectible accounts	
Provision for inventories	
Deferred income taxes	
Provision for postretirement/employment benefits	
Stock compensation expense	
Excess tax benefits from share-based payment arrangements	
Deferred hedging losses transferred to earnings	
Changes in assets and liabilities:	
Accounts receivable	
Inventories	
Prepaid expenses and other current assets	
Other assets, net	
Accounts payable	
Accrued liabilities	
Income taxes payable	
Merchandise and other customer credits	
Other long-term liabilities	
Net cash used in operating activities	
CASH FLOWS FROM INVESTING ACTIVITIES:	
Capital expenditures	
Proceeds from sale of marketable securities and short-term investments	
Purchases of marketable securities and short-term investments	
Other, net	
Net cash provided by (used in) investing activities	
CASH FLOWS FROM FINANCING ACTIVITIES:	
(Repayments of) proceeds from short-term borrowings, net	
Fees and expenses related to new short-term borrowings	
Excess tax benefits from share-based payment arrangements	
Repurchases of Common Stock	
Proceeds from exercise of stock options	
Cash dividends on Common Stock	
Net cash (used in) provided by financing activities	
Effect of exchange rate changes on cash and cash equivalents	

Net decrease in cash and cash equivalents	
Cash and cash equivalents at beginning of year	
Cash and cash equivalents at end of six months	$

See notes to condensed consolidated financial statements.

TIFFANY & CO. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying condensed consolidated financial statements include the accounts of Tiffany & Co. and all majority-owned domestic and foreign subsidiaries (the "Company"). Intercompany accounts, transactions and profits have been eliminated in consolidation. The interim statements are unaudited and, in the opinion of management, include all adjustments (which include only normal recurring adjustments including the adjustment necessary as a result of the use of the LIFO (last-in, first-out) method of inventory valuation, which is based on assumptions as to inflation rates and projected fiscal year-end inventory levels) necessary to present fairly the Company's financial position as of July 31, 2005 and the results of its operations and cash flows for the interim periods presented. The condensed consolidated balance sheet data for January 31, 2005 is derived from the audited financial statements, which are included in the Company's report on Form 10-K and should be read in connection with these financial statements. In accordance with the rules of the Securities and Exchange Commission, these financial statements do not include all disclosures required by generally accepted accounting principles.

Certain reclassifications were made to the prior year's financial statement amounts and related note disclosures to conform to the current year's presentation.

The Company's business is seasonal, with a higher proportion of sales and earnings generated in the last quarter of the fiscal year and, therefore, the results of its operations for the three and six months ended July 31, 2005 and 2004 are not necessarily indicative of the results of the entire fiscal year.

2. NEW ACCOUNTING STANDARDS

In December 2004, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 123R, "Share-Based Payment." This Statement replaces SFAS No. 123, "Accounting for Stock-Based Compensation" and supersedes Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees." SFAS No. 123R requires that new, modified and vested share-based payment transactions with employees be measured at fair-value and recognized as compensation expense over the vesting period. The Company adopted SFAS No. 123R in the fourth quarter of 2004, retroactive to February 1, 2004, using the modified retrospective method of transition which allowed for the restatement of interim financial statements based on the amounts previously calculated and reported in the pro forma footnote disclosures required by SFAS No. 123. The results of the restatement for the three and six months ended July 31, 2004 had the effect of reducing earnings from operations by $5,687,000 and $11,328,000, reducing net earnings by $3,526,000 and $7,023,000, reducing basic earnings per share by $0.02 and $0.04 and reducing diluted earnings per share by $0.03 and $0.05. The balance sheet and statement of cash flows as of and for the six months ended July 31, 2004 were also restated accordingly.

6

NEW ACCOUNTING STANDARDS (continued)

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs - an amendment of ARB No. 43, Chapter 4." SFAS No. 151 amends the guidance in ARB No. 43, Chapter 4, "Inventory Pricing," to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs and wasted material (spoilage). This Statement requires that those items be recognized as current period charges. In addition, SFAS No. 151 requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. SFAS No. 151 is effective for inventory costs incurred during fiscal years beginning after June 15, 2005. Management is currently evaluating the effect that the adoption of this statement will have on the Company's financial position, earnings and cash flows.

3. INVENTORIES

(in thousands)	July 31, 2005	January 31, 2005	July 31, 2004
Finished goods	$ 791,336	$ 771,192	$ 727,733
Raw materials	232,959	236,802	226,719
Work-in-process	46,474	53,988	84,770
	1,070,769	1,061,982	1,039,222
Reserves	(4,398)	(4,737)	(4,818)
Inventories, net	$1,066,371	$1,057,245	$1,034,404

LIFO-based inventories at July 31, 2005, January 31, 2005 and July 31, 2004 represented 70%, 66% and 70% of inventories, net, with the current cost exceeding the LIFO inventory value by $68,228,000, $64,058,000 and $39,614,000 at the end of each period.

4. INCOME TAXES

The effective income tax rate for the three and six months ended July 31, 2005 was 28.0% and 31.5% versus 38.0% in the three and six months ended July 31, 2004. The decrease from the prior year's tax rate was primarily due to additional tax benefits recognized in 2005 associated with the repatriation provisions of the American Jobs Creation Act of 2004 ("AJCA"), which included a $6,600,000 benefit recorded in the second quarter related to the Internal Revenue Service clarifying certain provisions of the AJCA in May 2005.

The AJCA also provides a deduction for income from qualified domestic production activities ("manufacturing deduction"), which will be phased in from 2005 through 2010. Pursuant to FASB Staff Position No. 109-1, "Application of SFAS No. 109 (Accounting for Income Taxes), to the Tax Deduction on Qualified Production Activities provided by the AJCA," the effect of this deduction is reported in the period in which it is claimed on the Company's tax return. Although the Company recorded a tax benefit for the manufacturing deduction, the amount of the benefit is immaterial for the three and six months ended July 31, 2005 and is anticipated to be immaterial for the remainder of the year.

The AJCA provides a two-year transition from the existing Extraterritorial Income Exclusion Act. The World Trade Organization ("WTO") ruled that this exclusion was an illegal export subsidy. The European Union believes that the AJCA fails to adequately repeal illegal export subsidies because of these transitional provisions and has asked the WTO to review whether these transitional provisions are in compliance with the WTO's prior ruling. Until the final resolution of this matter, management will be unable to predict what impact, if any, this will have on future earnings.

5. EARNINGS PER SHARE

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

The following table summarizes the reconciliation of the numerators and denominators for the basic and diluted earnings per share ("EPS") computations:

	Three Months Ended July 31,		S
(in thousands)	2005	2004	
Net earnings for basic and diluted EPS	$50,551	$33,090	$9
Weighted average shares for basic EPS	142,989	146,370	14

Incremental shares based upon the assumed exercise of stock options and restricted stock units	1,941	2,222	
Weighted average shares for diluted EPS	144,930	148,592	14

For the three months ended July 31, 2005 and 2004, there were 7,504,000 and 3,593,000 stock options and restricted stock units excluded from the computations of earnings per diluted share due to their antidilutive effect. For the six months ended July 31, 2005 and 2004, there were 7,543,000 and 3,512,000 stock options and restricted stock units excluded from the computations of earnings per diluted share due to their antidilutive effect.

6. COMPREHENSIVE EARNINGS

The components of comprehensive earnings were:

	Three Months Ended July 31,		Si
(in thousands)	2005	2004	20
Net earnings	$50,551	$ 33,090	$90,6
Other comprehensive gain (loss), net of tax:			
Deferred hedging gains	2,040	711	2,7
Foreign currency translation adjustments	(16,475)	(1,888)	(19,5
Unrealized gains (losses) on marketable securities	330	46	1
Comprehensive earnings	$36,446	$31,959	$73,9

8

7. DEBT

In July 2005, the Company entered into a new $300,000,000 multi-bank revolving credit facility ("New Credit Facility") with an option to increase such commitments up to $500,000,000. The New Credit Facility replaces the Company's $250,000,000 multi-bank credit facility and the $10,000,000 Little Switzerland unsecured revolving credit facility. The New Credit Facility will be available for working capital and other corporate purposes and contains provisions comparable to those under the prior agreement, except that certain covenants have been revised to provide the Company with additional flexibility. Borrowings are with eight participating banks and are at interest rates based upon local currency borrowing rates plus a margin based on the Company's fixed charge coverage ratio. As of July 31, 2005, $22,800,000 was outstanding under the New Credit Facility with a weighted average interest rate of 3.7%. The New Credit Facility expires in July 2010.

8. EMPLOYEE BENEFIT PLANS

The Company maintains several pension and retirement plans, as well as providing certain health-care and life insurance benefits.

Net periodic pension and other postretirement benefit expense included the following components:

	Three Months Ended July		
	Pension Benefits		
(in thousands)	2005	2004	2005
Service cost	$3,181	$2,699	$342
Interest cost	2,904	2,640	421
Expected return on plan assets	(2,519)	(2,079)	-
Amortization of prior service cost	201	201	(298
Amortization of net loss	592	395	89
Net expense	$4,359	$3,856	$554

	Six Months Ended July		
	Pension Benefits		
(in thousands)	2005	2004	2005
Service cost	$6,362	$5,398	$ 68
Interest cost	5,808	5,280	84
Expected return on plan assets	(5,038)	(4,158)	
Amortization of prior service cost	402	402	(59
Amortization of net loss	1,184	790	17
Net expense	$8,718	$7,712	$1,10

9. SEGMENT INFORMATION

The Company's reportable segments are: U.S. Retail, International Retail and Direct Marketing. These reportable segments represent channels of distribution that offer similar merchandise and service and have similar marketing and distribution strategies. Its Other channel of distribution includes all non-reportable segments which consist of worldwide sales and businesses operated under trademarks or trade names other than TIFFANY & CO., as well as sales associated with the Company's diamond sourcing and manufacturing operations. In deciding how to allocate resources and assess performance, the Company's Executive Officers regularly evaluate 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.

Reclassifications were made to prior year's segment amounts to conform to the current year presentation and to reflect the revised manner in which management evaluates the performance of segments. The reclassifications were associated with the following:

- Effective with the current reporting period, the Company placed responsibility for U.S. business-to-business sales within the U.S. Retail channel and, consequently, now reports business-to-business sales in that channel. In the past, such sales were reported in the Direct Marketing channel, which will continue to report business-to-business Internet transactions.
- As of the fourth quarter of 2004, LIFO costs are now included in segment results, as opposed to unallocated corporate expenses where it was previously included.
- Each segment's earnings (losses) from operations as previously reported in 2004 was affected by an allocation of the expense associated with the modified retrospective adoption of SFAS No. 123R in the fourth quarter of 2004.

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

	Three Months Ended July 31,		Six Mon Jul
(in thousands)	2005	2004	2005
Net sales:			
U.S. Retail	$267,710	$248,134	$ 523,562
International Retail	202,104	180,948	392,420
Direct Marketing	30,354	28,910	59,290
Other	26,533	18,605	61,330
	$526,701	$476,597	$1,036,602
Earnings (losses) from operations *:			
U.S. Retail	$ 54,122	$46,533	$100,734

International Retail	43,382	40,101	87,057
Direct Marketing	9,624	8,099	18,346
Other	(3,127)	(3,337)	(4,642)
	$104,001	$91,396	$201,495

* Represents earnings from operations before unallocated corporate expenses and other expenses, net.

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

	Three Months Ended July 31,		Six M J
(in thousands)	2005	2004	2005
Earnings from operations for segments	$104,001	$91,396	$201,495
Unallocated corporate expenses	(29,933)	(33,226)	(61,116)
Other expenses, net	(3,858)	(4,798)	(8,064)
Earnings before income taxes	$ 70,210	$53,372	$132,315

Unallocated corporate expenses include costs related to the Company's administrative support functions, such as information technology, finance, legal and human resources, which the Company does not allocate to its segments.

10. SUBSEQUENT EVENTS

On August 18, 2005, the Company's Board of Directors declared a quarterly dividend of $0.08 per share. This dividend will be paid on October 11, 2005 to stockholders of record on September 20, 2005.

In August 2005, the Company's Board of Directors approved the sale of a glassware manufacturing operation. The Company completed the sale in August 2005 in consideration for future discounts on purchases of merchandise over a period of time. The Company's third quarter results will reflect a loss of approximately $2,000,000 associated with the sale of the operation.

PART I. Financial Information
Item 2. Management's Discussion and Analysis of
Financial Condition and Results of Operations

OVERVIEW

Tiffany & Co. is a holding company that operates through its subsidiary companies (the "Company"). The Company's principal subsidiary, Tiffany and Company, is a jeweler and specialty retailer whose merchandise offerings include an extensive selection of fine jewelry, as well as timepieces, sterling silverware, china, crystal, stationery, fragrances and accessories. Through Tiffany and Company and other subsidiaries, the Company is engaged in product design, manufacturing and retailing activities.

The Company's channels of distribution are as follows:

- U.S. Retail - sales in TIFFANY & CO. stores in the U.S. and sales of TIFFANY & CO. products made by business-to-business sales account executives in the U.S.;

- International Retail - sales in TIFFANY & CO. stores and department store boutiques outside the U.S. (also includes, to a lesser extent, business-to-business, Internet and wholesale sales of TIFFANY & CO. products outside the U.S.);

- Direct Marketing - Internet and catalog sales of TIFFANY & CO. products in the U.S.;

- Other - worldwide sales of businesses operated under trademarks or trade names other than TIFFANY & CO. ("specialty retail"), as well as wholesale sales of "rough," uncut diamonds associated with the Company's diamond sourcing and manufacturing operations.

Effective with the current reporting period, the Company placed responsibility for U.S. business-to-business sales within the U.S. Retail channel and, consequently, now reports business-to-business sales in that channel. In the past, such sales were reported in the Direct Marketing channel, which will continue to report business-to-business Internet transactions. The prior year's amounts affected by the change have been reclassified to conform to the current year presentation.

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

A store's sales are included in "comparable store sales" when the store has been open for more than 12 months. The results of relocated stores remain in comparable store sales if the relocation occurs within the same geographical market. The results of a store in which the square footage has been expanded or reduced remain in the comparable store base.

HIGHLIGHTS

- Net sales increased 11% to $526,701,000 in the three months ("second quarter") ended July 31, 2005 and 11% to $1,036,602,000 in the six months ("first half") ended July 31, 2005.

- On a constant-exchange-rate basis (see Non-GAAP Measures section below), net sales rose 10% in both the second quarter and the first half and worldwide comparable store sales rose 4% in both periods.

- Gross margin (gross profit as a percentage of net sales) in the second quarter was equal to the prior year, but gross margin declined in the first half primarily due to changes in geographic and product sales mix and higher product costs.

12

- Selling, general and administrative ("SG&A") expenses as a percentage of net sales improved in both the second quarter and the first half due to sales leverage on fixed costs.

- In the three and six months ended July 31, 2005, the effective tax rate included a benefit of $0.05 per diluted share and $0.06 per diluted share resulting from the American Jobs Creation Act of 2004.

- The Company repurchased and retired 1.5 million and 2.6 million shares of its Common Stock in the three and six months ended July 31, 2005.

- Net earnings in the second quarter increased 53% to $50,551,000, or $0.35 per diluted share, versus $33,090,000, or $0.22 per diluted share, in the prior year.

- Net earnings in the first half increased 30% to $90,609,000, or $0.62 per diluted share, versus $69,901,000, or $0.47 per diluted share, in the prior year.

- Growth in earnings per diluted share was slightly higher than net earnings growth in the three and six months ended July 31, 2005 due to share repurchase activity.

NON-GAAP MEASURES

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.

The Company reports information in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). Internally, management monitors the sales performance of its international stores and boutiques on a non-GAAP basis that eliminates the positive or negative effects that result from translating international sales into U.S. dollars (constant-exchange-rate basis). Management uses this constant-exchange-rate measure because it believes it is a more representative assessment of the sales performance of its international stores and boutiques and provides better comparability between reporting periods.

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

The following table reconciles net sales percentage increases (decreases) from the GAAP to the non-GAAP basis:

	Three Months Ended July 31, 2005			Six Months July 31,	
	GAAP Reported	Trans-lation Effect	Constant-Exchange-Rate Basis	GAAP Reported	Trans latio Effec
Net Sales:					
Worldwide	11%	1%	10%	11%	1%
U.S. Retail	8%	-	8%	11%	-
International Retail	12%	3%	9%	7%	2%
Japan	6%	1%	5%	1%	1%
Other Asia-Pacific	24%	6%	18%	21%	5%
Europe	10%	-	10%	10%	2%
Comparable Store Sales:					
Worldwide	5%	1%	4%	5%	1%
U.S. Retail	6%	-	6%	8%	-
International Retail	5%	2%	3%	1%	3%

Japan	2%	1%	1%	(4%)	1%
Other Asia-Pacific	12%	6%	6%	10%	4%
Europe	6%	1%	5%	4%	2%

RESULTS OF OPERATIONS

Certain operating data as a percentage of net sales were as follows:

	Three months Ended July 31,		Six mo Ju
	2005	2004	2005
Net sales	100.0%	100.0%	100.0%
Cost of sales	44.5	44.5	45.3
Gross profit	55.5	55.5	54.7
Selling, general and administrative expenses	41.4	43.3	41.1
Earnings from operations	14.1	12.2	13.6
Other expenses, net	0.8	1.0	0.8
Earnings before income taxes	13.3	11.2	12.8
Provision for income taxes	3.7	4.3	4.1
Net earnings	9.6%	6.9%	8.7%

Net Sales

Net sales by channel of distribution were as follows:

	Three months Ended July 31,		Six mon Jul
(in thousands)	2005	2004	2005
U.S. Retail	$267,710	$248,134	$523,562

International Retail	202,104	180,948	392,420
Direct Marketing	30,354	28,910	59,290
Other	26,533	18,605	61,330
	$526,701	$476,597	$1,036,602

U.S. Retail sales increased 8% in the second quarter and 11% in the first half, primarily due to an increase in the average transaction size. Comparable store sales rose 6% in the second quarter and 8% in the first half, due to 3% and 7% growth, respectively, in the New York flagship store (due to increased tourist spending) and a geographically broad-based increase of 6% and 8%, respectively, in branch stores. As explained in a preceding paragraph, the U.S. Retail channel now also includes business-to-business sales, which represent less than 5% of total U.S. Retail sales.

International Retail sales increased 12% in the second quarter and 7% in the first half. On a constant-exchange-rate basis, International Retail sales increased 9% and 5% for the same periods; comparable store sales increased 3% in the second quarter but declined 2% in the first half.

In Japan (which represented 22% of net sales in fiscal year 2004), on a constant-exchange-rate basis, total retail sales increased 5% in the second quarter and rose fractionally in the first half, while comparable store sales increased 1% and declined 5% in those same periods. Management believes that Japan sales have been negatively affected by generally weak consumer spending on jewelry, increased "luxury-goods" competition and shifts in consumer demand, particularly for silver jewelry. Management has, in recent years, increased average price points for existing products and introduced selections at higher price points in the silver jewelry category, which adversely affected sales. Sales in the silver jewelry category, including designer silver, (which represented 23% of Japan's total retail sales in fiscal year 2004) declined in both the second quarter (although at a lesser rate) and the first half. Management continues to focus on new products; targeted publicity and marketing; the quality of each location within the current distribution base; programs to enhance the shopping and customer service experience; and organizational and training initiatives to improve selling skills and effectiveness.

In the Asia-Pacific region outside of Japan (which represented 7% of net sales in fiscal year 2004), comparable store sales on a constant-exchange-rate basis increased 6% in both the second quarter and the first half, due to strength in several countries.

In Europe (which represented 6% of net sales in fiscal year 2004), comparable store sales on a constant-exchange-rate basis increased 5% in the second quarter and 2% in the first half, due to generally stronger growth in Continental Europe that offset a modest decline in London.

Direct Marketing sales rose 5% in the second quarter and 9% in the first half due to growth in the average amounts spent per e-commerce and catalog order.

Other sales increased 43% in the second quarter and 52% in the first half. More than two-thirds of the increase in both the quarter and the first half resulted from wholesale sales of rough diamonds; such sales commenced in the

third quarter of 2004 and will continue on a regular basis. In the specialty retail businesses, sales in LITTLE SWITZERLAND stores increased 6% in the second quarter and 13% in the first half. To a much lesser extent, sales in IRIDESSE stores contributed to this channel's sales growth. IRIDESSE stores sell pearl jewelry exclusively; the first two such stores opened in 2004.

Management's plan for openings and closings of TIFFANY & CO. stores in 2005 are shown below and, in total, would represent a 3% net increase in gross square footage:

Location	Actual Openings (Closings) 2005	Expected Openings (Closings) 2005
Carmel, California	Second Quarter	
San Antonio, Texas		Third Quarter
Pasadena, California		Fourth Quarter
Naples, Florida		Fourth Quarter
Mitsukoshi, Osaka, Japan	(First Quarter)	
Mitsukoshi, Yokohama, Japan	(First Quarter)	
Mitsukoshi, Kurashiki, Japan	(First Quarter)	
Mitsukoshi, Fukuoka, Japan	(First Quarter)	
Sogo, Shinsaibashi, Osaka, Japan		Third Quarter
Takashimaya, Yokohama, Japan		Third Quarter
Daimaru, Shinsaibashi, Osaka, Japan		(Third Quarter)
Brisbane, Australia	Second Quarter	
Paris, France	Second Quarter	

Gross Margin

Gross margin in the second quarter was equal to the prior year. Late in the first quarter the Company selectively increased U.S. retail prices due to increased costs for diamonds and platinum. Gross margin declined 1.4 percentage points in the first half. Approximately 0.9 percentage points of the decline in the first half resulted from changes in geographic and product sales mix, as well as higher product costs. The remaining decline in the first half primarily related to wholesale sales of rough diamonds which earn a minimal or no gross margin.

The Company's hedging program uses yen put options to stabilize product costs in Japan over the short-term despite exchange rate fluctuations. The Company adjusts its retail prices in Japan from time to time to address longer-term changes in the yen/dollar relationship and local competitive pricing.

Management's long-term strategy and objectives include achieving product manufacturing/sourcing efficiencies (including increased direct rough-diamond sourcing and internal manufacturing), controlling costs and implementing selective price adjustments in order to maintain the Company's gross margin at, or above, prior year levels. However, as evidenced by the decline in gross margin experienced in the early part of 2005, management continues to expect a modest year-over-year decline for the full year.

Selling, General and Administrative Expenses

SG&A expenses increased 6% in the second quarter due to several factors: growth in depreciation and occupancy expenses (representing approximately 38% of the increase), higher labor costs (representing approximately 35% of the increase) and increased marketing expense (representing approximately 9% of the increase). SG&A expenses increased 6% in the first half primarily due to: growth in depreciation and occupancy expenses (representing approximately 43%

of the increase) and higher labor costs (representing approximately 41% of the increase). As a percentage of net sales, SG&A expenses improved in the second quarter and the first half due to the strong overall sales growth. Management's objective is to continue to improve the ratio of SG&A expenses to net sales by controlling expenses so that anticipated sales growth will result in improved earnings. Management expects a low-to-mid single-digit percentage increase in SG&A expenses in 2005 and, therefore, improvement in the expense ratio versus the prior year.

Earnings from Operations

Reclassifications were made to prior year's earnings (losses) from operations by segment to conform to the current year presentation and to reflect the revised manner in which management evaluates the performance of segments. U.S. business gift results (excluding business-to-business internet transactions) were reclassified from the Direct Marketing channel to the U.S. Retail channel. LIFO costs have been included in segment results as opposed to unallocated corporate expenses as previously reported (consistent with the change made in fourth quarter 2004). In addition, each segment's earnings (losses) from operations in 2004 was affected by an allocation of the expense associated with the adoption of SFAS No. 123R, "Share-Based Payment."

	Three Months E July 31,
(in thousands)	2005
Earnings (losses) from operations:	
U.S. Retail	$54,122
International Retail	43,382
Direct Marketing	9,624
Other	(3,127)
Earnings from operations for segments	104,001
Unallocated corporate expenses	(29,933)
Earnings from operations	$74,068

Earnings from operations rose 27% in the second quarter. On a segment basis, the ratio of earnings (losses) from operations (before the effect of unallocated corporate expenses and other expenses, net) to each segment's net sales in the second quarter of 2005 and 2004 was as follows:

- U.S. Retail: 20% in 2005 versus 19% in 2004 (increase was primarily due to increased sales and gross margin and the leveraging of fixed expenses);
- International Retail: 21% in 2005 versus 22% in 2004 (decrease was primarily due to lower gross margin resulting from changes in geographic and product sales mix);
- Direct Marketing: 32% in 2005 versus 28% in 2004 (increase was primarily due to increased sales and the leveraging of fixed expenses); and
- Other: (12)% in 2005 versus (18)% in 2004 (improvement was primarily due to increased sales).

(in thousands)	Six Months En July 31, 2005
Earnings (losses) from operations:	
U.S. Retail	$100,734
International Retail	87,057
Direct Marketing	18,346
Other	(4,642)
Earnings from operations for segments	201,495
Unallocated corporate expenses	(61,116)
Earnings from operations	$140,379

Earnings from operations rose 16% in the first half. On a segment basis, the ratio of earnings (losses) from operations (before the effect of unallocated corporate expenses and other expenses, net) to each segment's net sales in the first half of 2005 and 2004 was as follows:

- U.S. Retail: 19% in 2005 versus 18% in 2004 (increase was primarily due to increased sales and the leveraging of fixed expenses);
- International Retail: 22% in 2005 versus 24% in 2004 (decrease was primarily due to lower gross margin resulting from changes in geographic and product sales mix);
- Direct Marketing: 31% in 2005 versus 27% in 2004 (increase was primarily due to increased sales and the leveraging of fixed expenses); and
- Other: (8)% in 2005 versus (12)% in 2004 (improvement was primarily due to increased sales).

Unallocated corporate expenses include costs related to the Company's administrative support functions, such as information technology, finance, legal and human resources, which the Company does not allocate to its segments.

Other Expenses, Net

Other expenses, net in the second quarter were lower than the prior year primarily due to increased interest income as a result of increased average investments and higher interest rates. Other expenses, net in the first half were relatively consistent with the prior year.

Provision for Income Taxes

The effective income tax rate for the three and six months ended July 31, 2005 was 28.0% and 31.5% versus 38.0% in the three and six months ended July 31, 2004. The decrease from the prior year's tax rate was primarily due to additional tax benefits recognized in 2005 associated with the repatriation provisions of the American Jobs Creation Act of 2004 ("AJCA"), which included a $6,600,000 benefit recorded in the second quarter related to the Internal Revenue Service clarifying certain provisions of the AJCA in May 2005.

The AJCA also provides a deduction for income from qualified domestic production activities ("manufacturing deduction"), which will be phased in from 2005 through 2010. Pursuant to FASB Staff Position No. 109-1, "Application of SFAS No. 109 (Accounting for Income Taxes), to the Tax Deduction on Qualified Production Activities provided by the AJCA," the effect of this deduction is reported in the period in which it is claimed on the Company's tax return. Although the Company recorded a tax benefit for the manufacturing deduction, the amount of the benefit is immaterial for the three and six months ended July 31, 2005 and is anticipated to be immaterial for the remainder of the year.

The AJCA provides a two-year transition from the existing Extraterritorial Income Exclusion Act. The World Trade Organization ("WTO") ruled that this exclusion was an illegal export subsidy. The European Union believes that the AJCA fails to adequately repeal illegal export subsidies because of these transitional provisions and has asked the WTO to review whether these transitional provisions are in compliance with the WTO's prior ruling. Until the final resolution of this matter, management will be unable to predict what impact, if any, this will have on future earnings.

New Accounting Standards

See Note 2 to the Condensed Consolidated Financial Statements.

LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity needs have been, and are expected to remain, primarily a function of its seasonal working capital requirements and capital expenditure needs. The Company had a net cash outflow from operating activities of $1,102,000 in the first half of 2005, compared with an outflow of $103,477,000 in the first half of 2004. The reduced outflow was due to smaller growth in inventories partly offset by increased tax payments largely associated with a gain recognized on the sale of the Company's equity holdings in Aber Diamond Corporation in the fourth quarter of 2004.

Working Capital

Working capital (current assets less current liabilities) and the corresponding current ratio (current assets divided by current liabilities) were $1,171,768,000 and 5.3 at July 31, 2005, compared with $1,208,068,000 and 4.0 at January 31, 2005 and $955,034,000 and 3.1 at July 31, 2004.

Accounts receivable, less allowances at July 31, 2005 were 6% lower than at January 31, 2005 (which is typically a seasonal high point) and were 10% higher than at July 31, 2004 due to sales growth.

Inventories, net at July 31, 2005 were 1% above January 31, 2005 and 3% above July 31, 2004. Combined raw material and work-in-process inventories decreased 4% versus January 31, 2005 and 10% versus July 31, 2004. The decrease resulted from a substantial buildup in the prior year during the initial development of rough diamond sourcing activities. Finished goods inventories increased 3% versus January 31, 2005 and 9% versus July 31, 2004 largely due to broadened product offerings and new and anticipated store openings. The effects from changes in foreign currency exchange rates were not significant. The Company continually strives to improve its inventory management by developing more effective systems and processes for product development, assortment planning, sales forecasting, supply-chain logistics, and store replenishment. Management expects a mid-single-digit percentage increase in the overall year-over-year inventory growth rate compared with a 21% increase in 2004.

Capital Expenditures

Capital expenditures were $76,310,000 in the first half of 2005 compared with $70,510,000 in the first half of 2004. Management estimates that capital expenditures will be approximately $175,000,000 in 2005 (compared with approximately $142,000,000 in fiscal year 2004) due to costs related to the opening and renovation of stores and manufacturing facilities and to ongoing investments in new systems. Management continues to expect that total capital expenditures in 2005 and beyond will approximate 7-8% of net sales.

In 2000, the Company began a multi-year project to renovate and reconfigure its New York flagship store in order to increase the total sales area by approximately 25%, and to provide additional space for customer service, customer hospitality and special exhibitions. The Company has spent

approximately $84,000,000 to date for the New York store and related projects. Based on current plans, the Company estimates that the overall cost of these projects will be $110,000,000 when completed in 2007.

Business Dispositions

The Company continuou sly evaluates its manufacturing operations and supply chain to ensure that the Company has the optimal production mix to support long-term growth needs. In August 2005, the Company's Board of Directors approved the sale of a glassware manufacturing operation. The Company completed the sale in August 2005 in consideration for future discounts on purchases of merchandise over a period of time. The Company's third quarter results will reflect a loss of approximately $2,000,000 associated with the sale of the operation.

Share Repurchases

In March 2005, the Company's Board of Directors approved a new stock repurchase program ("2005 Program") that authorized the repurchase of up to $400,000,000 of the Company's Common Stock through March 2007 through open market or private transactions. The 2005 Program replaced and terminated an earlier program. The timing of repurchases and the actual number of shares to be repurchased depend on a variety of discretionary factors such as price and other market conditions. In the second quarter, the Company repurchased and retired 1,538,520 shares of Common Stock at a cost of $49,970,000, or an average cost of $32.48 per share. In the first half, the Company repurchased and retired 2,575,312 shares of Common Stock at a cost of $83,948,000, or an average cost of $32.60 per share. At July 31, 2005, there remained $325,034,000 of authorization for future repurchases under the 2005 Program.

Borrowings

In July 2005, the Company entered into a new $300,000,000 multi-bank revolving credit facility ("New Credit Facility") with an option to increase such commitments up to $500,000,000. The New Credit Facility replaces the Company's previous $250,000,000 multi-bank credit facility and the $10,000,000 Little Switzerland unsecured revolving credit facility. The New Credit Facility will be available for working capital and other corporate purposes and contains provisions comparable to those under the prior agreement, except that certain covenants have been revised to provide the Company with additional flexibility. Borrowings are with eight participating banks and are at interest rates based upon local currency borrowing rates plus a margin based on the Company's fixed charge coverage ratio. The weighted average interest rate at July 31, 2005 was

3.7%. The New Credit Facility expires in July 2010.

The Company's sources of working capital are internally-generated cash flows and funds available under the New Credit Facility.

The ratio of total debt (short-term borrowings, current portion of long-term debt and long-term debt) to stockholders' equity was 24% at July 31, 2005, 26% at January 31, 2005 and 39% at July 31, 2004.

Based on the Company's financial position at July 31, 2005, management anticipates that cash on hand, internally-generated cash flows and the funds available under its revolving credit facility will be sufficient to support the Company's planned worldwide business expansion, share repurchases, debt service and seasonal working capital increases that are typically required during the third and fourth quarters of the year.

The Company's contractual cash obligations and commercial commitments at July 31, 2005 and the effects such obligations and commitments are expected to have on the Company's liquidity and cash flows in future periods have not significantly changed since January 31, 2005.

Market Risk

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

In Japan, the Company uses yen put options to minimize the impact of a strengthening of the U.S. dollar on yen-denominated transactions. To a lesser extent, the Company uses foreign-exchange forward contracts to protect against weakening local currencies. Gains or losses on these instruments substantially offset losses or gains on the assets, liabilities and transactions being hedged. Management does not expect significant changes in foreign currency exposure in the near future.

The Company uses interest rate swap contracts related to certain debt arrangements to manage its net exposure to interest rate changes and to reduce its overall borrowing costs. The interest rate swap contracts effectively convert fixed-rate obligations to floating-rate instruments. Additionally, since the fair value of the Company's fixed-rate long-term debt is sensitive to interest rate changes, the interest rate swap contracts serve as a hedge to changes in the fair value of these debt instruments.

Management neither foresees nor expects significant changes in exposure to interest rate fluctuations, nor in market risk-management practices.

Seasonality

As a jeweler and specialty retailer, the Company's business is seasonal in nature, with the fourth quarter typically representing a proportionally greater percentage of annual sales, earnings from operations and cash flow. Management expects such seasonality to continue.

Risk Factors

This document contains certain "forward-looking statements" concerning the Company's objectives and expectations with respect to store openings, retail prices, gross profit, expenses, inventory performance, capital expenditures and cash flow. In addition, management makes other forward-looking statements from time to time concerning objectives and expectations. As a jeweler and specialty retailer, the Company's success in achieving its objectives and expectations is partially dependent upon economic conditions, competitive developments and consumer attitudes, including changes in consumer preferences for certain jewelry styles and materials. However, certain assumptions are specific to the Company and/or the markets in which it operates. The following assumptions, among others, are "risk factors" which could affect the likelihood that the Company will achieve the objectives and expectations communicated by management: (i) that low or negative growth in the economy or in the financial markets, particularly in the U.S. and Japan, will not occur and reduce discretionary spending on goods that are, or are perceived to be, "luxuries"; (ii) that consumer spending does not decline substantially during the fourth quarter of any year; (iii) that unsettled regional and/or global conflicts or crises do not result in military, terrorist or other conditions creating disruptions or disincentives to, or changes in the pattern, practice or frequency of, tourist travel to the various regions where the Company operates retail stores nor to the Company's continuing ability to operate in those regions; (iv) that sales in Japan will not decline substantially; (v) that there will not be a substantial adverse change in the exchange relationship between the Japanese yen and the U.S. dollar; (vi) that Mitsukoshi and other department store

operators in Japan, in the face of declining or stagnant department store sales, will not close or consolidate stores which have TIFFANY & CO. retail locations; (vii) that Mitsukoshi will continue as a leading department store operator in Japan; (viii) that existing product supply arrangements, including license arrangements with third-party designers Elsa Peretti and Paloma Picasso, will continue; (ix) that the wholesale and retail market for high-quality rough and cut diamonds will provide continuity of supply and pricing; (x) that the Company's rough diamond sourcing initiative achieves its financial and strategic objectives; (xi) that the Company's gross margins in Japan and for diamond products can be maintained in the face of increased competition from traditional and e-commerce retailers; (xii) that the Company is able to pass on higher costs of raw materials to consumers through price increases; (xiii) that the sale of counterfeit products does not significantly undermine the value of the Company's trademarks and demand for the Company's products; (xiv) that new and existing stores and other sales locations can be leased, re-leased or otherwise obtained on suitable terms in desired markets and that construction can be completed on a timely basis; (xv) that the Company can achieve satisfactory results from any current and future businesses into which it enters that are operated under trademarks or trade names other than TIFFANY & CO.; and (xvi) that the Company's expansion plans for retail and direct selling operations and merchandise development, production and management can continue to be executed without meaningfully diminishing the distinctive appeal of the TIFFANY & CO. brand.

Part I. Financial Information
Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

An evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"), as amended) was carried out by the Company under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the date of their evaluation and as of July 31, 2005, the Company's disclosure controls and procedures have been designed and are being operated in a manner that provides reasonable assurance that the information required to be disclosed by the Company in reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. The Company believes that a controls system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

(b) Changes in Internal Control Over Financial Reporting

Subsequent to the date of the most recent evaluation of the Company's internal controls over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) of the Exchange Act), there were no significant changes in the Company's internal controls over financial reporting or in other factors that could significantly affect the internal controls over financial reporting, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II. Other Information

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

This table provides information with respect to purchases by the Company of shares of its Common Stock during the second fiscal quarter of 2005:

Period	(a)Total Number of Shares Purchased	(b)Average Price Paid Per Share	(c)Total Number of Shares Purchased Under all Publicly Announced Programs*	(d ... of
May 1, 2005 through May 31, 2005	400,200	$30.99	400,200	
June 1, 2005 through June 30, 2005	732,120	$32.63	732,120	
July 1, 2005 through July 31, 2005	406,200	$33.68	406,200	
Total	1,538,520	$32.48	1,538,520	

* Pursuant to the program announced on March 17, 2005, the Issuer was authorized to expend up to $400,000,000 to purchase its Common Stock. This program will expire on March 30, 2007.

PART II. OTHER INFORMATION

ITEM 4. Submission of Matters to a Vote of Security Holders.

At Registrant's Annual Meeting of Stockholders held on May 19, 2005, each of the nominees listed below was elected a director of Registrant to hold office until the next annual meeting of the stockholders and until his or her respective successor has been elected and qualified. Tabulated with the name of each of the nominees elected is the number of Common shares cast for each nominee and the number of Common shares withholding authority to vote for each nominee. There were no broker non-votes or abstentions with respect to the election of directors.

Nominee	Voted For	Withholding Authority
Michael J. Kowalski	122,253,013	5,837,787

Rose Marie Bravo	117,657,226	10,433,574
William R. Chaney	122,166,605	5,921,194
Samuel L. Hayes III	116,906,273	11,184,527
Abby F. Kohnstamm	112,543,111	15,547,689
Charles K. Marquis	116,958,789	11,132,011
J. Thomas Presby	123,739,547	4,351,253
James E. Quinn	122,250,051	5,840,749
William A. Shutzer	121,134,129	6,956,671

At such meeting, the stockholders approved the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm to examine the Company's fiscal 2005 financial statements. With respect to such appointment, 125,912,602 shares were voted to approve, 1,363,471 were voted against, and 814,727 shares abstained from voting. There were no broker non-votes with respect to the approval of the appointment of PricewaterhouseCoopers LLP.

The stockholders approved an amendment to the Company's 1998 Employee Incentive Plan so that return on average assets may be used as a Performance Measure for long-term incentive compensation. With respect to such approval, 121,231,846 shares were voted to approve, 5,500,756 shares were voted against, and 1,358,198 shares abstained from voting. There were no broker non-votes with respect to the approval of the amendment to the Company's 1998 Employee Incentive Plan.

The stockholders approved the Company's 2005 Employee Incentive Plan. With respect to such approval, 72,376,071 shares were voted for, 32,786,545 shares were voted against, and 1,325,942 shares abstained from voting. There were no broker non-votes with respect to the approval of the Company's 2005 Employee Incentive Plan.

25

ITEM 6 Exhibits and Reports on Form 8-K

(a) Exhibits:

31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K:

On May 3, 2005, Registrant filed a Report on Form 8-K reporting that the Registrant's Board of Directors amended Section 4.02(a)(iii) of Registrant's 2005 Employee Incentive Plan.

On May 13, 2005, issued a press release announcing its unaudited earnings and results of operations for the first quarter ended April 30, 2005.

On May 19, 2005, Registrant issued a press release announcing an increase in its quarterly dividend by 33%.

On May 23, 2005, Registrant filed a Report on Form 8-K reporting Registrant makes various grants and awards of cash, stock and stock units, and provides various benefits, to its directors, executive officers and other management employees pursuant to its 1998 Directors Option Plan and the 1998 and 2005 Employee Incentive Plans and pursuant to various retirement plans, formal agreements and informal agreements. The Compensation Committee of Registrant's Board of Directors made various changes to date in fiscal 2005.

On June 3, 2005, Registrant filed a Report on Form 8-K reporting Registrant's Finance Division was reorganized and certain responsibilities reassigned.

On July 26, 2005, Registrant filed a Report on Form 8-K reporting that on July 20, 2005, Registrant entered into a new revolving bank credit agreement with The Bank of New York, as administrative Agent, consisting of basic commitments of $300 million, with an option by Registrant to increase such commitments up to $500 million (the "New Credit Agreement"). The New Credit Agreement replaced Registrant's previous $250 million revolving bank credit facility.

SIGNATURES

Pursuant to the requirements 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.

TIFFANY & CO.
(Registrant)

Date: September 2, 2005 By: /s/ James N. Fernandez

James N. Fernandez
Executive Vice President and
Chief Financial Officer
(principal financial officer)

EXHIBIT INDEX

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