

Edgar Filing: TIFFANY & CO - Form 11-K

TIFFANY & CO
Form 11-K
July 20, 2007

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

FORM 11-K

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the fiscal year ended January 31, 2007.

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from _____ to _____

Commission file number 1-9494

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Tiffany & Co. Employee Profit Sharing and Retirement Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Tiffany & Co.
727 Fifth Avenue
New York, NY 10022
(212) 755-8000

TIFFANY & CO.

EMPLOYEE PROFIT SHARING AND RETIREMENT SAVINGS PLAN

CONTENTS

Edgar Filing: TIFFANY & CO - Form 11-K

	Page

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	2
FINANCIAL STATEMENTS:	
Statement of Net Assets Available for Benefits at January 31, 2007	3
Statement of Net Assets Available for Benefits at January 31, 2006	4
Statement of Changes in Net Assets Available for Benefits for the year ended January 31, 2007	5
Notes to Financial Statements	6-11
SUPPLEMENTAL SCHEDULE: *	
Form 5500, Part IV, Schedule H, Line 4i - Schedule of Assets (Held At End of Year) as of January 31, 2007	12

* All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants and Administrator of the Tiffany & Co. Employee Profit Sharing and Retirement Savings Plan:

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Tiffany & Co. Employee Profit Sharing and Retirement Savings Plan (the "Plan") at January 31, 2007 and January 31, 2006, and the changes in net assets available for benefits for the year ended January 31, 2007 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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. We believe that our

Edgar Filing: TIFFANY & CO - Form 11-K

audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP
New York, New York
July 19, 2007

2

TIFFANY & CO.
EMPLOYEE PROFIT SHARING AND RETIREMENT SAVINGS PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	January 31, 2007	
	Participant Directed	Non-Participating Directed
	Various Funds	Employee Savings Ownership Accounts
Assets:		
Investments, at fair value:		
DWS Trust Company:		
Common and collective trusts	\$ 57,264,408	\$ 7,000,000
Mutual funds	106,153,597	
Tiffany & Co. common stock	74,013,575	46,000,000
Participant loans	5,673,396	
Cash and cash equivalents	114,279	
	243,219,255	53,000,000
Total investments		
Receivables:		
Employer's contribution	9,049,824	28,000,000
Employees' contribution	200,974	

Edgar Filing: TIFFANY & CO - Form 11-K

Total receivables	9,250,798	28
Net assets at fair value	252,470,053	82
Add: Adjustment from fair value to contract value for fully benefit-responsive investment contracts	1,021,156	
Net assets available for benefits	\$ 253,491,209	\$ 8

The accompanying notes are an integral part of these financial statements.

3

TIFFANY & CO.
EMPLOYEE PROFIT SHARING AND RETIREMENT SAVINGS PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	January 31, 200	
	Participant Directed	Non-Partic Directe
	Various Funds	Employee S Ownersh Accoun
Assets:		
Investments, at fair value:		
DWS Trust Company:		
Common and collective trusts	\$ 49,422,384	\$ 4
Mutual funds	81,541,414	
Tiffany & Co. common stock	34,260,003	38,19
Participant loans	5,171,256	
Cash and cash equivalents	85,672	
Total investments	170,480,729	38,24
Receivables:		
Employer's contribution	5,618,327	4,52

Edgar Filing: TIFFANY & CO - Form 11-K

Employees' contribution	143,102	-----
Total receivables	5,761,429	----- 4,52
Net assets at fair value	176,242,158	----- 42,76
Add: Adjustment from fair value to contract value for fully benefit-responsive investment contracts	536,834	-----
Net assets available for benefits	\$ 176,778,992	\$ 42,77 =====

The accompanying notes are an integral part of these financial statements.

4

TIFFANY & CO.
EMPLOYEE PROFIT SHARING AND RETIREMENT SAVINGS PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED JANUARY 31, 2007

	Participant Directed -----	Non-Partic Directe -----
	Various Funds -----	Employee S Ownersh Account -----
Additions to net assets:		
Interest and dividends	\$ 9,299,280	\$ 5
Net appreciation (depreciation) in fair value of investments	9,337,087	(554
Total investment income	18,636,367	(548
Contributions and rollovers:		
Participant	21,006,747	
Employer	9,056,035	329
Total contributions	30,062,782	329
Total additions	48,699,149	(218
Deductions from net assets:		

Edgar Filing: TIFFANY & CO - Form 11-K

Withdrawals and distributions	13,674,013	
Investment related expenses	33,722	
	-----	-----
Total deductions	13,707,735	
Transfers	41,720,803	(41,720,803)
	-----	-----
Increase (decrease) in net assets available for benefits	76,712,217	(41,939,586)
Net assets available for benefits:		
Beginning of year	176,778,992	42,770,000
	-----	-----
End of year	\$ 253,491,209	\$ 830,000
	=====	=====

The accompanying notes are an integral part of these financial statements.

TIFFANY & CO.
EMPLOYEE PROFIT SHARING AND RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

A. DESCRIPTION OF PLAN

The following description of the Tiffany & Co. Employee Profit Sharing and Retirement Savings Plan (the "Plan") is provided for general informational purposes only. Participants should refer to the Summary Plan Description or the Plan document for complete information.

General

The Plan is a defined contribution plan covering all eligible employees of Tiffany & Co. (the "Company") and its U.S. subsidiaries and has an employee profit-sharing feature ("ESOP"). Effective February 1, 2006, the Plan was amended to provide a defined contribution retirement benefit (the "DCRB") to eligible employees hired on or after January 1, 2006. Under the DCRB, the Company will make contributions each year to each employee's account at a rate based upon age and service. These contributions will be deposited into individual accounts set up in each employee's name to be invested in a manner similar to the retirement savings portion of the Plan.

The assets of the Plan are maintained and transactions therein are executed by DWS Trust Company (formerly known as Scudder Trust Company), the trustee of the Plan ("Trustee"), an affiliate of Deutsche Bank, Inc. The Plan record keeper is ADP Retirement Services. The Plan is administered by the Employee Profit Sharing and Retirement

Edgar Filing: TIFFANY & CO - Form 11-K

Savings Plan Committee ("Plan Committee") appointed by the Board of Directors of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Eligibility

Employees automatically become participants in the ESOP feature of the Plan on the February 1st immediately following their initial date of employment. Employees become eligible and may elect to participate in the 401(k) feature immediately following their initial date of employment provided the employee is scheduled to work thirty-five or more hours per week or an employee completes one year of service. A year of service is determined by reference to the date on which the participant's employment commenced or recommenced and consists of 12 consecutive-month periods, commencing with such date, during which the employee has attained at least 1,000 hours of service. Officers of the Company (those subject to Section 16 of the Securities Exchange Act of 1934) do not share in contributions made under the ESOP feature of the Plan.

Contributions

The ESOP feature of the Plan is non-contributory on the part of participating employees and is funded by Company contributions of shares of Tiffany & Co. common stock. Effective February 1, 2006, the Plan was amended to allow any employee who has two or more years of service to diversify his or her ESOP contribution into other investment options provided under the Plan. Company contributions to the ESOP, if any, are based upon the achievement of certain targeted earnings by the Company objectives established by the Board of Directors of the Company in accordance with, and subject to, the terms and limitations of the Plan.

6

A. DESCRIPTION OF PLAN (continued)

The 401(k) feature of the Plan is funded by both employee and employer contributions. With respect to employee contributions, participants may elect, in one percent increments, to have an amount of between one (1) and fifteen (15) percent of their annual compensation, not to exceed \$15,000 in 2006 (or \$19,000 for individuals over 50 years of age), subject to an annual inflation adjustment, contributed to the 401(k) feature of the Plan as a tax deferred contribution, subject to certain limitations applicable to highly compensated employees.

With respect to employer contributions, following the end of each Plan year, a contribution is made to the account of each employee who was a participant in the 401(k) feature of the Plan as of the end of such Plan year. Such contribution is equal to fifty percent (50%) of such participant's total contributions to his or her account during that year, up to three percent (3%) of such participant's compensation over that same year. Employer contributions to a participant's account are allocated among the various investment options in the same proportion as the participant's own contributions.

Edgar Filing: TIFFANY & CO - Form 11-K

Under certain circumstances, employee contributions and employer matching contributions may be limited in the case of highly compensated employees.

The DCRB feature of the Plan is non-contributory on the part of participating employees and is funded by Company contributions, following the end of each Plan year, to be invested in a manner similar to the retirement savings portion of the Plan. Employer contributions are determined by a formula using the participant's eligible compensation, age and years of service.

Participant Accounts

Each participant's 401(k) and DCRB account is credited with the participant's contribution, if applicable, and employer contributions, and an allocation of each selected fund's earnings, including interest, dividends and net realized and unrealized appreciation in the fair value of investments. Each participant's account is also charged an allocation of net realized and unrealized depreciation in the fair value of investments and investment-related expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Allocations are based on participant account balances.

The Company's contribution for each Plan year under the ESOP feature of the Plan is allocated to participants' accounts on an equal basis.

Vesting

All amounts contributed by employees under the 401(k) feature of the Plan are immediately 100% vested and non-forfeitable at all times. Employer contributions become 100% vested and non-forfeitable after the participant has completed two years of service. Employer contributions under the DCRB feature of the plan become vested based on the following schedule:

Years of Service	Vested Percentage
-----	-----
Less than 2 years	0%
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%

Contributions to participant accounts associated with the ESOP feature of the Plan become 100% vested and non-forfeitable when the participant has completed two years of service. A participant also becomes vested in his or her ESOP account upon termination of employment by reason of death, retirement or disability. For purposes of the Plan, retirement is defined as termination of employment after age 65.

Edgar Filing: TIFFANY & CO - Form 11-K

A. DESCRIPTION OF PLAN (continued)

In the event a participant leaves the Company prior to becoming fully vested, the participant will forfeit the shares in his or her ESOP account and such shares will remain in the Plan to be reallocated ratably amongst the remaining participants in the Plan's ESOP feature within the DWS Trust Co. Stable Value Fund. The participant will also forfeit any assets in his or her 401(k) or DCRB account representing unvested employer contributions and such assets will be made available to offset required employer matching contributions to other participants' accounts. Forfeitures relating to the ESOP feature of the plan totaled \$88,633 and \$45,248 for the years ended January 31, 2007 and 2006. Forfeitures of unvested employer contributions in the 401(k) portion of the plan totaled \$84,927 and \$75,376 for the years ended January 31, 2007 and 2006.

Administrative Expenses

All administrative expenses incurred in connection with the Plan are paid by the Company. Investment-related expenses are paid by the Plan.

Participant Loans and Withdrawals

Participants may borrow from their 401(k) accounts up to a maximum amount equal to the lesser of \$50,000 or fifty percent (50%) of their 401(k) account balance. All loans must be repaid within five years unless they are used by the participant to purchase a primary residence. Loans are collateralized by the balance in the participant's account and bear interest at rates commensurate with prevailing market rates as determined by the plan administrator. Interest rates range from 8.25 percent to 9.25 percent. Principal and interest is paid ratably through payroll deductions.

Participants may also obtain a cash withdrawal of all or a portion of the value of their 401(k) account contributions (excluding earnings thereon) and their rollover contributions, if any, on the basis of hardship.

Payment of Benefits

Distributions of the participant's account may be made upon retirement, death or disability, or upon termination of employment. Participants will receive the full vested balance of their Plan account in a lump sum cash distribution, except with respect to whole shares held in the ESOP feature of the Plan that are distributed in the form of stock certificates. The balance of the participant's Tiffany & Co. common stock fund account may also be distributed in the form of stock certificates for whole shares if the participant so elects. Subject to certain mandatory distribution provisions, in the event of retirement, a participant may elect to defer his/her distribution until the next Plan year thereby entitling the participant to his or her proportionate share of the Company's contribution to the ESOP feature of the Plan for the Plan year in which the participant retired. In the event of a participant's death, the distribution of the participant's account balance will be made to the participant's designated beneficiary or the participant's estate, if no beneficiary has been so designated.

Edgar Filing: TIFFANY & CO - Form 11-K

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Plan's financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

8

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Standard

In December 2005, the Financial Accounting Standards Board issued Staff Position ("FSP") AAG INV-1 and SOP 94-4-1, "Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans." As described in the FSP, investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through the DWS Trust Co. Stable Value Fund. As required by the FSP, the Statement of Net Assets Available for Benefits presents the fair value of the investment in the DWS Trust Co. Stable Value Fund as well as the adjustment of the investment in the DWS Trust Co. Stable Value Fund from fair value to contract value relating to the investment contracts. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis. The FSP is effective for years ending after December 15, 2006. The Plan adopted the FSP for the year ended January 31, 2007. The guidance in the FSP has been applied retroactively to all prior periods presented.

Investment Valuation

Investments in mutual funds are stated at fair value as determined by quoted market prices based on the net asset value of shares held by the Plan at year-end. Investments in Tiffany & Co. common stock are stated at fair value as determined by quoted market prices as of the last day of the Plan year. Investments in common and collective trusts are stated at estimated fair value which represents the net asset value of shares held by the Plan at year-end. Participant loans are valued at their outstanding balance, which approximates fair value.

Edgar Filing: TIFFANY & CO - Form 11-K

The Plan offers the DWS Trust Co. Stable Value Fund which fully invests its funds into the Pyramid Stable Value Fund. The Pyramid Stable Value Fund invests in one or more agreements, collectively referred to as general account guaranteed investment contracts ("GICs") issued by banks, insurance companies or other financial institutions. The Pyramid Stable Value Fund may also invest in one or more separate account guaranteed investment contracts or in a portfolio of marketable fixed income securities and other financial instruments in order to provide book value liquidity for portfolio securities sold to make participant-directed withdrawals. The contracts are fully benefit-responsive and are recorded at fair value and adjusted to contract value as described above.

The Plan presents, in the statement of changes in net assets available for benefits, the net appreciation/(depreciation) in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation/(depreciation) on those investments.

Purchases and Sales of Investments

Purchases and sales of investments are recorded on a trade date basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded when earned. Cost of securities sold is determined by specific identification method.

9

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, and changes there in, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

C. INVESTMENTS

Investments that were equal to or exceeded 5% of the current value of the Plan's net assets at January 31, 2007 and 2006 were as follows:

		Janua
		----- 2007 -----
DWS Trust Co. Thematic Fund	\$	15,590,306
American Funds Growth Fund of America		20,802,419
DWS Trust Co. Growth & Income Fund		19,260,424

Edgar Filing: TIFFANY & CO - Form 11-K

DWS Trust Co. Stock Index Fund	23,670,084
DWS Trust Co. Stable Value Fund	34,692,518
Tiffany & Co. Stock Fund	74,013,575
Tiffany & Co. Stock Fund (ESOP)*	468,982

The net appreciation in the fair value of investments for the year ended January 31, 2007 was as follows:

Common and collective trusts
Mutual funds
Tiffany & Co. common stock
Tiffany & Co. common stock (ESOP) *

Net appreciation in the fair value of investments

* Non-participant directed.

D. PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments include common and collective trusts and mutual funds managed by DWS Trust Company, Inc., the Plan Trustee. Therefore, investment transactions in such common and collective trusts and mutual funds are considered to be exempt party-in-interest transactions under the Department of Labor's rules and regulations. Additionally, investments of the Plan include common stock of Tiffany & Co., the plan sponsor.

10

E. TAX STATUS

The Company believes that the Plan currently is designed and being operated in compliance with the applicable requirements of the Internal Revenue Code and that, therefore, the Plan continues to qualify under Code Section 401(a) and the related trust continues to be tax-exempt as of January 31, 2007. Therefore, no provision for income taxes is included in the Plan's financial statements.

The Plan received its latest determination letter in 2004, in which the Internal Revenue Service ("IRS") stated that the Plan was in compliance with the applicable requirements of the Internal Revenue Code, contingent upon its adoption of form amendments required by a series of statutes collectively referred to by the IRS as "GUST II." A routine IRS audit revealed the GUST II and the Economic Growth and Tax Relief Reconciliation Act ("EGTRRA") form amendments were not adopted on a timely basis. However, the Plan was being operated in compliance with the GUST II and EGTRRA laws on a timely basis. In addition, operational issues were identified. These issues have been or will be corrected, which includes a Company contribution of \$183,750 to the Plan in 2007. As a result of the audit findings, the Company is participating in the Audit Closing Agreement Program of the IRS' Employee Plans Compliance Resolution System described in Revenue Procedure 2006-27. As part of the Closing Agreement that will be negotiated under that program, the Company expects to pay a sanction to the IRS. The Company believes that any finding at the conclusion of

Edgar Filing: TIFFANY & CO - Form 11-K

the IRS audit will be immaterial to the financial statements of the Plan.

F. CONCENTRATION OF CREDIT AND MARKET RISK

The Plan provides for various investment options in any one or a combination of Tiffany and Co. common stock, common and collective trusts and mutual funds that invest in a variety of stocks, bonds, fixed income securities and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

G. PLAN TERMINATION

Although it has not expressed any intent to do so, the Board of Directors of the Company reserves the right to change, amend or terminate the Plan at any time at its discretion, subject to the provisions of ERISA. In the event the Plan is terminated, participants will become 100% vested in their accounts. In addition, in the event of the dissolution, merger, consolidation or reorganization of the Company, the Plan will automatically terminate and the Plan's assets will be liquidated unless the Plan is continued by a successor to the Company.

11

Tiffany & Co.
Employee Profit Sharing and Retirement Savings Plan
Form 5500, Part IV, Schedule H, Line 4i-Schedule of Assets (Held At End of Year)
as of January 31, 2007

Identity of Issue, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Number of shares, units or par value
American Funds Growth Fund of America	Mutual Fund	631,908
Federated Funds Federated Mid Cap Index	Mutual Fund	334,713
* DWS Trust Co. Dreman Small Cap Value	Mutual Fund	170,070
Pimco Total Return Fund	Mutual Fund	631,497

Edgar Filing: TIFFANY & CO - Form 11-K

* DWS Trust Co. Growth & Income Fund	Mutual Fund	857,543
* DWS Trust Co. Large Cap Value Fund	Mutual Fund	146,113
* DWS Trust Co. Conservative Allocation	Mutual Fund	261,503
* DWS Trust Co. Growth Allocation	Mutual Fund	781,522
* DWS Trust Co. Moderate Allocation	Mutual Fund	880,472
* DWS Trust Co. Thematic Fund	Mutual Fund	464,966
* DWS Trust Co. Stable Value Fund	Common and Collective Trust	34,692,519
* DWS Trust Co. Stock Index Fund	Common and Collective Trust	533,952
* Tiffany & Co.	Common Stock	895,015
* Tiffany & Co.	Common Stock (ESOP)	1,002,146
Participant Loans	Rates of interest from 8.25% - 9.25% maturing at various dates through 8/1/2016.	
Cash and Cash Equivalentents	Cash and cash equivalentents	
	Total	

* Party-in-interest

12

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Tiffany & Co. Employee Profit Sharing and Retirement Savings Plan

(Name of Plan)

Date: July 19, 2007

Edgar Filing: TIFFANY & CO - Form 11-K

/s/ Patrick B. Dorsey

Patrick B. Dorsey

Member of Plan Administrative Committee

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 033-54847) of Tiffany & Co. of our report dated July 19, 2007 relating to the financial statements and supplemental schedule of the Tiffany & Co. Employee Profit Sharing and Retirement Savings Plan, which appears in this Form 11-K.

/s/ PricewaterhouseCoopers LLP

New York, New York

July 19, 2007