

DEPARTMENT 56 INC  
Form SC 13G  
February 17, 2005

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. )

DEPARTMENT 56 INC.  
(Name of Issuer)

-----  
Common Stock  
(Title of Class of Securities)  
-----

249509100  
(CUSIP Number)  
-----

December 31, 2004  
(Date of Event Which Requires Filing of this Statement)  
-----

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

/x/ Rule 13d-1(b)  
 / / Rule 13d-1(c)  
 / / Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Page 1 of 8 pages

1. Names of Reporting Persons and I.R.S. Identification No.

UBS AG  
-----

Edgar Filing: DEPARTMENT 56 INC - Form SC 13G

2. Check the Appropriate Box if a Member of a Group

- a / /
- b / / See Item 8 of attached schedule

3. SEC USE ONLY

4. Citizenship or Place of Organization

Switzerland

Number of	5. Sole Voting Power	812,400
Shares Bene-	6. Shared Voting Power	0
ficially	7. Sole Dispositive Power	136,400
Owned by Each	8. Shared Dispositive Power	898,300

Reporting  
Person With:

9. Aggregate Amount Beneficially Owned by Each Reporting  
Person:

1,034,700\*

10. Check if the Aggregate Amount in Row 9 Excludes Certain  
Shares / /

11. Percent of Class Represented by Amount in Row 9

7.6%

12. Type of Reporting Person

BK

\* UBS AG disclaims beneficial ownership of such securities.

Page 2 of 8 pages

1. Names of Reporting Persons and I.R.S. Identification No.

UBS Americas Inc.

2. Check the Appropriate Box if a Member of a Group

- a / /
- b / / See Item 8 of attached schedule

3. SEC USE ONLY

-----  
4. Citizenship or Place of Organization

Delaware  
-----

Number of	5. Sole Voting Power	583,800
Shares Bene-	6. Shared Voting Power	0
fici ally	7. Sole Dispositive Power	0
Owned by Each	8. Shared Dispositive Power	806,100

Reporting  
Person With:  
-----

9. Aggregate Amount Beneficially Owned by Each Reporting Person:

806,100 shares\*  
-----

10. Check if the Aggregate Amount in Row 9 Excludes Certain Shares / /

11. Percent of Class Represented by Amount in Row 9

6.0%  
-----

12. Type of Reporting Person

00  
-----

\* UBS Americas Inc. disclaims beneficial ownership of such securities.

Page 3 of 8 pages

1

Names of Reporting Persons

I.R.S. Identification Nos. of above persons (entities only).

UBS Global Asset Management (Americas) Inc.  
36-3664388  
-----

2

Check the Appropriate Box if a Member of a Group (See Instructions)

a / /

b / / See Item 8 of attached schedule.  
-----

3

SEC USE ONLY  
-----

4

Citizenship or Place of Organization - Delaware  
-----

Edgar Filing: DEPARTMENT 56 INC - Form SC 13G

Number of	5. Sole Voting Power	526,800
Shares Bene-	6. Shared Voting Power	0
ficially	7. Sole Dispositive Power	0
Owned by Each	8. Shared Dispositive Power	749,100

Reporting  
Person With:

-----  
9

Aggregate Amount Beneficially Owned by Each Reporting Person  
749,100 Shares\*

-----  
10

Check if the Aggregate Amount in Row (9) Excludes Certain  
Shares (See Instructions)

-----  
11

Percent of Class Represented by Amount in Row (9)  
5.5%

-----  
12

Type of Reporting Person (See Instructions)  
IA

-----  
\* UBS Global Asset Management (Americas) Inc. disclaims  
beneficial ownership of such securities.

Page 4 of 8 pages

Cusip 249509100  
-----

Item 1(a). Name of Issuer:  
DEPARTMENT 56 INC.

Item 1(b). Address of Issuer's Principal Executive Offices:  
One Village Place  
6436 City West Pkwy  
Eden Prairie, MN 55344  
-----

Item 2(a) Name of Persons Filing:  
UBS AG and UBS Americas Inc. and UBS Global Asset Management  
(Americas) Inc. ("UBS Global AM")

Item 2(b) Address of Principal Business Office or, if none,  
Residence:

UBS AG's principal business office is:  
Bahnhofstrasse 45  
PO Box CH-8021  
Zurich, Switzerland

UBS Americas Inc.'s principal business office is:

Edgar Filing: DEPARTMENT 56 INC - Form SC 13G

677 Washington Blvd.  
Stamford, CT 06901

UBS Global AM's principal business office is:  
One North Wacker, Chicago, Illinois 60606

Item 2(c) Citizenship:  
Incorporated by reference to Item 4 of the cover pages.

Item 2(d) Title of Class of Securities:  
Common Stock (the "Common Stock")

Item 2(e) CUSIP Number:  
249509100

-----  
Item 3. Type of Person Filing:

UBS AG is classified as a Bank as defined in section 3(a)(6) of the Act pursuant to no action relief granted by the staff of the Securities and Exchange Commission. UBS Global AM is an Investment Adviser registered under section 203 of the Investment Advisers Act of 1940.

-----  
Item 4 (a)-(c)(iv). Ownership:  
Incorporated by reference to Items 5-11 of the cover pages.

Page 5 of 8 pages

Cusip 249509100

-----  
Item 5. Ownership of Five Percent or Less of a Class:

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following / /.

-----  
Item 6. Ownership of More than Five Percent on Behalf of Another Person:

Accounts managed on a discretionary basis by UBS AG and UBS Global AM have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Common Stock. No account holds more than 5 percent of the outstanding Common Stock.

-----  
Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company:

Identification: UBS Global Asset Management (Americas) Inc.  
Classification: IA

-----  
Item 8 Identification and Classification of Members of the Group:

Edgar Filing: DEPARTMENT 56 INC - Form SC 13G

UBS Global AM is a wholly-owned subsidiary of UBS Americas Inc. which is a wholly-owned subsidiary of UBS AG. UBS AG is reporting direct and indirect beneficial ownership of holdings. UBS Americas Inc. is reporting indirect beneficial ownership of holdings by reason of its ownership of UBS Global Asset Management (Americas) Inc. UBS AG does not hereby affirm the existence of a group within the meaning of Rule 13d-5(b)(1).

-----  
Item 9 Notice of Dissolution of Group:  
Not Applicable  
-----

Item 10 Certification:  
By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

-----  
Page 6 of 8 pages  
-----

Cusip 249509100  
-----

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 14, 2005

UBS AG

By: /s/ Robert C. Dinerstein  
Robert C. Dinerstein  
Managing Director

By: /s/ Per Dyrvik  
Per Dyrvik  
Managing Director

UBS Americas Inc.

By: /s/ Robert C. Dinerstein  
Robert C. Dinerstein  
Managing Director

By: /s/ Per Dyrvik  
Per Dyrvik  
Managing Director

Edgar Filing: DEPARTMENT 56 INC - Form SC 13G

UBS Global Asset Management  
(Americas) Inc.

By: /s/Mark F. Kemper  
Mark F. Kemper  
Executive Director

By: /s/Mary T. Capasso  
Mary T. Capasso  
Director

Page 7 of 8 pages

-----  
Cusip 249509100  
-----

AGREEMENT TO MAKE A JOINT FILING

UBS AG and UBS Americas Inc. each agrees that this Schedule 13G (including all amendments hereto) is filed by and on behalf of each such party.

Date: February 14, 2005

UBS AG

By: /s/ Robert C. Dinerstein  
Robert C. Dinerstein  
Managing Director

By: /s/ Per Dyrvik  
Per Dyrvik  
Managing Director

UBS Americas Inc.

By: /s/ Robert C. Dinerstein  
Robert C. Dinerstein  
Managing Director

By: /s/ Per Dyrvik  
Per Dyrvik  
Managing Director

UBS Global Asset Management  
(Americas) Inc.

Edgar Filing: DEPARTMENT 56 INC - Form SC 13G

By: /s/Mark F. Kemper  
Mark F. Kemper  
Executive Director

By: /s/Mary T. Capasso  
Mary T. Capasso  
Director

Page 8 of 8 pages