

## TIFFANY'S NET EARNINGS UP 70% IN SECOND QUARTER; STRONG COMPARABLE STORE SALES GROWTH

NEW YORK, August 16, 2000 – Tiffany & Co. (NYSE-TIF) reported that its worldwide sales rose 21 percent in the second quarter and, combined with higher margins, net earnings rose 70 percent. Strong growth was achieved in all key markets, highlighted by comparable store sales growth of 19 percent in the U.S. and 12 percent in local currency in Japan.

In the second quarter ended July 31, 2000, net sales of \$371,977,000 were 21 percent above 1999's second quarter of \$307,067,000. Net earnings rose 70 percent to \$39,165,000, or 26 cents per diluted share, compared with \$22,981,000, or 16 cents per diluted share, in the prior year.

In the six-month period (first half) ended July 31, 2000, net sales rose 23 percent to \$715,229,000, compared with \$579,344,000 in 1999's first half. Net earnings increased 78 percent to \$69,590,000, or 46 cents per diluted share, versus \$39,138,000, or 27 cents per diluted share, a year ago.

Net earnings per share figures are adjusted to reflect the Company's two-for-one stock split in July 2000.

- U.S. Retail sales rose 18 percent to \$187,927,000 in the second quarter and increased 23 percent to \$357,119,000 in the first half, which includes the effect of Tiffany's discontinuation of U.S. wholesale trade sales in January 2000. Comparable store sales rose 19 percent in the second quarter and 23 percent in the first half due to solid growth throughout the U.S., and results in four new stores were strong.
- International Retail sales increased 26 percent to \$153,254,000 in the second quarter and rose 26 percent to \$300,700,000 in the first half. In Japan, Tiffany's largest international market, comparable store sales in local currency rose 12 percent in the quarter and 13 percent in the first half. Growth was also strong in the Company's other key regions.
- Direct Marketing sales rose 19 percent to \$30,796,000 in the second quarter and rose 17 percent to \$57,410,000 in the first half, benefiting from corporate and catalog sales growth as well as e-commerce sales that commenced in November 1999.

Michael J. Kowalski, President and Chief Executive Officer, said, "Our very successful performance reflects an increasing awareness among customers who appreciate Tiffany's range of extraordinary product offerings. Tiffany has a strong base upon which we can pursue additional growth opportunities in the U.S. and internationally in the years ahead."

Tiffany & Co. is the internationally renowned jeweler and specialty retailer. Sales are made primarily through TIFFANY & CO. stores and boutiques in the Americas, Asia-Pacific, Europe and the Middle East. Direct Marketing includes Tiffany's corporate division, catalog and Internet sales. Additional information can be found on Tiffany's Web site, [www.tiffany.com](http://www.tiffany.com), and on its shareholder information line (800) TIF-0110.

The Company will host a conference call today to review these results at 8:30 a.m. (EST). Interested parties may listen to a Web broadcast by accessing [www.shareholder.com/tiffany](http://www.shareholder.com/tiffany) or [www.vcall.com](http://www.vcall.com) on the Internet.

