

TIFFANY & CO.

727 FIFTH AVENUE
NEW YORK, NEW YORK 10022
212 755 8000

MICHAEL J. KOWALSKI
CHAIRMAN OF THE BOARD
CHIEF EXECUTIVE OFFICER

March 22, 2013

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of Tiffany & Co. on Thursday, May 16, 2013 at 9:30 a.m. in the Great Ballroom of the W New York - Union Square hotel, 201 Park Avenue South (at 17th Street), New York, New York.

In order to be admitted to the meeting, you will need to provide identification and proof of stock ownership. Stockholders owning their shares in “street name” (i.e. shares held in a brokerage account) must show either a brokerage statement or a proxy card indicating ownership as of March 19, 2013 (the record date for the meeting). Stockholders owning their shares in “registered” form (i.e. on record with Tiffany’s transfer agent) need only provide identification.

Your participation in the affairs of Tiffany & Co. is important. Therefore, whether or not you plan to attend the meeting, please vote your shares by accessing the Internet site to vote electronically, by completing and returning the enclosed proxy card or by calling the number listed on the card.

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Tiffany’s financial results in fiscal 2012 (the year ended January 31, 2013) did not meet our expectations. We faced difficult year-over-year comparisons, challenging economic conditions and product cost pressures.

Worldwide net sales rose 4% to \$3.8 billion and gross profit declined as a percentage of net sales. Net earnings declined 11% (excluding nonrecurring items in the prior year) to \$416 million, or \$3.25 per diluted share, following an earnings increase (excluding nonrecurring items) of 24% in fiscal 2011 when worldwide net sales had increased 18%.

Tiffany’s balance sheet remains strong. We finished the year with \$505 million of cash and cash equivalents; total short-term and long-term debt represented 37% of stockholders’ equity. During the year we took advantage of the low interest-rate environment by securing \$250 million of long-term debt at 4.40% while paying off

higher-rate maturing debt. And we increased the cash dividend on common stock by 10%, representing the 11th increase over a 10-year period.

In 2012, we added a net of 28 Company-operated stores, including 13 in the Americas, 8 in Asia-Pacific and 2 in Europe. We also assumed control of 5 locations in the United Arab Emirates that were previously operated through a wholesale relationship. We operated 275 stores at year-end.

We also continued to invest in the infrastructure necessary to support our global expansion. Our proprietary distribution, manufacturing and diamond sourcing networks remain critical to our global supply chain and to our product quality, and represent a sustainable competitive advantage that we will build upon going forward.

Throughout the year, we continued to evolve our product selection and our marketing communications to enhance our competitive position among more affluent consumers. And 2012 was the year of our 175th Anniversary, so we were proud to tell the inspired stories behind our legendary history and design legacy across all marketing channels.

Our product development efforts generally focused upon diamond and other gemstone jewelry and higher-price-point opportunities in our silver and gold jewelry collections. We introduced the new TIFFANY ENCHANT diamond jewelry collection and expanded our offerings of yellow diamonds. In Tiffany's tradition of materials innovation, we introduced the beautiful new RUBEDO[®] metal. And we were delighted to secure a long-term commitment from Elsa Peretti allowing us to continue to present her extraordinary body of designs.

Our plans for the coming year include new store openings, exciting product introductions and compelling marketing and promotional activities. We remain confident in the long-term growth potential of Tiffany, and look forward to updating you on our progress.

Thank you for your long-term interest and confidence.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Kovach". The signature is written in a cursive, flowing style with a prominent initial "M".