

TIFFANY & CO.

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ALESSANDRO BOGLIOLO
CHIEF EXECUTIVE OFFICER

April 6, 2018

Dear Shareholder:

You are invited to attend the Annual Meeting of Shareholders of Tiffany & Co. on Thursday, May 24, 2018. The meeting will be held at The Rubin Museum of Art, 150 West 17th Street (at Seventh Avenue) in New York, and will begin at 9:30 a.m.

To attend the meeting, you will need to register online. To do so, please follow the instructions in the Proxy Statement on page PS-9. When you arrive at the meeting, you will be asked to provide your registration confirmation and photo identification. We appreciate your cooperation.

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

Our Company experienced a year of commemoration, change and progress in 2017.

It was the 180th anniversary of our founder, Charles Lewis Tiffany, opening his first store in downtown Manhattan, and it was also the 30th anniversary of Tiffany's initial public offering. Our Company has created substantial value since that IPO through earnings growth, returning capital to shareholders and stock price appreciation.

The year 2017 was also a year of changes in management and on our Board of Directors. I am delighted and honored to have been appointed the new chief executive officer to lead this extraordinary Company.

I've been asked about what attracted me to Tiffany, and my answer is straightforward. Tiffany is a powerhouse, an authority in the global jewelry industry, and a legendary brand that I have long respected. During my first six months here, I've spent considerable time with our global and regional teams, visited more than 70 stores in all regions, and called on our people in several manufacturing, logistic and support sites in Rhode Island, New Jersey and New York.

I am impressed with the strengths of our brand: a 180-year legacy, global reach, extraordinary designs, powerful and proprietary symbols in the world of luxury, like our robin's-egg color Blue Box, collaborations with celebrated designers, personal connections with generations of customers all over the world and landmark stores in the most important cosmopolitan cities, are some of the many elements that make our brand truly special and powerful.

Thousands of artisans bring to Tiffany a level of craftsmanship in product making with a mastery in platinum and other precious materials, as well as internal capabilities in the cutting and polishing of rough diamonds, which are unique in the industry.

I am thrilled by the dedication of my colleagues and excellence they bring in all aspects of the Company. Tiffany is a family of committed professionals who treasure the legacy of our brand and are devoted to our customers' delight. We also continue to believe that Tiffany should be committed to improving the world around us, and a core value is our focus on corporate social responsibility. We have demonstrated that commitment through our advocacy of responsible sourcing and environmental sustainability, by showing respect and providing meaningful opportunities for our employees, and by being engaged in charitable work in our communities. Our employees are proud of these efforts, and we believe that our customers and our shareholders expect nothing less.

While our 2017 financial results pointed to progress in a number of areas, we will not be satisfied until we are achieving sustainable financial performance that is truly representative of the greatness of our brand.

To that end, our management team and Board have been devoting a great deal of attention to the Company's multi-year strategic plan. The plan calls for us to focus on the following strategic priorities: (i) Amplifying an evolved brand message; (ii) Renewing our product offerings and enhancing in-store presentations; (iii) Delivering an exciting omnichannel customer experience; (iv) Strengthening our competitive position and leading in key markets; (v) Cultivating a more efficient operating model; and (vi) Inspiring an aligned and agile organization to win.

Going forward, we will be communicating the key attributes of the brand through various media, in order to be most relevant to a wide audience, both geographically and demographically, accelerating the pace of product innovation, and ensuring that customers enjoy the experience of shopping in our stores and online.

We are managing our business with a long-term strategic perspective. In fact, in January we announced our decision to increase investment spending in a number of areas in 2018, which we expect will limit pre-tax earnings growth in the near-term, but which we believe is necessary to strengthen our ability to achieve sustainable growth in sales, operating margins and net earnings over the longer term.

Undoubtedly there were many achievements in 2017. We enticed customers with exciting new product offerings and marketing campaigns, and we worked to create more exciting and engaging in-store and online environments. Product highlights in 2017 included the debut of our HARDWEAR jewelry collection in gold and silver, the addition of the METRO collection to our watch assortment and the introduction of our Home & Accessories collection. We also had the global launch of our new signature fragrance.

Our marketing continued to evolve, spanning print media and increasingly digital and social media, to ensure that our messaging resonates with a wide range of existing and new customers. And we received extensive publicity and attracted many customers when we opened The Blue Box Cafe in our New York Flagship store, delighting those who can now enjoy breakfast (or lunch) at Tiffany's.

As part of our work to enhance our in-store environments, we completed significant renovations in many stores, including those in San Francisco and Vancouver. Tiffany also further expanded its geographical presence over the past year. In 2017, we opened nine stores globally, including major

stores in Milan at Piazza del Duomo and in Moscow on fashionable Petrovka Street. In the last quarter we also opened “pop-up” stores in several markets, including two in Manhattan: Rockefeller Center and Grand Central Terminal, which generated much attention.

We now operate TIFFANY & CO. stores in 28 countries, in 13 of which customers can also purchase through e-commerce on our website.

In 2017, Tiffany continued to enhance its website and posted a solid sales increase. Importantly, our website serves as a provider of exciting and compelling information, and acts as a catalyst for customers to visit our stores. Research indicates that many customers first visit the website to learn about our Company and products before visiting our stores. In fact, going forward we will combine store sales with online and catalog sales when we report comparable sales growth.

In very select markets we continued to operate through distributors and generate wholesale sales accordingly.

All in all, worldwide net sales increased 4% to \$4.2 billion in 2017, with comparable store sales equal to the prior year, and the operating margin was 19%. Net earnings of \$370 million were below the prior year’s \$446 million after we recorded charges that resulted from the 2017 U.S. Tax Cuts and Jobs Act. However, excluding those charges, as well as charges recorded in 2016 for the impairments of assets, net earnings of \$516 million, or \$4.13 per diluted share, were 10% higher than 2016’s \$470 million, or \$3.75 per diluted share (see “Non-GAAP Measures” beginning on page K-29 of this report).


We also managed our balance sheet effectively and were in a strong financial position at year-end with cash and cash equivalents and short-term investments of \$1.3 billion. Total short-term and long-term debt of \$1.0 billion represented 31% of stockholders’ equity. Net inventories rose 4%, which was in line with sales growth. We generated cash flow from operations of \$932 million and free cash flow of \$693 million (see “Non-GAAP Measures” beginning on page K-29 of this report).

In addition to a strong increase in our stock price, we also continued to return capital to shareholders by increasing our quarterly cash dividend by 11%, representing the 16th increase in the past 15 years, and by spending \$99 million to repurchase our shares.

Throughout its 180-year history, Tiffany has adapted to and evolved with the changing desires of many generations, while always remaining true to its heritage and brand integrity. I believe that, with clear strategic direction and effective execution, Tiffany’s future is very bright.

I look forward to providing updates to you, and appreciate your ongoing interest and support.

Sincerely,

A handwritten signature in black ink, appearing to read "Alessandro Boglietti". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.