

TIFFANY & CO  
Form 10-Q  
September 01, 2011

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

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**For the quarterly period ended July 31, 2011  
OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number: 1-9494  
TIFFANY & CO.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State of incorporation)

**13-3228013**

(I.R.S. Employer Identification No.)

**727 Fifth Ave. New York, NY**

(Address of principal executive offices)

**10022**

(Zip Code)

Registrant's telephone number, including area code: **(212) 755-8000**

Former name, former address and former fiscal year, if changed since last report \_\_\_\_\_

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

**APPLICABLE ONLY TO CORPORATE ISSUERS:** Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date: Common Stock, \$.01 par value, 127,275,827 shares outstanding at the close of business on August 31, 2011.



**TIFFANY & CO. AND SUBSIDIARIES  
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FOR THE QUARTER ENDED JULY 31, 2011**

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**CONDENSED CONSOLIDATED BALANCE SHEETS****(Unaudited)***(in thousands, except per share amounts)*

|  | July 31, 2011 | January 31,<br>2011 | July 31, 2010 |
|--|---------------|---------------------|---------------|
| <b>ASSETS</b>  |               |                     |               |
| Current assets:  |               |                     |               |
| Cash and cash equivalents  | \$ 532,981    | \$ 681,591          | \$ 566,725    |
| Short-term investments   | 32,210        | 59,280              | 47,949        |
| Accounts receivable, less allowances of \$12,400, \$11,783<br>and \$12,326                 | 182,001       | 185,969             | 156,708       |
| Inventories, net   | 1,836,874     | 1,625,302           | 1,553,117     |
| Deferred income taxes  | 67,964        | 41,826              | 16,114        |
| Prepaid expenses and other current assets  | 115,474       | 90,577              | 76,780        |
| Total current assets   | 2,767,504     | 2,684,545           | 2,417,393     |
| Property, plant and equipment, net   | 738,172       | 665,588             | 661,387       |
| Deferred income taxes  | 185,020       | 202,902             | 188,014       |
| Other assets, net  | 240,192       | 182,634             | 179,767       |
|  | \$ 3,930,888  | \$ 3,735,669        | \$ 3,446,561  |
| <b>LIABILITIES AND STOCKHOLDERS EQUITY</b>   |               |                     |               |
| Current liabilities:   |               |                     |               |
| Short-term borrowings  | \$ 97,272     | \$ 38,891           | \$ 44,221     |
| Current portion of long-term debt  | 61,728        | 60,855              | 269,960       |
| Accounts payable and accrued liabilities   | 274,301       | 258,611             | 165,757       |
| Income taxes payable   | 20,687        | 55,691              | 16,198        |
| Merchandise and other customer credits   | 66,764        | 65,865              | 60,546        |
| Total current liabilities  | 520,752       | 479,913             | 556,682       |
| Long-term debt   | 534,673       | 588,494             | 467,855       |
| Pension/postretirement benefit obligations   | 205,298       | 217,435             | 189,978       |
| Deferred gains on sale-leasebacks  | 125,173       | 124,980             | 124,932       |
| Other long-term liabilities  | 193,256       | 147,372             | 141,112       |
| Commitments and contingencies  |               |                     |               |
| Stockholders' equity:  |               |                     |               |
| Preferred Stock, \$0.01 par value; authorized 2,000 shares,<br>none issued and outstanding | 1,281         | 1,269               | 1,265         |

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|   |              |              |              |
|---|--------------|--------------|--------------|
| Common Stock, \$0.01 par value; authorized 240,000 shares,<br>issued and outstanding 128,164, 126,969 and 126,488 |              |              |              |
| Additional paid-in capital  | 951,552      | 863,967      | 813,600      |
| Retained earnings   | 1,378,054    | 1,324,804    | 1,182,840    |
| Accumulated other comprehensive gain (loss), net of tax   | 20,849       | (12,565)     | (31,703)     |
| Total stockholders' equity  | 2,351,736    | 2,177,475    | 1,966,002    |
|   | \$ 3,930,888 | \$ 3,735,669 | \$ 3,446,561 |

*See notes to condensed consolidated financial statements.*

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**TIFFANY & CO. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS**

**(Unaudited)**

*(in thousands, except per share amounts)*

|  | Three Months Ended July 31, |            | Six Months Ended July 31, |              |
|--|-----------------------------|------------|---------------------------|--------------|
|  | 2011                        | 2010       | 2011                      | 2010         |
| Net sales                                    | \$ 872,712                  | \$ 668,760 | \$ 1,633,730              | \$ 1,302,346 |
| Cost of sales                                | 358,015                     | 282,008    | 675,340                   | 549,616      |
| Gross profit                                 | 514,697                     | 386,752    | 958,390                   | 752,730      |
| Selling, general and administrative expenses | 374,157                     | 273,146    | 681,884                   | 533,707      |
| Earnings from operations                     | 140,540                     | 113,606    | 276,506                   | 219,023      |
| Interest and other expenses, net             | 9,619                       | 11,121     | 19,766                    | 23,259       |
| Earnings from operations before income taxes | 130,921                     | 102,485    | 256,740                   | 195,764      |
| Provision for income taxes                   | 40,878                      | 34,810     | 85,634                    | 63,664       |
| Net earnings                                 | \$ 90,043                   | \$ 67,675  | \$ 171,106                | \$ 132,100   |
| Earnings per share:                          |                             |            |                           |              |
| Basic  | \$ 0.70                     | \$ 0.53    | \$ 1.34                   | \$ 1.04      |
| Diluted                                      | \$ 0.69                     | \$ 0.53    | \$ 1.32                   | \$ 1.03      |
| Weighted-average number of common shares:    |                             |            |                           |              |
| Basic  | 128,030                     | 126,897    | 127,816                   | 126,798      |
| Diluted                                      | 129,794                     | 128,385    | 129,587                   | 128,464      |

*See notes to condensed consolidated financial statements.*



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**TIFFANY & CO. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**AND COMPREHENSIVE EARNINGS**  
**(Unaudited)**  
*(in thousands)*

|  | Total        |              | Accumulated   |              |            |            |
|--|--------------|--------------|---------------|--------------|------------|------------|
|  | Stockholders | Retained     | Other         | Common Stock | Additional |            |
|  | Equity       | Earnings     | Comprehensive | Shares       | Paid-In    |            |
|  |              |              | (Loss) Gain   | Amount       | Capital    |            |
| Balances, January 31, 2011   | \$ 2,177,475 | \$ 1,324,804 | \$ (12,565)   | 126,969      | \$ 1,269   | \$ 863,967 |
| Exercise of stock options and vesting of restricted stock units ( RSUs )               | 57,016       |              |               | 1,914        | 19         | 56,997     |
| Tax effect of exercise of stock options and vesting of RSUs                            | 14,561       |              |               |              |            | 14,561     |
| Share-based compensation expense   | 15,239       |              |               |              |            | 15,239     |
| Issuance of Common Stock under the Employee Profit Sharing and Retirement Savings Plan | 4,500        |              |               | 64           | 1          | 4,499      |
| Purchase and retirement of Common Stock  | (52,487)     | (48,768)     |               | (783)        | (8)        | (3,711)    |
| Cash dividends on Common Stock   | (69,088)     | (69,088)     |               |              |            |            |
| Deferred hedging loss, net of tax  | (4,648)      |              | (4,648)       |              |            |            |
| Unrealized gain on marketable securities, net of tax                                   | 343          |              | 343           |              |            |            |
| Foreign currency translation adjustments, net of tax                                   | 36,021       |              | 36,021        |              |            |            |
| Net unrealized gain on benefit plans, net of tax                                       | 1,698        |              | 1,698         |              |            |            |
| Net earnings   | 171,106      | 171,106      |               |              |            |            |
| Balances, July 31, 2011  | \$ 2,351,736 | \$ 1,378,054 | \$ 20,849     | 128,164      | \$ 1,281   | \$ 951,552 |

|   | Three Months Ended |           | Six Months Ended |            |
|---|--------------------|-----------|------------------|------------|
|   | July 31,           |           | July 31,         |            |
|   | 2011               | 2010      | 2011             | 2010       |
| Comprehensive earnings are as follows:          |                    |           |                  |            |
| Net earnings                                    | \$ 90,043          | \$ 67,675 | \$ 171,106       | \$ 132,100 |
| Other comprehensive gain (loss), net of tax:    |                    |           |                  |            |
| Deferred hedging (loss) gain                    | (5,638)            | (2,733)   | (4,648)          | 2,075      |
| Foreign currency translation adjustments        | 6,325              | 1,089     | 36,021           | (2,171)    |
| Unrealized (loss) gain on marketable securities | (596)              | (447)     | 343              | 636        |
| Net unrealized gain on benefit plans            | 835                | 474       | 1,698            | 1,022      |
| Comprehensive earnings                          | \$ 90,969          | \$ 66,058 | \$ 204,520       | \$ 133,662 |

*See notes to condensed consolidated financial statements.*



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**TIFFANY & CO. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**  
*(in thousands)*

|   | Six Months Ended<br>July 31, |            |
|---|------------------------------|------------|
|   | 2011                         | 2010       |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                              |            |
| Net earnings  | \$ 171,106                   | \$ 132,100 |
| Adjustments to reconcile net earnings to net cash provided by (used in) operating activities: |                              |            |
| Depreciation and amortization   | 71,596                       | 72,292     |
| Lease exit charge   | 30,884                       |            |
| Amortization of gain on sale-leasebacks   | (5,412)                      | (4,927)    |
| Excess tax benefits from share-based payment arrangements                                     | (15,749)                     | (3,936)    |
| Provision for inventories   | 14,870                       | 14,184     |
| Deferred income taxes   | (2,854)                      | (19,069)   |
| Provision for pension/postretirement benefits   | 15,414                       | 13,442     |
| Share-based compensation expense  | 15,090                       | 12,795     |
| Changes in assets and liabilities:  |                              |            |
| Accounts receivable   | 8,688                        | 5,235      |
| Inventories   | (195,739)                    | (133,495)  |
| Prepaid expenses and other current assets   | (21,536)                     | (7,596)    |
| Accounts payable and accrued liabilities  | (21,300)                     | (53,546)   |
| Income taxes payable  | (19,391)                     | (45,058)   |
| Merchandise and other customer credits  | 221                          | (5,821)    |
| Other, net  | (1,993)                      | (36,711)   |
| Net cash provided by (used in) operating activities   | 43,895                       | (60,111)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |                              |            |
| Purchases of marketable securities and short-term investments                                 | (33,771)                     | (48,461)   |
| Proceeds from sale of marketable securities and short-term investments                        | 66,364                       |            |
| Capital expenditures  | (111,016)                    | (50,760)   |
| Notes receivable funded   | (56,605)                     |            |
| Other   | (1,674)                      |            |
| Net cash used in investing activities   | (136,702)                    | (99,221)   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>  |                              |            |
| Proceeds from credit facility borrowings, net   | 51,174                       | 17,775     |
| Repayment of long-term debt   | (58,915)                     |            |
| Repurchase of Common Stock  | (52,487)                     | (47,138)   |
| Proceeds from exercise of stock options   | 57,016                       | 31,192     |
| Excess tax benefits from share-based payment arrangements                                     | 15,749                       | 3,936      |
| Cash dividends on Common Stock  | (69,088)                     | (57,130)   |
| Purchase of non-controlling interests   |                              | (7,000)    |

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|  |            |            |
|--|------------|------------|
| Net cash used in financing activities                        | (56,551)   | (58,365)   |
| Effect of exchange rate changes on cash and cash equivalents | 748        | (1,280)    |
| Net decrease in cash and cash equivalents                    | (148,610)  | (218,977)  |
| Cash and cash equivalents at beginning of year               | 681,591    | 785,702    |
| Cash and cash equivalents at end of six months               | \$ 532,981 | \$ 566,725 |

*See notes to condensed consolidated financial statements.*

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**TIFFANY & CO. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying condensed consolidated financial statements include the accounts of Tiffany & Co. (the Company) and its subsidiaries in which a controlling interest is maintained. Controlling interest is determined by majority ownership interest and the absence of substantive third-party participating rights or, in the case of variable interest entities (VIEs), if the Company has the power to significantly direct the activities of a VIE, as well as the obligation to absorb significant losses or the right to receive significant benefits from the VIE. Intercompany accounts, transactions and profits have been eliminated in consolidation. The interim statements are unaudited and, in the opinion of management, include all adjustments (which represent normal recurring adjustments) necessary to fairly state the Company's financial position as of July 31, 2011 and 2010 and the results of its operations and cash flows for the interim periods presented. The condensed consolidated balance sheet data for January 31, 2011 is derived from the audited financial statements, which are included in the Company's Annual Report on Form 10-K and should be read in connection with these financial statements. As permitted by the rules of the Securities and Exchange Commission, these financial statements do not include all disclosures required by generally accepted accounting principles.

The Company's business is seasonal in nature, with the fourth quarter typically representing at least one-third of annual net sales and approximately one-half of annual net earnings. Therefore, the results of its operations for the three and six months ended July 31, 2011 and 2010 are not necessarily indicative of the results of the entire fiscal year.

**2. RECEIVABLES AND FINANCE CHARGES**

The Company maintains an allowance for doubtful accounts for estimated losses associated with the accounts receivable recorded on the balance sheet. The allowance is determined based on a combination of factors including, but not limited to, the length of time that the receivables are past due, the Company's knowledge of the customer, economic and market conditions and historical write-off experiences.

For the receivables associated with Tiffany & Co. credit cards (Credit Card Receivables), the Company uses various indicators to determine whether to extend credit to customers and the amount of credit. Such indicators include reviewing prior experience with the customer, including sales and collection history, and using applicants' credit reports and scores provided by credit rating agencies. Credit Card Receivables require minimum balance payments. The Company classifies a Credit Card account as overdue if a minimum balance payment has not been received within the allotted timeframe (generally 30 days), after which internal collection efforts commence. For all accounts receivable recorded on the balance sheet, once all internal collection efforts have been exhausted and management has reviewed the account, the account balance is written off and may be sent for external collection or legal action. At July 31, 2011, the carrying amount of the Credit Card Receivables (recorded in accounts receivable, net in the Company's condensed consolidated balance sheet) was \$54,351,000, of which 97% was considered current. The allowance for doubtful accounts for estimated losses associated with the Credit Card Receivables (approximately \$2,000,000 at July 31, 2011) was determined based on the factors discussed above, and did not change significantly from January 31, 2011. Finance charges on Credit Card accounts are not significant.

The Company may, from time to time, extend loans to diamond mining and exploration companies in order to obtain rights to purchase the mine's output. Management evaluates these and any other loans that may arise for potential impairment by reviewing the parties' financial statements and projections and other economic factors on a periodic basis. The carrying amount of loans receivable outstanding including accrued interest (primarily included within other assets, net on the Company's condensed consolidated balance sheet) was \$57,396,000 as of July 31, 2011. The Company has not recorded any impairment charges on such loans as of July 31, 2011.

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| <i>(in thousands)</i> | July 31, 2011 | January 31,<br>2011 | July 31, 2010 |
|-----------------------|---------------|---------------------|---------------|
| Finished goods        | \$ 1,035,615  | \$ 988,085          | \$ 978,021    |
| Raw materials         | 656,772       | 534,879             | 469,804       |
| Work-in-process       | 144,487       | 102,338             | 105,292       |
| Inventories, net      | \$ 1,836,874  | \$ 1,625,302        | \$ 1,553,117  |

**4. INCOME TAXES**

The effective income tax rate for the three months ended July 31, 2011 was 31.2% versus 34.0% in the prior year. The decline is primarily due to the reversal of a valuation allowance against certain deferred tax assets where management has determined it is more likely than not that the deferred tax assets will be realized in the future. The effective income tax rate for the six months ended July 31, 2011 was 33.4% versus 32.5% in the prior year. In the six months ended July 31, 2010, the Company recorded a net income tax benefit of \$3,096,000 primarily due to a change in the tax status of certain subsidiaries associated with the acquisition in 2009 of additional equity interests in diamond sourcing and polishing operations.

During the six months ended July 31, 2011, the change in the gross amount of unrecognized tax benefits and accrued interest and penalties was not significant.

The Company is subject to taxation in the U.S. and various state and foreign jurisdictions. As a matter of course, various taxing authorities regularly audit the Company. The Company's tax filings are currently being examined by tax authorities in jurisdictions where its subsidiaries have a material presence, including New York state tax years 2004-2007, New York City tax years 2006-2008, New Jersey tax years 2006-2009 and by the Internal Revenue Service tax years 2006-2009. Tax years from 2004-present are open to examination in U.S. Federal and various state, local and foreign jurisdictions. The Company believes that its tax positions comply with applicable tax laws and that it has adequately provided for these matters. However, the audits may result in proposed assessments where the ultimate resolution may result in the Company owing additional taxes. Management anticipates that it is reasonably possible that the total gross amount of unrecognized tax benefits will decrease by approximately \$20,000,000 in the next 12 months, a portion of which may affect the effective tax rate; however, management does not currently anticipate a significant affect on net earnings. Future developments may result in a change in this assessment.

**5. EARNINGS PER SHARE**

Basic earnings per share (EPS) is computed as net earnings divided by the weighted-average number of common shares outstanding for the period. Diluted EPS includes the dilutive effect of the assumed exercise of stock options and unvested restricted stock units.

The following table summarizes the reconciliation of the numerators and denominators for the basic and diluted EPS computations:

| <i>(in thousands)</i>   | Three Months Ended July 31, |           | Six Months Ended July 31, |            |
|---|-----------------------------|-----------|---------------------------|------------|
|   | 2011                        | 2010      | 2011                      | 2010       |
| Net earnings for basic and diluted EPS  | \$ 90,043                   | \$ 67,675 | \$ 171,106                | \$ 132,100 |
| Weighted-average shares for basic EPS   | 128,030                     | 126,897   | 127,816                   | 126,798    |
| Incremental shares based upon the assumed exercise of stock options and unvested restricted stock units | 1,764                       | 1,488     | 1,771                     | 1,666      |
| Weighted-average shares for diluted EPS   | 129,794                     | 128,385   | 129,587                   | 128,464    |



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For the three months ended July 31, 2011 and 2010, there were 351,000 and 487,000 stock options and restricted stock units excluded from the computations of earnings per diluted share due to their antidilutive effect. For the six months ended July 31, 2011 and 2010, there were 332,000 and 459,000 stock options and restricted stock units excluded from the computations of earnings per diluted share due to their antidilutive effect.

**6. HEDGING INSTRUMENTS****Background Information**

The Company uses derivative financial instruments, including interest rate swap agreements, forward contracts, put option contracts and net-zero-cost collar arrangements (combination of call and put option contracts) to mitigate its exposures to changes in interest rates, foreign currency and precious metal prices. Derivative instruments are recorded on the consolidated balance sheet at their fair values, as either assets or liabilities, with an offset to current or comprehensive earnings, depending on whether the derivative is designated as part of an effective hedge transaction and, if it is, the type of hedge transaction. If a derivative instrument meets certain hedge accounting criteria, the derivative instrument is designated as one of the following on the date the derivative is entered into:

**Fair Value Hedge** A hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment. For fair value hedge transactions, both the effective and ineffective portions of the changes in the fair value of the derivative and changes in the fair value of the item being hedged are recorded in current earnings.

**Cash Flow Hedge** A hedge of the exposure to variability in the cash flows of a recognized asset, liability or a forecasted transaction. For cash flow hedge transactions, the effective portion of the changes in fair value of derivatives are reported as other comprehensive income ( OCI ) and are recognized in current earnings in the period or periods during which the hedged transaction affects current earnings. Amounts excluded from the effectiveness calculation and any ineffective portions of the change in fair value of the derivative are recognized in current earnings.

The Company formally documents the nature and relationships between the hedging instruments and hedged items for a derivative to qualify as a hedge at inception and throughout the hedged period. The Company also documents its risk management objectives, strategies for undertaking the various hedge transactions and method of assessing hedge effectiveness. Additionally, for hedges of forecasted transactions, the significant characteristics and expected terms of a forecasted transaction must be specifically identified, and it must be probable that each forecasted transaction will occur. If it were deemed probable that the forecasted transaction would not occur, the gain or loss on the derivative financial instrument would be recognized in current earnings. Derivative financial instruments qualifying for hedge accounting must maintain a specified level of effectiveness between the hedge instrument and the item being hedged, both at inception and throughout the hedged period.

The Company does not use derivative financial instruments for trading or speculative purposes.

**Types of Derivative Instruments**

**Interest Rate Swap Agreements** The Company entered into interest rate swap agreements to convert its fixed rate 2002 Series D and 2008 Series A obligations to floating rate obligations. Since the fair value of the Company's fixed rate long-term debt is sensitive to interest rate changes, the interest rate swap agreements serve as a hedge to changes in the fair value of these debt instruments. The Company hedges its exposure to changes in interest rates over the remaining maturities of the debt agreements being hedged. The Company accounts for the interest rate swaps as fair value hedges. As of July 31, 2011, the notional amount of interest rate swap agreements outstanding was \$160,000,000.

**Foreign Exchange Forward and Put Option Contracts** The Company uses foreign exchange forward contracts or put option contracts to offset the foreign currency exchange risks associated with foreign currency-denominated liabilities, intercompany transactions and forecasted purchases of merchandise between entities with differing functional currencies. For put option contracts, if the market exchange rate at





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the time of the put option contract's expiration is stronger than the contracted exchange rate, the Company allows the put option contract to expire, limiting its loss to the cost of the put option contract. The Company assesses hedge effectiveness based on the total changes in the put option contracts' cash flows. These foreign exchange forward contracts and put option contracts are designated and accounted for as either cash flow hedges or economic hedges that are not designated as hedging instruments.

In 2010, the Company de-designated all of its outstanding put option contracts (notional amount of \$10,000,000 outstanding at July 31, 2011) and entered into offsetting call option contracts. These put and call option contracts are accounted for as undesignated hedges. Any gains or losses on these de-designated put option contracts are substantially offset by losses or gains on the call option contracts.

As of July 31, 2011, the notional amount of foreign exchange forward contracts accounted for as cash flow hedges was \$167,900,000 and the notional amount of foreign exchange forward contracts accounted for as undesignated hedges was \$21,596,000. The term of all outstanding foreign exchange forward contracts as of July 31, 2011 ranged from less than one month to 15 months.

**Precious Metal Collars & Forward Contracts** The C