

TIFFANY & CO. AND SUBSIDIARIES
INDEX TO FORM 10-Q
FOR THE QUARTER ENDED JULY 31, 1994

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TIFFANY & CO. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in thousands, except per share amounts)

	July 31, 1994	January 31, 1994
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash and short-term investments	\$ 7,619	\$ 4,994
Accounts receivable, less allowances of \$4,115 and \$4,170	58,310	67,330
Income taxes receivable	13,857	12,517
Inventories	291,031	262,282
Prepaid expenses	21,248	17,718
	-----	-----
Total current assets	392,065	364,841
Property and equipment, net	98,431	97,365
Deferred income taxes	16,126	15,404
Other assets, net	29,022	26,799
	-----	-----
	\$535,644	\$504,409
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	\$ 87,587	\$ 59,289
Accounts payable and accrued liabilities	73,844	79,980
Income taxes payable	4,033	6,359
Merchandise and other customer credits	7,101	6,947
	-----	-----
Total current liabilities	172,565	152,575
Long-term trade payable	27,459	25,394
Reserve for product return	13,320	13,663
Long-term debt	101,500	101,500
Deferred income taxes	6,826	6,758
Postretirement benefit obligation	15,822	14,320
Other long-term liabilities	843	1,118
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$.01 par value; authorized 30,000 shares, issued 15,679 and 15,660	157	157
Additional paid-in capital	71,004	70,498
Retained earnings	129,214	126,082
Foreign currency translation adjustments	(3,066)	(7,656)
	-----	-----
Total stockholders' equity	197,309	189,081
	-----	-----
	\$535,644	\$504,409
	=====	=====

See notes to consolidated financial statements

TIFFANY & CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(in thousands, except per share amounts)

	For the Three Months Ended July 31,		For the Six Months Ended July 31,	
	1994 ----	1993 ----	1994 ----	1993 ----
Net sales	\$152,257	\$114,233	\$283,464	\$223,714
Product return for Japan realignment	0	(115,000)	0	(115,000)
	----- 152,257	----- (767)	----- 283,464	----- 108,714
Cost of goods sold	73,336	58,786	137,344	117,486
Cost related to product return for Japan realignment	0	(57,500)	0	(57,500)
	----- 78,921	----- (2,053)	----- 146,120	----- 48,728
Gross profit/(loss)	78,921	(2,053)	146,120	48,728
Selling, general and administrative expenses	69,520	53,269	130,303	99,792
Provision for uncollectible accounts	383	353	686	906
	----- 9,018	----- (55,675)	----- 15,131	----- (51,970)
Income/(loss) from operations	9,018	(55,675)	15,131	(51,970)
Other expenses, net	2,955	1,540	5,771	3,410
	----- 6,063	----- (57,215)	----- 9,360	----- (55,380)
Income/(loss) before income taxes	6,063	(57,215)	9,360	(55,380)
Provision/(benefit) for income taxes	2,613	(24,665)	4,034	(23,867)
	----- \$ 3,450	----- \$(32,550)	----- \$ 5,326	----- \$(31,513)
Net income/(loss)	<u>3,450</u>	<u>\$(32,550)</u>	<u>5,326</u>	<u>\$(31,513)</u>
Net income/(loss) per share:				
Primary	<u>\$ 0.22</u>	<u>\$ (2.06)</u>	<u>\$ 0.34</u>	<u>\$ (2.00)</u>
Fully diluted	<u>\$ 0.22</u>	<u>\$ (2.06)</u>	<u>\$ 0.34</u>	<u>\$ (2.00)</u>
Weighted average number of common shares:				
Primary	15,895	15,780	15,845	15,759
Fully diluted	16,817	16,673	16,811	16,663

See notes to consolidated financial statements

TIFFANY & CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
(in thousands)

	Total Stockholders' Equity	Common Stock		Additional Paid-In Capital	Retained Earnings	Foreign Currency Translation Adjustments
		Shares	Amount			
BALANCES, January 31, 1994	\$189,081	15,660	\$157	\$70,498	\$126,082	\$(7,656)
Exercise of stock options	70	3	-	70	-	-
Tax benefit from exercise of stock options	4	-	-	4	-	-
Cash dividends on common stock	(1,096)	-	-	-	(1,096)	-
Foreign currency translation adjustments	2,698	-	-	-	-	2,698
Net income	1,876	-	-	-	1,876	-
	-----	-----	-----	-----	-----	-----
BALANCES, April 30, 1994	192,633	15,663	157	70,572	126,862	(4,958)
	-----	-----	-----	-----	-----	-----
Exercise of stock options	320	16	-	320	-	-
Tax benefit from exercise of stock options	112	-	-	112	-	-
Cash dividends on common stock	(1,098)	-	-	-	(1,098)	-
Foreign currency translation adjustments	1,892	-	-	-	-	1,892
Net income	3,450	-	-	-	3,450	-
	-----	-----	-----	-----	-----	-----
BALANCES, July 31, 1994	\$197,309	15,679	\$157	\$71,004	\$129,214	\$(3,066)
	=====	=====	=====	=====	=====	=====

See notes to consolidated financial statements

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

	For the Six Months Ended July 31,	
	1994	1993
Cash Flows From Operating Activities:		
Net income/(loss)	\$ 5,326	\$(31,513)
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:		
Depreciation and amortization	7,467	6,424
Provision for uncollectible accounts	686	906
Provision for product return	0	57,500
Reduction in reserve for product return	(343)	(25,732)
Deferred income taxes	(489)	(19,481)
Loss on sale of fixed assets	0	270
Postretirement benefit provision	1,502	950
(Increase)/decrease in assets and increase/(decrease) in liabilities		
Accounts receivable	10,065	(708)
Inventories	(18,080)	7,586
Income taxes receivable	(1,340)	(10,630)
Prepaid expenses	(2,442)	(3,812)
Other assets	(3,595)	(1,299)
Accounts payable and accrued liabilities	(7,690)	31,225
Income taxes payable	(2,918)	(2,852)
Merchandise and other customer credits	154	711
Other long-term liabilities	(108)	(2,019)
	(11,805)	7,526
Net cash (used)/provided in operating activities	(11,805)	7,526
Cash Flows From Investing Activities:		
Capital expenditures	(6,626)	(8,174)
Other	(133)	-
	(6,759)	(8,174)
Net cash used in investing activities	(6,759)	(8,174)
Cash Flows From Financing Activities:		
Increase in short-term borrowings	22,877	2,415
Proceeds from exercise of stock options	390	406
Tax benefit from exercise of stock options	116	10
Cash dividends on common stock	(2,194)	(2,190)
	21,189	641
Net cash provided by financing activities	21,189	641
Net decrease in cash and short-term investments	2,625	(7)
Cash and short-term investments at beginning of year	4,994	6,672
	\$ 7,619	\$ 6,665
Cash and short-term investments at end of six months	\$ 7,619	\$ 6,665
	=====	=====
Supplemental Disclosure Of Cash Flow Information:		
Cash paid during the six months for:		
Interest expense	\$ 7,006	\$ 5,700
	=====	=====
Income taxes	\$ 8,551	\$ 4,150
	=====	=====

See notes to consolidated financial statements

TIFFANY & CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements include the accounts of Tiffany & Co. and all majority-owned domestic and foreign subsidiaries (the "Company"). All material intercompany balances and transactions have been eliminated. The statements are without audit and, in the opinion of management, include all adjustments (which include only normal recurring adjustments except for the adjustment necessary as a result of the LIFO method of inventory valuation, which is based on assumptions as to inflation rates and projected fiscal year-end inventory levels) necessary to present fairly the Company's financial position as of July 31, 1994 and the results of operations and cash flows for the interim periods presented. The audited financial statements for January 31, 1994 are presented without accompanying footnotes which are included in the Company's Form 10-K filing.

Since the Company's business is seasonal, with a higher proportion of sales and income generated in the last quarter of the fiscal year, the results of operations for the six months ended July 31, 1994 and 1993 are not necessarily indicative of the results of the entire fiscal year.

2. INVENTORIES

Inventories at July 31, 1994 and January 31, 1994 are summarized as follows:

	July 31, 1994	January 31, 1994
	-----	-----
	(in thousands)	
Finished goods	\$241,711	\$219,010
Raw materials	46,229	40,210
Work in process	6,919	5,097
	-----	-----
Reserves	294,859	264,317
	(3,828)	(2,035)
	-----	-----
	\$291,031	\$262,282
	=====	=====

At July 31, 1994 and January 31, 1994, \$202,727,000 and \$177,379,000, respectively, of inventories were valued using the LIFO method. The excess of such inventories valued at replacement cost over the value based upon the LIFO method was approximately \$9,770,000 and \$8,470,000 at July 31, 1994 and January 31, 1994, respectively. The LIFO valuation method had the effect of decreasing net income/(loss) by \$.01 for the three month period ended July 31, 1994 and had no effect for the period ended July 31,

1993. The LIFO valuation method had the effect of decreasing net income/(loss) by \$0.05 and \$0.06 per share for the six month periods ended July 31, 1994 and 1993, respectively.

3. POSTEMPLOYMENT BENEFITS

Effective February 1, 1994, the Company adopted Statement of Financial Accounting Standards No. 112, "Accounting for Postemployment Benefits" ("SFAS No. 112"), which requires the accrual of the cost of postemployment benefits rather than expensing the costs when incurred. These benefits include salary continuation, severance benefits, disability benefits and continuation of health care benefits and life insurance coverage for former employees after employment but before retirement. The adoption of this standard did not have a material impact on the Company's reported results of operation or financial condition.

4. FOREIGN CURRENCY HEDGING PROGRAM

During the first quarter of 1994, the Company initiated a foreign currency hedging program intended to reduce its risk on foreign currency denominated transactions. In connection with this program, the Company will from time to time enter into foreign currency purchased put options and forward exchange contracts, which are designated as hedges of commitments to purchase merchandise and settle liabilities in foreign currencies. The market value gains and losses on these foreign exchange contracts are deferred and then recognized when the related transactions are settled. At July 31, 1994, the Company had outstanding purchased put options maturing at various dates through October 25, 1995, giving it the right, but not the obligation to sell 6,444,000,000 yen at certain predetermined contract exchange rates. If current market conditions continue under which the market yen exchange rates at maturity are below the contract rates, the Company will allow the options to expire. The Company's pre-tax expense related to purchasing these yen-put options was \$184,000 for the three month period ended July 31, 1994 and \$366,000 for the six month period ended July 31, 1994.

5. EARNINGS PER SHARE

Primary earnings per common share data has been computed by dividing net income by the weighted average number of shares outstanding during the period, including dilutive stock options. Fully diluted earnings per common share has been computed by dividing net income, after giving effect to the elimination of interest expense and bond amortization fees, net of income tax effect, applicable to the convertible subordinated debentures, by the weighted average number of shares outstanding including dilutive stock options and the assumed conversion of the subordinated debentures using the "if converted" method.

6. SUBSEQUENT EVENT

On August 22, 1994, the Company's Board of Directors declared a quarterly dividend of \$0.07 per common share. This dividend will be paid on October 11, 1994 to stockholders of record on September 20, 1994.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The Company operates three channels of distribution: U.S. Retail includes retail sales in Company-operated stores in the U.S. and wholesale sales to independent retailers in North America; Direct Marketing includes corporate (business-to-business) and catalog sales; and International Retail includes retail sales through Company-operated stores and boutiques, corporate sales, and wholesale sales to independent retailers and distributors, primarily in Asia-Pacific, Europe, Canada and the Middle East.

Net sales increased 33% to \$152,257,000 in the three months (second quarter) ended July 31, 1994 and increased 27% to \$283,464,000 in the six months (first half) ended July 31, 1994.

U.S. Retail sales in the second quarter increased 12% over 1993 and first half sales increased 15%. Comparable store sales in the second quarter and first half increased 10% and 12%, respectively. These sales increases were primarily generated by local-market consumers, not foreign tourists.

Direct Marketing sales rose 8% and 6% in the second quarter and first half, respectively, primarily due to higher catalog sales.

International Retail sales were \$63,782,000 in the second quarter and \$118,959,000 in the first half, representing increases of 85% and 54%, respectively. International Retail sales in 1994 and 1993 are not comparable due to the Company's realignment of its Japan business in July 1993 (see below). In general, weak economic conditions and cautious consumer spending negatively affected the Company's sales in Japan and in certain European countries. When measured in Japanese yen, sales in Company-operated boutiques that were open more than one year increased 1% in the second quarter and declined 5% in the first half from the corresponding 1993 periods (including retail sales made in boutiques which were in 1993 operated by Mitsukoshi Ltd.). Management attributes the recent improvement in Japan primarily to the Company's merchandising and marketing/publicity initiatives, as well as to favorable consumer response to recent price reductions effected by the Company. The Company continued to achieve sales growth in other Asian-Pacific markets apart from Japan. In Europe, comparable retail store sales increased 11% in the second quarter but declined 5% in the first half. Relative sales strength has been concentrated in London and Zurich.

In July 1993, the Company effected a realignment of its business in Japan by assuming merchandising and marketing responsibilities for each of the 29 TIFFANY & CO. boutiques previously operated by Mitsukoshi Ltd., an operator of department stores. As part of this transaction, the Company agreed to repurchase \$115,000,000 of merchandise previously sold to Mitsukoshi. As a consequence, the Company recorded a \$115,000,000 provision for product return in the second quarter of 1993 which reduced gross profit by \$57,500,000 and reduced net income

by \$32,700,000 (net of income tax benefit of \$24,800,000), or \$2.07 per share. At July 31, 1994, approximately \$30,000,000 of merchandise remained to be repurchased throughout the period ending February 28, 1998. No further charges or sales reversals are anticipated in connection with this transaction.

Under the new arrangement, Mitsukoshi no longer purchases TIFFANY & CO. merchandise on a wholesale basis for resale in Japan. Instead, Mitsukoshi acts for the Company in the sale of merchandise owned by the Company and the Company recognizes as revenues the retail price charged to the ultimate consumer in Japan, as opposed to the wholesale price previously charged to Mitsukoshi. As a result, the Company's reported sales in the second quarter and first half of 1994 showed a significant increase due to the Japan realignment. The Company now holds inventories for sale, establishes retail prices, bears the risk of currency fluctuations, provides one or more brand managers in each boutique, controls merchandising and display within the boutiques, manages inventory and controls and funds all advertising and publicity programs with respect to TIFFANY & CO. merchandise. Mitsukoshi is paid at the rate of approximately 27% of retail sales in compensation for providing boutique facilities and sales and clerical staff, as well as for the collection of receivables and security of store inventories. The new arrangement entails greater seasonality in sales for the Company than did the prior wholesale arrangement with Mitsukoshi. The Company is experiencing greater expenses in Japan under the new arrangement, but is also recording higher revenues at the retail level. In general, management believes that the Company's increased revenues and corresponding gross profit more than offset the increased expenses.

In addition, as a result of this business realignment in Japan, the Company's reported sales and earnings results benefit from a strengthening Japanese yen and are adversely affected by a strengthening U.S. dollar. However, in early fiscal 1994, the Company initiated a foreign currency hedging program intended to reduce the negative impact of changes in the dollar-yen relationship on the Company's financial results. The Company's pre-tax expense related to purchasing these yen-put options was \$184,000 in the second quarter and \$366,000 in the first half of fiscal 1994.

Since the realignment, the Company has initiated a number of changes in its Japan business that have affected sales, gross margins, inventory levels and operating expenses.

In June 1994, the Company reduced Japan retail prices by approximately 25% on products that represent approximately 55% of Japan retail sales. This reduction was taken to make pricing for TIFFANY & CO. brand merchandise more competitive with both Japanese and imported brands by reducing the premium over U.S. prices. In the past, typical retail prices of imported luxury goods in Japan reflected a substantial premium to "home market" prices, although a more recent trend among retailers in Japan has been to reduce that premium. The premium over U.S. prices for TIFFANY & CO. products is now approximately 50%, based on current exchange rates, and management believes that such pricing is competitive. Price reductions for solitaire diamond rings of approximately 20% taken in October 1993 resulted in increased unit volume in that product category; as a result of that experience, management believes that the recent price reduction, despite reduced gross margin, will positively affect sales and earnings in Japan.

Other changes made since the realignment, some of which are still in progress, include the establishment of model stock inventories for each boutique, the installation of the Company's merchandise replenishment system which expedites the flow of merchandise to the boutiques in Japan, the introduction of several new jewelry collections in Japan, an increase in advertising expenditures directed to Japan and improved visual merchandising within the boutiques.

Gross profit as a percentage of net sales (gross margin) was 51.8% and 51.5% in the second quarter and first half, respectively. This compared with gross margins of 48.5% and 47.5% (excluding the effect of the nonrecurring charge related to the Japan business realignment) in 1993's second quarter and first half, respectively. The year-over-year increases were primarily due to the effect of recording higher retail sales as part of the Japan business realignment. Management expects the Company's gross margins in the second half of fiscal 1994 to be affected by October 1993 and June 1994 price reductions in Japan.

Operating expenses (selling, general and administrative expenses and the provision for uncollectible accounts) in both the second quarter and first half of 1994 increased 30% above the prior year. Management attributes the increases primarily to the effect of the Japan business realignment, and expects a substantially decelerated rate of expense increase in the second half of fiscal 1994.

Other expenses increased in the second quarter and first half of 1994, primarily due to interest expense related to higher average short-term borrowings.

As a result of the above factors, net income in 1994's second quarter was \$3,450,000, or \$0.22 per share, compared with 1993's second quarter net earnings of \$162,000, or \$0.01 per share, excluding a nonrecurring charge for the Japan business realignment and a net loss of \$32,550,000, or \$2.06 per share, including the charge. In 1994's first half, net income was \$5,326,000, or \$0.34 per share, compared with 1993's net earnings of \$1,199,000, or \$0.08 per share, excluding the charge, and a net loss of \$31,513,000, or \$2.00 per share, including the charge.

FINANCIAL CONDITION

LIQUIDITY AND CAPITAL RESOURCES

Management believes that the Company's financial condition at July 31, 1994 provides sufficient liquidity and resources to support current business activity and planned expansion.

Working capital and the corresponding current ratio were \$219,500,000 and 2.3:1 at July 31, 1994 compared with \$212,266,000 and 2.4:1 at January 31, 1994. Accounts receivable at July 31, 1994 declined 13% from January 31, 1994 due to seasonal reductions. Inventories (the largest component of working capital)

increased 11% from January 31, 1994 to July 31, 1994, primarily due to the effect of translating foreign inventories into U.S. dollars, merchandise purchases to support sales growth, new store openings and expanded product offerings. The Company's objective is to improve comparable store inventory productivity in 1994.

Capital expenditures were \$6.6 million in the first half of fiscal 1994, compared with \$8.2 million in the first half of 1993.

Total debt (short-term borrowings and long-term debt) and its ratio to total capital (total debt and stockholders' equity) were \$189,087,000 and 49%, respectively, at July 31, 1994, compared with \$160,789,000 and 46%, respectively, at January 31, 1994.

The Company's sources of working capital continue to be internally generated funds, as well as funds available under a \$100,000,000 revolving credit facility and a yen 2,500,000,000 (approximately \$25.0 million) line of credit. Management anticipates that these sources of funds will be sufficient to support planned worldwide business expansion, as well as seasonal working capital increases typically required during the third and fourth quarters of the year.

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security-Holders

At Registrant's Annual Meeting of Stockholders held on May 19, 1994 each of the nominees listed below was elected a director of Registrant to hold office until the next annual meeting of the stockholders and until his or her respective successor has been elected and qualified. Tabulated with the name of each of the nominees elected is the number of Common shares cast for each nominee and the number of Common shares withholding authority to vote for each nominee. There were no broker non-votes or abstentions with respect to the election of directors.

Nominee -----	Voted For -----	Withholding Authority -----
William R. Chaney	13,978,127	55,566
Jane Dudley	13,975,786	57,907
Samuel L. Hayes III	13,978,190	55,503
Charles K. Marquis	13,978,379	55,314
Yoshiaki Sakakura	13,844,426	189,267
William A. Shutzer	13,978,094	55,599
Geraldine Stutz	13,941,033	92,660

At such meeting, the stockholders approved the appointment of Coopers & Lybrand as independent auditors of the Company's fiscal 1994 financial statements. With respect to such appointment, 13,951,494 shares were voted to approve, 15,711 shares were voted

against, and 66,488 shares abstained from voting. There were no broker non-votes with respect to the approval of the appointment of Coopers & Lybrand.

At such meeting, the stockholders also approved the Company's 1986 Stock Option Plan (the "Plan"), as amended. Amendments made to the Plan in 1994 and approved by the stockholders (i) extended the term of the Plan (the date after which options under the Plan may not be granted) to January 31, 2001, (ii) increased by 500,000 the number of shares of Common Stock available for issuance under the Plan, (iii) require that the director committee which determines option grants under the Plan be comprised of at least two directors, each of whom is an "outside director" for the purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, and (iv) limit the maximum number of shares of Common Stock as to which options may be granted under the Plan to any one eligible employee during a fiscal year to 50,000. With respect to such approval, 9,841,407 shares were voted to approve, 2,108,924 shares were voted against, and 318,761 shares abstained from voting. There were 1,764,601 broker non-votes with respect to the approval of the Company's 1986 Stock Option Plan, as amended.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

11 Statement re Computation of Per Share Earnings.

(b) Reports on Form 8-K

NONE

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TIFFANY & CO.
(Registrant)

Date: September 13, 1994

By: /s/ James N. Fernandez

James N. Fernandez
Senior Vice President - Finance
and Chief Financial Officer
(principal financial officer)

EXHIBIT INDEX

Exhibit Number		Sequentially Numbered Page *
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* This information appears only
in the manually signed copy of this
Report filed with the Securities and Exchange
Commission.

TIFFANY & CO. AND SUBSIDIARIES
STATEMENT RE COMPUTATION OF PER SHARE EARNINGS
(Unaudited)
(in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	July 31, 1994	July 31, 1993	July 31, 1994	July 31, 1993
PRIMARY EARNINGS PER SHARE:				
Net income/(loss) on which primary earnings per share are based	\$ 3,450 =====	\$(32,550) =====	\$ 5,326 =====	\$(31,513) =====
Weighted average number of shares on which primary earnings are based	15,895 =====	15,780 =====	15,845 =====	15,759 =====
Primary net income/(loss) per common share	\$ 0.22 =====	\$ (2.06) =====	\$ 0.34 =====	\$ (2.00) =====
FULLY DILUTED EARNINGS PER SHARE:				
Net income/(loss) on which primary earnings per share are based	\$ 3,450	\$(32,550)	\$ 5,326	\$(31,513)
Add:				
Interest and fees on convertible subordinated debt, net of applicable income taxes	494 -----	461 -----	988 -----	922 -----
Net income/(loss) on which fully diluted earnings per share are based	\$ 3,944 =====	\$(32,089) =====	\$ 6,314 =====	\$(30,591) =====
Weighted average number of common shares used in calculating fully diluted earnings per share	15,924	15,780	15,918	15,770
Shares assumed issued upon conversion of convertible debt, using "if converted" method	893 -----	893 -----	893 -----	893 -----
Weighted average number of shares used in calculating fully diluted earnings per share	16,817 =====	16,673 =====	16,811 =====	16,663 =====
Fully diluted net income/(loss) per common share	\$ 0.22 =====	\$ (2.06) =====	\$ 0.34 =====	\$ (2.00) =====

NOTE: In anticipation of the 6 3/8% Convertible Subordinated Debenture's dilutive effect in the fourth quarter, fully diluted earnings per share reflect the weighted average number of common shares outstanding under the "if converted" method which assumes conversion as of the bond issuance date of the Debentures. Since the "if converted" method had the effect of increasing fully diluted earnings per share (anti-dilutive) for the three and six months ended July 31, 1994, primary earnings per share was used for financial statement presentation purposes.

This schedule contains summary financial information extracted from the Company's consolidated balance sheets and consolidated statements of income submitted herewith and is qualified in its entirety by reference to such financial statements.

1,000

QTR-2	
JAN-31-1995	
MAY-01-1994	
JUL-31-1994	7,619
	0
	59,397
	(1,880)
	291,031
392,065	139,896
	(41,465)
	535,644
172,566	0
	157
0	0
	197,152
535,644	152,257
	73,336
152,257	143,239
	2,955
	383
2,659	6,063
	2,613
3,450	0
	0
	0
	3,450
	0.22
	0.22