

**The TJX Companies, Inc.**  
**Financial Reconciliations**

**Explanation of Non-GAAP Financial Measures**

The Company reports its financial results in accordance with generally accepted accounting principles in the U.S. (GAAP). However, management believes that certain non-GAAP financial measures used in managing the business may provide users of this financial information additional meaningful comparisons between current results and results in prior operating periods and between results in prior periods and expectations for future periods. Management believes that these non-GAAP financial measures can provide additional meaningful reflection of underlying trends of the business because they provide a comparison of historical information that excludes certain items that impact the overall comparability. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance.

The tables below provide supplemental non-GAAP financial data and corresponding reconciliations to GAAP financial measures. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP.

**Table 1: Reconciliation of Reported Earnings Per Share from Continuing Operations**

	Q4			Full Year		
	FY13 Actual	FY14 Actual	FY15 Actual	FY13 Actual	FY14 Actual	FY15 Actual
<b>EPS from continuing operations</b>	<b>\$0.82</b>	<b>\$0.81</b>	<b>\$0.93</b>	<b>\$2.55</b>	<b>\$2.94</b>	<b>\$3.15</b>
<i>Y/Y EPS Growth</i>		<i>(1%)</i>	<i>15%</i>		<i>15%</i>	<i>7%</i>
<u>Adjustments for items impacting comparability</u>						
Debt Extinguishment <sup>(1)</sup>						0.01
Tax Benefits <sup>(2)</sup>					(0.11)	
Impact of 53rd week in fiscal year	(0.08)			(0.08)		
<b>Adjusted EPS</b>	<b>\$0.74</b>	<b><u>\$0.81</u></b>	<b><u>\$0.93</u></b>	<b><u>\$2.47</u></b>	<b><u>\$2.83</u></b>	<b><u>\$3.16</u></b>
<i>Y/Y EPS Growth (Adjusted basis)</i>		<i>9%</i>	<i>15%</i>		<i>15%</i>	<i>12%</i>

**Note: Figures may not foot due to rounding.**

<sup>(1)</sup> On July 8, 2014 the Company redeemed its \$400 million 4.20% notes prior to their scheduled maturity of August 15, 2015, pursuant to the terms of the indenture and recorded a pre-tax loss on the early extinguishment of debt of \$16.8 million. The charge for the early extinguishment of this debt reduces net income for fiscal 2015 by \$0.01 per share.

<sup>(2)</sup> Due to reversal of state, federal and foreign tax reserves and allowances.

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Table 2: Reconciliation of Reported and Estimated Earnings Per Share from Continuing Operations

	Q1				Full Year			
	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>		<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	
	Actual	Actual	Guidance		Actual	Actual	Guidance	
			Low	High			Low	High
<b>EPS from continuing operations</b>	\$0.62	\$0.64	\$0.64	\$0.66	\$2.94	\$3.15	\$3.17	\$3.25
<i>Y/Y EPS Growth</i>		3%	0%	3%		7%	1%	3%
<u>Adjustments for items impacting comparability</u>								
Debt Extinguishment <sup>(1)</sup>						0.01		
Tax Benefits <sup>(2)</sup>					(0.11)			
<b>Adjusted EPS</b>	\$0.62	\$0.64	<u>\$0.64</u>	<u>\$0.66</u>	<u>\$2.83</u>	<u>\$3.16</u>	<u>\$3.17</u>	<u>\$3.25</u>
<i>Y/Y EPS Growth (Adjusted basis)</i>		3%	0%	3%		12%	0%	3%

**Note: Figures may not foot due to rounding.**

<sup>(1)</sup> On July 8, 2014 the Company redeemed its \$400 million 4.20% notes prior to their scheduled maturity of August 15, 2015, pursuant to the terms of the indenture and recorded a pre-tax loss on the early extinguishment of debt of \$16.8 million. The charge for the early extinguishment of this debt reduces net income for fiscal 2015 by \$0.01 per share.

<sup>(2)</sup> Due to reversal of state, federal and foreign tax reserves and allowances.

**Table 3: Reconciliation of Q4 FY14 to Q4 FY15 Margins <sup>(1)</sup>**

<b><u>FY14 Q4 Actual:</u></b>	Total TJX	Marmaxx	HomeGoods	TJX Canada	TJX Europe
FY14 Q4 profit margin on a GAAP basis	12.0%	13.4%	13.6%	14.5%	10.2%
<i>Less impact of foreign currency <sup>(2)</sup></i>	<u>(0.2)</u>	–	–	<u>(2.0)</u>	<u>0.3</u>
FY14 Q4 adjusted profit margin	11.8%	13.4%	13.6%	12.5%	10.5%
<b><u>FY15 Q4 Actual:</u></b>					
FY15 Q4 profit margin on a GAAP basis	12.4%	14.2%	14.8%	15.0%	10.7%
<i>Less impact of foreign currency <sup>(2)</sup></i>	<u>(0.3)</u>	–	–	<u>(2.2)</u>	<u>(0.4)</u>
FY15 Q4 adjusted profit margin	12.1%	14.2%	14.8%	12.8%	10.3%

**Note: Figures may not foot due to rounding.**

(1) Profit margin is pre-tax profit margin for Total TJX and segment profit margin for all of our business segments.

(2) Foreign currency includes the impact of translation as well as the mark-to-market adjustment of our inventory derivatives. Foreign currency translation only impacts Q4 FY15 to Q4 FY14 comparisons, therefore Q4 FY14 does not include an adjustment for translation.

**Table 4: Reconciliation of FY14 to FY15 Margins <sup>(1)</sup>**

<b><u>FY14 Full Year Actual:</u></b>	Total TJX	Marmaxx	HomeGoods	TJX Canada	TJX Europe
FY14 profit margin on a GAAP basis	12.1%	14.6%	12.9%	14.1%	7.6%
<i>Less impact of foreign currency <sup>(2)</sup></i>	-	-	-	(0.5)	0.2
FY14 adjusted profit margin	12.1%	14.6%	12.9%	13.6%	7.8%
<b><u>FY15 Full Year Actual:</u></b>	Total TJX	Marmaxx	HomeGoods	TJX Canada	TJX Europe
FY15 profit margin on a GAAP basis	12.2%	14.6%	13.6%	13.6%	8.2%
<i>Less impact of foreign currency <sup>(2)</sup></i>	-	-	-	(0.1)	(0.1)
<i>Loss on early extinguishment of debt <sup>(3)</sup></i>	0.1	-	-	-	-
FY15 adjusted profit margin	12.3%	14.6%	13.6%	13.5%	8.1%

**Note: Figures may not foot due to rounding.**

(1) Profit margin is pre-tax profit margin for Total TJX and segment profit margin for all of our business segments.

(2) Foreign currency includes the impact of translation as well as the mark-to-market adjustment of our inventory derivatives. Foreign currency translation only impacts FY15 to FY14 comparisons, therefore FY14 does not include an adjustment for translation.

(3) On July 8, 2014 the Company redeemed its \$400 million 4.20% notes prior to their scheduled maturity of August 15, 2015, pursuant to the terms of the indenture and recorded a pre-tax loss on the early extinguishment of debt of \$16.8 million.

**Table 5: Reconciliation of FY15 to FY16 Estimated Margins <sup>(1)</sup>**

<b>FY15 Full Year Actual:</b>	Total TJX	Marmaxx	HomeGoods	TJX Canada	TJX Europe
FY15 profit margin on a GAAP basis	12.2%	14.6%	13.6%	13.6%	8.2%
<i>Less impact of foreign currency <sup>(2)</sup></i>	(0.1)	-	-	(0.1)	(0.2)
<i>Loss on early extinguishment of debt <sup>(3)</sup></i>	<u>0.1</u>	—	—	—	—
FY15 profit margin as adjusted	12.2%	14.6%	13.6%	13.5%	8.0%
<b>FY16 Full Year Guidance:</b>					
FY16 estimated profit margin on a GAAP basis	11.6% - 11.8%	14.2% - 14.4%	13.2% - 13.4%	10.2% - 10.4%	7.8% - 8.0%
<i>Less estimated impact of foreign currency <sup>(2)</sup></i>	<u>0.1</u>	—	—	<u>1.1</u>	<u>0.1</u>
FY16 estimated profit margin as adjusted	11.7% - 11.9%	14.2% - 14.4%	13.2% - 13.4%	11.3% - 11.5%	7.9% - 8.1%

**Note: Figures may not foot due to rounding.**

(1) Profit margin is pre-tax profit margin for Total TJX and segment profit margin for all of our business segments.

(2) Foreign currency includes the impact of translation as well as the mark-to-market adjustment of our inventory derivatives. Foreign currency translation only impacts Estimated FY16 to FY15 comparisons, therefore FY15 does not include an adjustment for translation.

(3) On July 8, 2014 the Company redeemed its \$400 million 4.20% notes prior to their scheduled maturity of August 15, 2015, pursuant to the terms of the indenture and recorded a pre-tax loss on the early extinguishment of debt of \$16.8 million.

**Table 6: Reconciliation of Reported Earnings Per Share from Continuing Operations**

	<u>FY09</u> (53 weeks)	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u> (53 weeks)	<u>FY14</u>	<u>FY15</u>
<b>EPS from continuing operations</b>	<b>\$1.04</b>	<b>\$1.42</b>	<b>\$1.65</b>	<b>\$1.93</b>	<b>\$2.55</b>	<b>\$2.94</b>	<b>\$3.15</b>
<i>Y/Y EPS Growth</i>		<b>37%</b>	<b>16%</b>	<b>17%</b>	<b>32%</b>	<b>15%</b>	<b>7%</b>
Adjusted for non-operating items:							
<i>Impact of Intrusion(s) Reserve Adjustment</i>	(0.02)	--	(0.01)	--	--	--	--
<i>A.J. Wright Consolidation</i>							
<i>Impact of A.J. Wright Store Closings</i>	--	--	0.11	0.04	--	--	--
<i>Store Conversion / Grand Re-openings Costs</i>	--	--	--	0.02	--	--	--
<i>FIN 48 Tax Adjustment</i>	(0.01)	--	--	--	--	--	--
<i>Impact of 53d week in fiscal year</i>	(0.04)	--	--	--	(0.08)	--	--
<i>Tax Benefits <sup>(1)</sup></i>	--	--	--	--	--	(0.11)	--
<i>Debt Extinguishment</i>	--	--	--	--	--	--	0.01
<b>Adjusted EPS from continuing operations</b>	<b><u>\$0.96</u></b>	<b><u>\$1.42</u></b>	<b><u>\$1.75</u></b>	<b><u>\$1.99</u></b>	<b><u>\$2.47</u></b>	<b><u>\$2.83</u></b>	<b><u>\$3.16</u></b>
<i>Y/Y EPS Growth (Adjusted basis)</i>		<b>48%</b>	<b>23%</b>	<b>14%</b>	<b>24%</b>	<b>15%</b>	<b>12%</b>
					<b>6 Year CAGR to FY09</b>	Adjusted <b>22%</b>	GAAP Basis <b>20%</b>

**Note: Figures may not foot due to rounding.**

<sup>(1)</sup> Due to reversal of state, federal and foreign tax reserves and allowances

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Table 7: Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

	Full Year	
	<u>FY14</u>	<u>FY15</u>
Net cash provided by operating activities	\$ 2,600	\$ 3,008
Capital Spending	(947)	(912)
<b>Free cash flow</b>	<u>1,654</u>	<u>2,097</u>

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**Table 8: Calculation of Return on Invested Capital**

Calculation of Return on Invested Capital	Full Year	
	<u>FY14</u>	<u>FY15</u>
<b>Numerator</b>		
Pre Tax Income	\$ 3,319	\$ 3,550
<i>Add Interest Expense</i>	31	40
<i>Add Rent Expense</i>	1,238	1,322
<i>Tax Rate</i>	38.0%	37.6%
<b>Adjusted Operating Income</b>	<b><u>2,846</u></b>	<b><u>3,065</u></b>
<b>Denominator</b>		
<i>Average LT Debt</i>	1,024	1,449
<i>Average Shareholder's Equity</i>	3,948	4,247
<i>Average 8x Rent</i>	9,639	10,239
<i>Average Ending Cash + ST Investment</i>	(2,246)	(2,610)
<b>Average Invested Capital</b>	<b><u>12,365</u></b>	<b><u>13,325</u></b>
<b>Return on Invested Capital (ROIC)</b>	<b>23%</b>	<b>23%</b>

*Note: Figures may not foot due to rounding.*