

The TJX Companies, Inc. Q3 FY17 Sales & Margin Comparability Table

Total TJX	US\$ in Millions			%	
	Q3 FY17	Q3 FY16	\$ Change	Q3 FY17	Q3 FY16
Net Sales					
Reported net sales	8,292	7,753	538		
Foreign currency translation impact	145	0	145		
Adjusted net sales on a constant currency basis	8,437	7,753	683		
Pre-tax Profit	<u>TY</u>	<u>LY</u>	<u>\$ Change</u>	<u>TY</u>	<u>LY</u>
Reported pre-tax profit	890	941	(51)	10.7%	12.1%
Pension settlement charge ⁽¹⁾	31	0	31		
Debt extinguishment charge ⁽²⁾	52	0	52		
Adjusted pre-tax profit excluding third quarter charges	973	941	32	11.7%	12.1%
Mark-to-market impact of inventory derivatives	(4)	9	(13)		
Foreign currency translation impact	13	0	13		
Adjusted pre-tax profit excluding third quarter charges, mark-to-market and translation	981	950	31	11.6%	12.3%
TJX Canada (3)					
Net Sales					
Reported net sales	855	754	102		
Foreign currency translation impact	(4)	0	(4)		
Adjusted net sales on a constant currency basis	852	754	98		
Segment Profit	<u>TY</u>	<u>LY</u>	<u>\$ Change</u>	<u>TY</u>	<u>LY</u>
Reported segment profit	142	113	29	16.7%	15.0%
Mark-to-market impact of inventory derivatives	(9)	12	(21)		
Foreign currency translation impact	(1)	0	(1)		
Adjusted segment profit excluding mark-to-market and translation	133	125	7	15.6%	16.6%
TJX International (4)					
Net Sales					
Reported net sales	1,105	1,114	(8)		
Foreign currency translation impact	149	0	149		
Adjusted net sales on a constant currency basis	1,254	1,114	140		
Segment Profit	<u>TY</u>	<u>LY</u>	<u>\$ Change</u>	<u>TY</u>	<u>LY</u>
Reported segment profit	88	115	(27)	7.9%	10.4%
Mark-to-market impact of inventory derivatives	5	(3)	8		
Foreign currency translation impact	13	0	13		
Adjusted segment profit excluding mark-to-market and translation	106	112	(6)	8.4%	10.1%

(1) The Company recently offered eligible, former TJX Associates who had not yet commenced their pension benefit an opportunity to receive a voluntary lump sum payout of their vested pension benefit. The pension settlement charge reduced third quarter Fiscal 2017 pre-tax income by \$31 million.

(2) On October 12, 2016 the Company completed the redemption of \$375 million 6.95% notes. The charge for the early extinguishment of this debt reduced third quarter Fiscal 2017 pre-tax income by \$52 million.

(3) TJX Canada operates the Winners, HomeSense and Marshalls Canada chains.

(4) TJX International operates the T.K. Maxx chains in the U.K., Ireland, Germany, Austria, Poland, and the Netherlands, the HomeSense chain in the U.K., and, since October 2015, the Trade Secret chain in Australia.

Note: Foreign currency translation only impacts FY17 to FY16 comparisons.
Figures may not foot due to rounding.

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (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. 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 above provide supplemental financial data and corresponding reconciliations to GAAP financial measures for FY17. 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.

The TJX Companies, Inc.

First Nine Months FY17 Sales & Margin Comparability Table

	US\$ in Millions			%	
	First Nine Months FY17	First Nine Months FY16	\$ Change	First Nine Months FY17	First Nine Months FY16
Total TJX					
<u>Net Sales</u>					
Reported net sales	23,716	21,983	1,733		
Foreign currency translation impact	<u>335</u>	<u>0</u>	<u>335</u>		
Adjusted net sales on a constant currency basis	24,051	21,983	2,068		
<u>Pre-tax Profit</u>					
Reported pre-tax profit	2,629	2,592	37	11.1%	11.8%
Pension settlement charge ⁽¹⁾	31	0	31		
Debt extinguishment charge ⁽²⁾	<u>52</u>	<u>0</u>	<u>52</u>		
Adjusted pre-tax profit excluding third quarter charges	2,712	2,592	120	11.4%	11.8%
Mark-to-market impact of inventory derivatives	9	23	(14)		
Foreign currency translation impact	<u>26</u>	<u>0</u>	<u>26</u>		
Adjusted pre-tax profit excluding third quarter charges, mark-to-market and translation	2,748	2,615	132	11.4%	11.9%

	US\$ in Millions			%	
	First Nine Months FY17	First Nine Months FY16	\$ Change	First Nine Months FY17	First Nine Months FY16
TJX Canada (3)					
<u>Net Sales</u>					
Reported net sales	2,298	2,073	225		
Foreign currency translation impact	<u>69</u>	<u>0</u>	<u>69</u>		
Adjusted net sales on a constant currency basis	2,367	2,073	294		
<u>Segment Profit</u>					
Reported segment profit	322	278	44	14.0%	13.4%
Mark-to-market impact of inventory derivatives	0	19	(19)		
Foreign currency translation impact	<u>9</u>	<u>0</u>	<u>9</u>		
Adjusted segment profit excluding mark-to-market and translation	331	297	34	14.0%	14.3%

	US\$ in Millions			%	
	First Nine Months FY17	First Nine Months FY16	\$ Change	First Nine Months FY17	First Nine Months FY16
TJX International (4)					
<u>Net Sales</u>					
Reported net sales	3,126	2,946	179		
Foreign currency translation impact	<u>265</u>	<u>0</u>	<u>265</u>		
Adjusted net sales on a constant currency basis	3,391	2,946	445		
<u>Segment Profit</u>					
Reported segment profit	145	193	(47)	4.6%	6.5%
Mark-to-market impact of inventory derivatives	8	5	3		
Foreign currency translation impact	<u>17</u>	<u>0</u>	<u>17</u>		
Adjusted segment profit excluding mark-to-market and translation	171	197	(27)	5.0%	6.7%

(1) The Company recently offered eligible, former TJX Associates who had not yet commenced their pension benefit an opportunity to receive a voluntary lump sum payout of their vested pension benefit. The pension settlement charge reduced third quarter Fiscal 2017 pre-tax income by \$31 million.

(2) On October 12, 2016 the Company completed the redemption of \$375 million 6.95% notes. The charge for the early extinguishment of this debt reduced third quarter Fiscal 2017 pre-tax income by \$52 million.

(3) TJX Canada operates the Winners, HomeSense and Marshalls Canada chains.

(4) TJX International operates the T.K. Maxx chains in the U.K., Ireland, Germany, Austria, Poland, and the Netherlands, the HomeSense chain in the U.K., and, since October 2015, the Trade Secret chain in Australia.

Note: Foreign currency translation only impacts FY17 to FY16 comparisons.
Figures may not foot due to rounding.

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (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. 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 above provide supplemental financial data and corresponding reconciliations to GAAP financial measures for FY15. 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.