

**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**

	Full Year		
	<u>FY14</u> Actual	<u>FY15</u> Actual	<u>FY16</u> Actual
<b>EPS from continuing operations</b>	<b>\$2.94</b>	<b>\$3.15</b>	<b>\$3.33</b>
<i>Y/Y EPS Growth</i>		<i>7%</i>	<i>6%</i>
<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>	<b><u>\$2.83</u></b>	<b><u>\$3.16</u></b>	<b><u>\$3.33</u></b>
<i>Y/Y EPS Growth (Adjusted basis)</i>		<i>12%</i>	<i>5%</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 due August 2015, pursuant to the terms of the indenture and recorded a pre-tax loss on the early extinguishment of debt of \$16.8 million.

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

**Table 2: Reconciliation of Q4 FY15 to Q4 FY16 Margins <sup>(1)</sup>**

<b><u>FY15 Q4 Actual:</u></b>	Total TJX	Marmaxx	HomeGoods	TJX Canada	TJX International
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>(0.2)</u>	–	–	<u>(2.1)</u>	<u>(0.2)</u>
FY15 Q4 adjusted profit margin ex-fx	<u>12.2%</u>	14.2%	14.8%	12.9%	10.5%
<b><u>FY16 Q4 Actual:</u></b>					
FY16 Q4 profit margin on a GAAP basis	11.9%	14.2%	15.4%	12.5%	9.7%
<i>Less impact of foreign currency <sup>(2)</sup></i>	<u>(0.2)</u>	–	–	<u>(0.9)</u>	<u>(0.9)</u>
FY16 Q4 adjusted profit margin ex-fx	11.7%	14.2%	15.4%	11.5%	8.8%

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

(1) Profit margin is pre-tax profit margin for Total TJX and segment profit margin for each 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 FY16 to Q4 FY15 comparisons, therefore Q4 FY15 does not include an adjustment for translation.

**Table 3: Reconciliation of FY15 to FY16 Margins <sup>(1)</sup>**

<b><u>FY15 Full Year Actual:</u></b>	Total TJX	Marmaxx	HomeGoods	TJX Canada	TJX International
FY15 profit margin on a GAAP basis	12.2%	14.6%	13.6%	13.6%	8.2%
<i>Loss on early extinguishment of debt <sup>(2)</sup></i>	<u>0.1</u>	–	–	–	–
FY15 adjusted profit margin	12.3%	14.6%	13.6%	13.6%	8.2%
<i>Less impact of foreign currency <sup>(3)</sup></i>	<u>(0.1)</u>	–	–	<u>(0.1)</u>	<u>(0.2)</u>
FY15 adjusted profit margin ex-fx	12.2%	14.6%	13.6%	13.5%	8.0%
 <b><u>FY16 Full Year Actual:</u></b>					
FY16 profit margin on a GAAP basis	11.8%	14.3%	14.0%	13.1%	7.5%
<i>Less estimated impact of foreign currency <sup>(3)</sup></i>	<u>0</u>	–	–	<u>0.4</u>	<u>(0.3)</u>
FY16 adjusted profit margin ex-fx	11.8%	14.3%	14.0%	13.5%	7.2%

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

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

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

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

**Table 4: Reconciliation of FY16 to FY17 Estimated Margins <sup>(1)</sup>**

<b><u>FY16 Full Year Actual:</u></b>	Total TJX	Marmaxx	HomeGoods	TJX Canada	TJX International
FY16 profit margin on a GAAP basis	11.8%	14.3%	14.0%	13.1%	7.5%
<i>Less impact of foreign currency <sup>(2)</sup></i>	<u>0.0</u>	-	-	<u>0.4</u>	<u>(0.2)</u>
FY16 adjusted profit margin ex-fx	11.8%	14.3%	14.0%	13.6%	7.3%
<b><u>FY17 Full Year Guidance:</u></b>					
FY17 estimated profit margin on a GAAP basis	10.9% - 11.1%	13.6% - 13.8%	12.9% - 13.1%	11.7%- 11.9%	5.2% - 5.4%
<i>Less estimated impact of foreign currency <sup>(2)</sup></i>	<u>0.1</u>	-	-	<u>0.4</u>	<u>0.4</u>
FY17 estimated adjusted profit margin ex-fx	11.0% - 11.2%	13.6% - 13.8%	12.9% - 13.1%	12.1% - 12.3%	5.6% - 5.8%

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

(1) Profit margin is pre-tax profit margin for Total TJX and segment profit margin for each 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 FY17 to FY16 comparisons, therefore FY16 does not include an adjustment for translation.

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Table 5: Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

	Full Year	
	<u>FY15</u>	<u>FY16</u>
Net cash provided by operating activities	\$ 3,008	\$ 2,960
Capital Spending	(912)	(912)
<b>Free cash flow</b>	<u>2,097</u>	<u>2,048</u>

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

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**Table 6: Calculation of Return on Invested Capital**

Calculation of Return on Invested Capital	Full Year	
	<u>FY15</u>	<u>FY16</u>
<b>Numerator</b>		
Pre Tax Income	\$ 3,550	\$ 3,658
<i>Add Interest Expense</i>	40	46
<i>Add Rent Expense</i>	1,322	1,366
<i>Tax Rate</i>	37.6%	37.7%
<b>Adjusted Operating Income</b>	<b>3,065</b>	<b>3,157</b>
<b>Denominator</b>		
<i>Average LT Debt</i>	1,449	1,624
<i>Average Shareholder's Equity</i>	4,247	4,286
<i>Average 8x Rent</i>	10,239	10,749
<i>Average Ending Cash + ST Investment</i>	(2,610)	(2,612)
<b>Average Invested Capital</b>	<b>13,325</b>	<b>14,046</b>
<b>Return on Invested Capital (ROIC)</b>	<b>23%</b>	<b>22%</b>

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