



Carol Meyrowitz  
Chief Executive Officer  
TJX Investor Event  
October 26, 2011

## Key Points for Today

- Marmaxx potential ~2,400 stores
- HomeGoods potential ~750 stores
- Positive trends in Europe
- Strong start for Marshalls in Canada
- E-Commerce opportunity
- Tremendous confidence in TJX: focused on 4 major businesses



## One TJX / All About VALUE

- Live and breathe VALUE
- Four pillars of VALUE:  
Fashion, Quality, Brand, Price
- Smarter consumers demanding VALUE
- VALUE drives investment/cost cutting
- World has turned toward VALUE



## Powerful Brands

- Great opportunities with power of our brands
- Globalization amplifies brands
- Leverage across brands
- E-Commerce can further strengthen brands
- Expand on our calling... VALUE



## Sourcing Machine

- Focus on VALUE and FLEXIBILITY
- Vendor universe >14,000
- Vendor relationships are paramount
  - Buyers in marketplace avg. of 40 weeks/year
  - Great flexibility in buying
- World class buyer training program
- Believe merchant group is beyond compare



## Efficient / Effective Supply Chain

- Have made great improvement... more to come
- Lean store inventories / faster turns
- Flexible distribution centers / engineered standards
- Right goods to right stores at right time
- Investing to get merchandise mix even more precise



## One of the Most Flexible Business Models in the World

- “No walls” model allows success through various cycles
- Speed of supply chain
- Buy into market trends
- Sharing of open-to-buy positions
- Giving customers what they want, when they want it



## Confidence in Future Growth

- Made significant market share gains in US / great opportunity for more
- Only ¼ of US adults shopped at TJ Maxx or Marshalls past year
- Tens of millions of shoppers to convert
- Market share opportunities even greater in Europe



## Real Estate Opportunities

- Very favorable real estate environment
- High vacancy rates / high demand for credit-worthy tenants
- Retail consolidation in Europe should help
- Flexibility: banners, locations, store sizes and formats

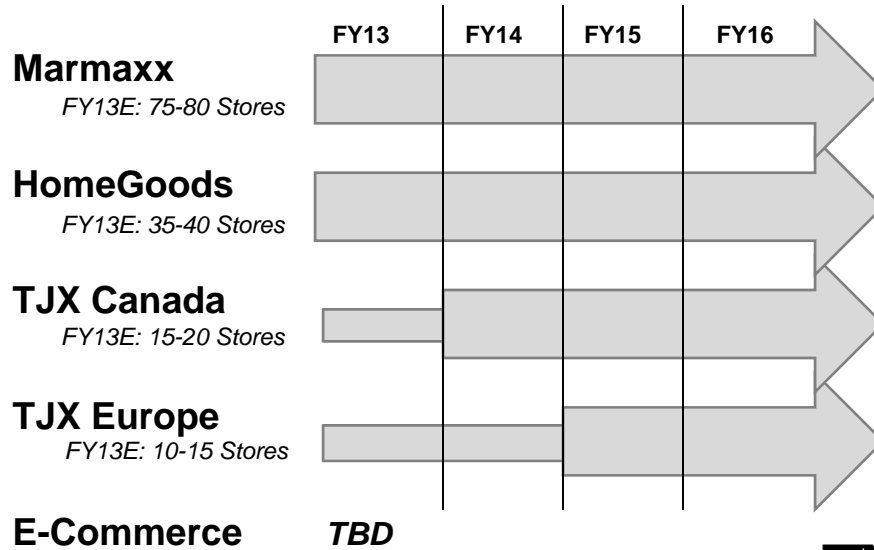


## E-Commerce Opportunity

- Compelling offering with great VALUE
- Leverage our bricks and mortar
- Convenient experience
- Investing to support online growth
- Right mix of brands, fashion, VALUE, price
- Our goal: Do it right and make money!
- Team in place to set strategy



## Pace of Growth Acceleration



## Raising The Bar

- Give the consumer what they want, when they want it
- Best-brand penetration / tremendous fashion / great values
- Constantly opening new vendor doors
- Supply chain: faster / more precise / increase value gap
- Marketing: stronger campaigns / higher penetration
- Continuing store remodels
- Reduce costs / drive returns
- Execution! Execution! Execution!
- VALUE! VALUE! VALUE!





Jeff Naylor  
Chief Financial and  
Administrative Officer

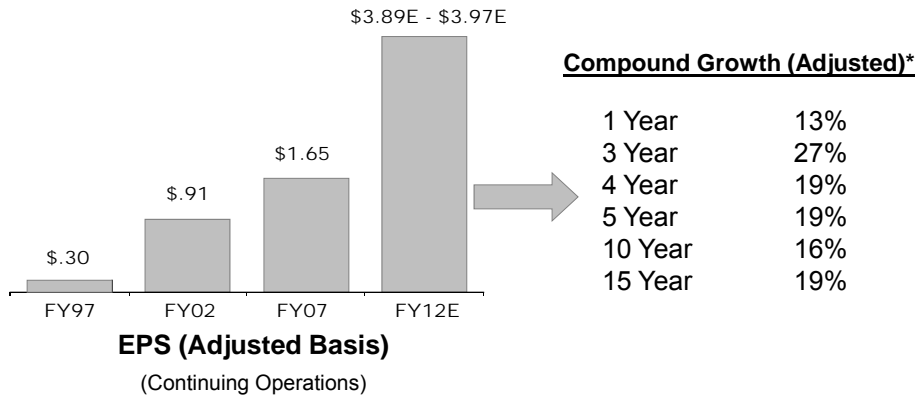
## Strong Results Expected in FY12

- Adjusted EPS up 11% to 14%
  - On top of adjusted growth of 23% in FY11 and 48% in FY10
- Comp store sales up 2% to 3% on top of very challenging comparisons
- Pretax profit margin flat to slightly up
  - Sustaining strong prior years' performance
- Continued increases in shareholder distributions

Adjusted Non-GAAP financial measures are reconciled to GAAP financial measures in Appendix.



## Another Year (FY12E) of Consistent EPS Growth



\*Represents midpoint of FY12 guidance.

Adjusted Non-GAAP financial measures are reconciled to GAAP financial measures in Appendix.



## Stronger EPS Growth Expected in Back Half FY12

### EPS Growth (Adjusted)

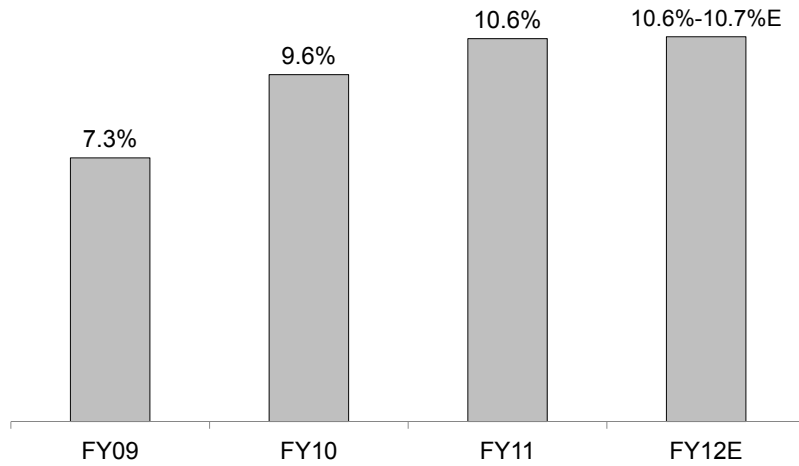
Q1	(3)%
Q2	23%
Q3 (Est.)	12%-16%
Q4 (Est.)	13%-17%
Full Year (Est.)	11%-14%

Adjusted Non-GAAP financial measures are reconciled to GAAP financial measures in Appendix.



## Profit Margins Sustained on a Full Year Basis...

### Pretax Profit Margin Full Year (Adjusted)

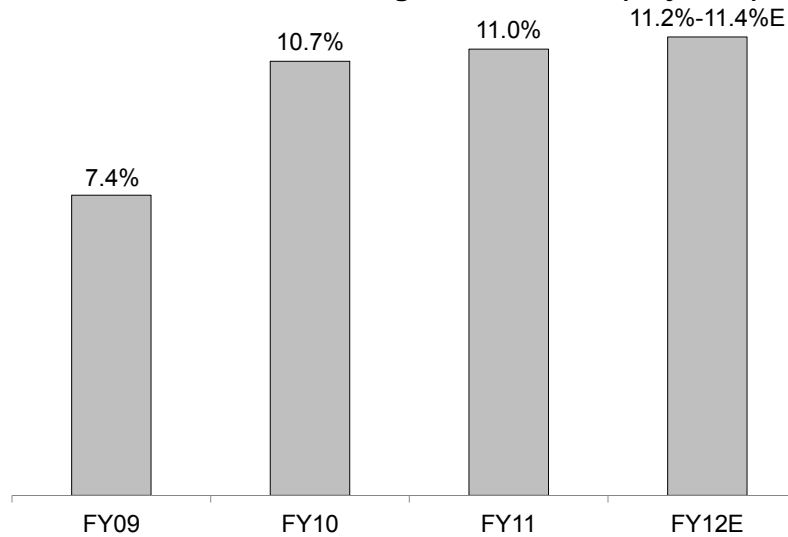


Adjusted Non-GAAP financial measures are reconciled to GAAP financial measures in Appendix.



## ...And Up in the Back Half

### Pretax Profit Margin Second Half (Adjusted)



Adjusted Non-GAAP financial measures are reconciled to GAAP financial measures in Appendix.



## Profit Model Continues to Support 10% - 13% Annual EPS Growth

### Three-Year Growth Model

Comp Store Sales	2%
Square Footage Growth	4% - 5%
<hr/>	
Total Sales	5% - 7%
Segment Profit Margin	1% - 2%
Share Repurchases	4%



## Profit Margin Potential by Business

### Segment Profit Margin

	<u>FY10</u>	<u>FY11</u>	<u>FY 12E</u>	<u>Potential</u>
Marmaxx	12.0%	13.3%	13.4%-13.5%	Maintain
HomeGoods	7.7%	9.5%	9.5%-9.7%	10%+
TJX Canada	11.8%	14.0%	12.9%-13.0%	Maintain
TJX Europe	7.2%	3.0%	3.1%-3.5%	8%+

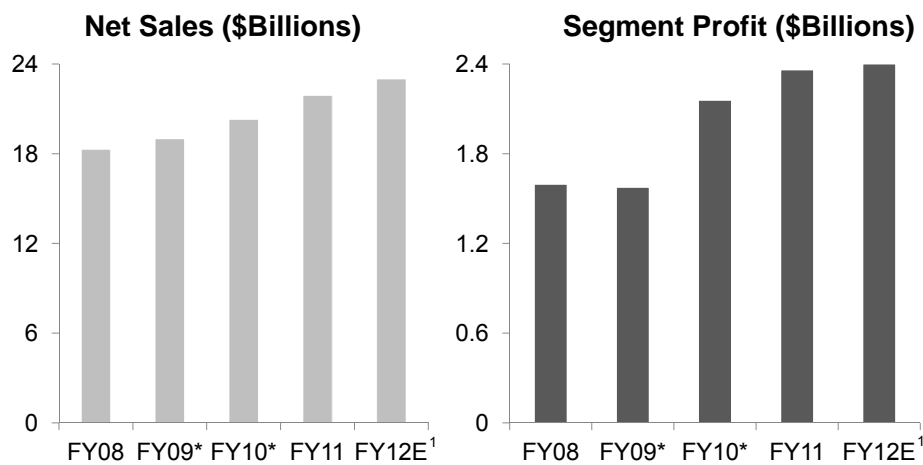


## Confidence in EPS Growth

- Importance of VALUE to customers
- Relatively under-penetrated businesses
- Many growth vehicles and opportunities
- AJ Wright no longer a drag on margins
- European comparisons get easier
- Pretax profit margin opportunities remain



## Track Record Also Gives Us Confidence in Growth



\* Recession

<sup>1</sup> Represents mid-point of guidance  
Adjusted Non-GAAP financial measures are reconciled to GAAP financial measures in Appendix.



## Consistent Return Excess Cash to Shareholders

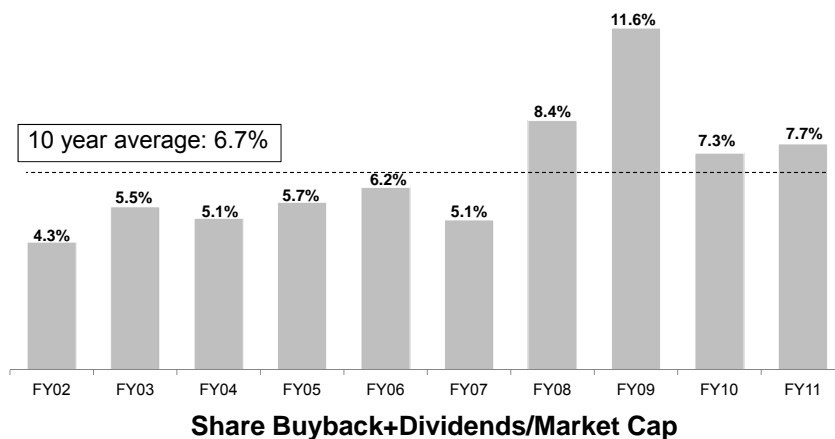
- Projected excess cash\* approx. \$1.2 - \$1.3 billion annually, next 3 years
- Repurchases totaled \$9.3 billion since 1997
  - Cumulative return in 15% range
- Dividend yield up to 1.3% vs. 0.9% five years ago
- Expect to continue distributing excess cash to shareholders through share buyback and dividend programs

\*Cash generated before share buybacks and dividends.



## Annual Distributions Represent 7% of Market Cap

Historical return to shareholders as % of market capitalization

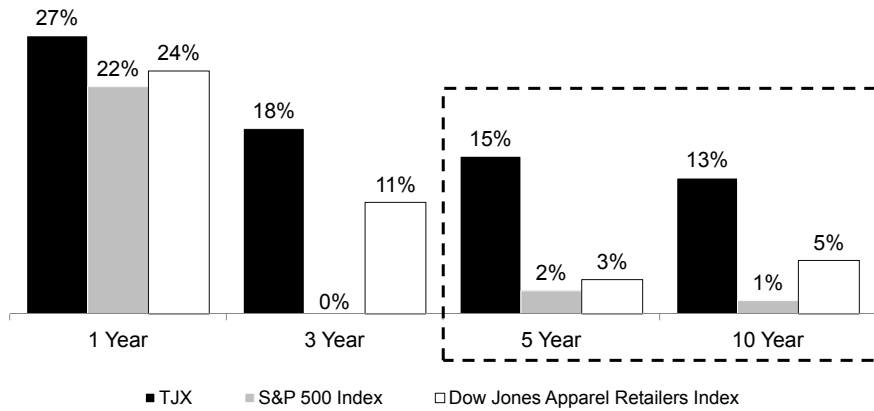


Note: Market Capitalization is as of the day prior to fiscal year end.



# Consistently Deliver Returns Greater than Overall Market/Retail Index

Compound Annual Rate of Total Return\*



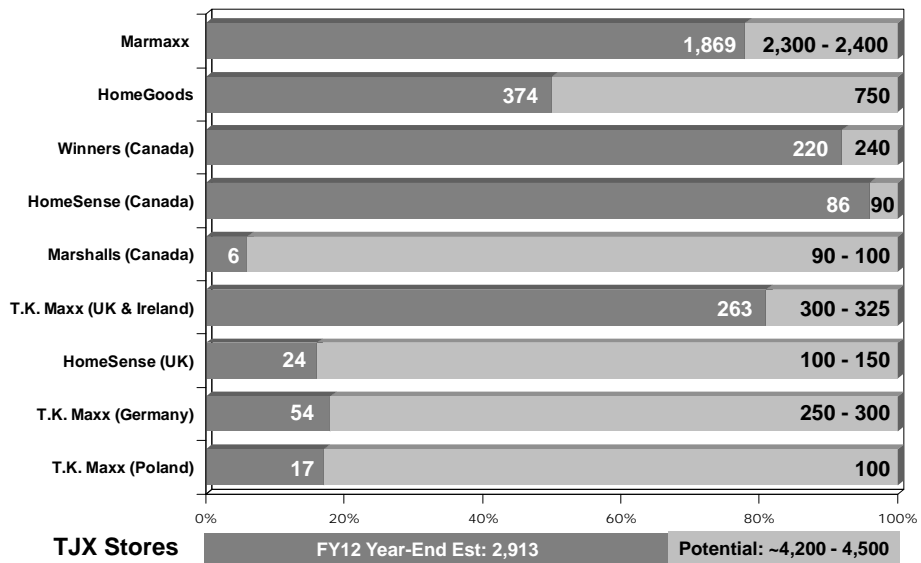
\*Total Return reflects stock price appreciation at year end and dividend reinvestment. Ending period FY11.





Ernie Herrman  
President

## Global Growth Potential



Store growth potential with current chains in current markets. Information as of 10/25/11.



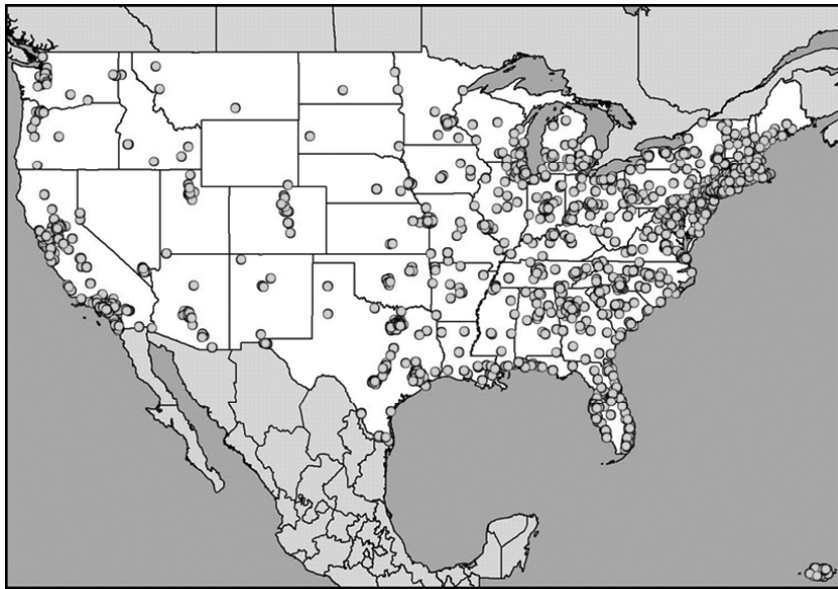
# Marmaxx

## Reasons for Our Confidence

- Wider demographic reach – in all directions
- Leverage larger organization / more profitable chains now serve moderate-income market
- Capitalize on US real estate vacancies
- Fill in smaller markets / draw from wider trading area



## Marmaxx Store Locations



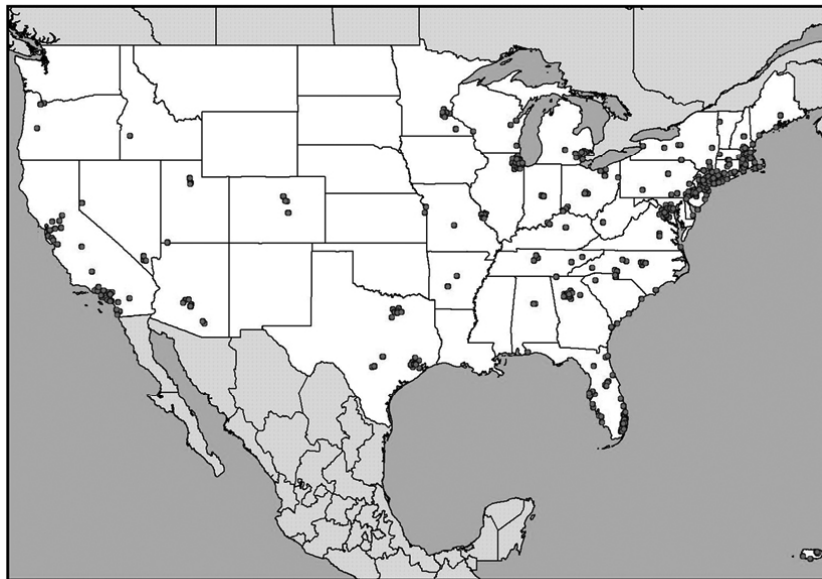
# Marmaxx

## Reasons for Our Confidence... Continued

- Strong new store performance
- Cannibalization levels in line / very encouraging
- Sales lifts in remodeled stores
  - 2/3rds of fleet now in new prototype
- Marmaxx profit estimated to reach \$2B this year!



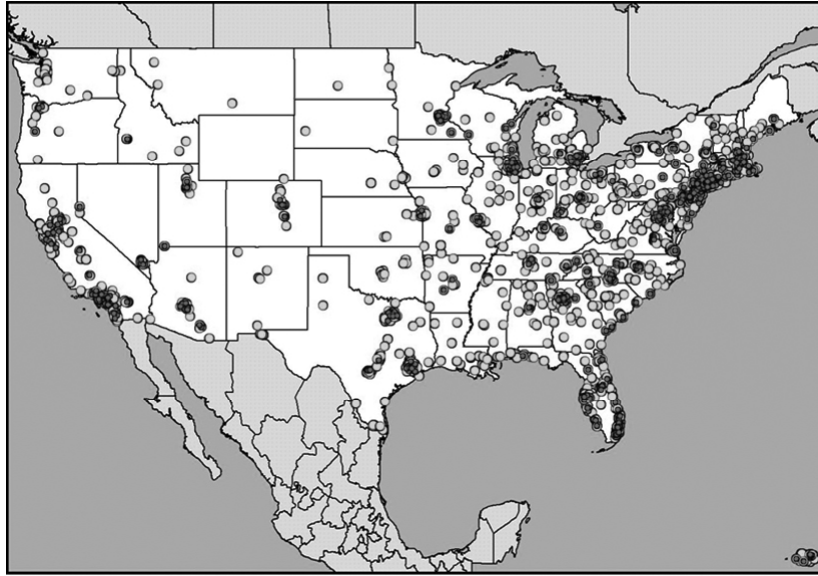
## HomeGoods Store Locations



Includes standalone and superstore locations



## Significant HomeGoods Opportunity



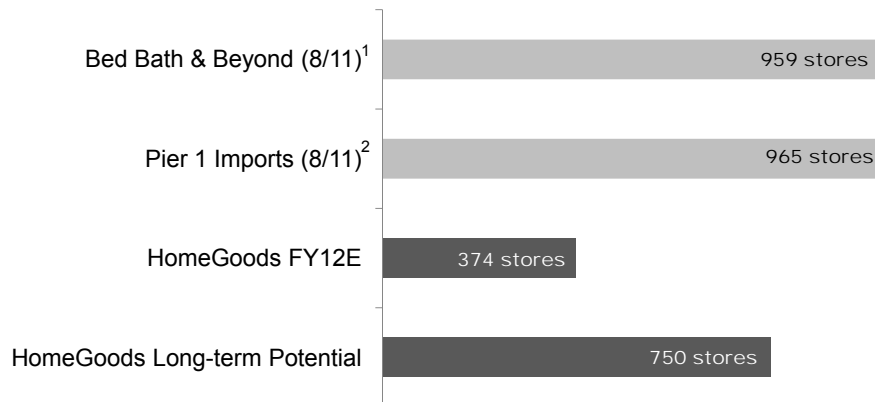
○ Marmaxx Locations

● HomeGoods Locations

Includes standalone and superstore locations



## HomeGoods Store Growth Opportunity



<sup>1</sup> Does not include a total of 171 Christmas Tree Shops, buybuy BABY and Harmon Stores or 27 Bed Bath & Beyond stores in Canada

<sup>2</sup> Does not include Canadian locations



# HomeGoods

## Reasons for Our Confidence

- Continued excellent top- and bottom-line performance
  - Strong results over challenging comparisons
- Strong new store performance
- Brisk in-store inventory turns
- Market share gains expected through notched-up advertising
- HomeGoods FY12 profit estimated to quintuple over FY09!



# TJX Europe

## Growth Strategy

- Slowed growth – after 3 years of acceleration – to stabilize business in FY12
- Seasoning organization / strengthening infrastructure
- Prudent approach / 2-3 year timeframe
- Great growth in just current markets with current concepts alone



# TJX Europe

## **Significant Growth Opportunities**

- TJX only major off-price retailer in Europe
- Capitalizing on retail consolidation:
  - UK vacancy rates at 11%\* / market share up for grabs
  - High-profile locations yield long-term benefit
  - Able to increase selling space without rent increases
- Europe lacks strong middle-tier department stores
- Germany: Aging department stores / lower RE costs
- Poland: Young, fashionable population / new real estate developments create opportunities

\*Source: The British Retail Consortium



# TJX Europe

## **Reasons for Our Confidence**

- Very strong track record through Q1 FY11
- Fundamentally strong business
- Off-price model resonates as much in Europe as it does in the US and Canada



## TJX Canada

### **Marshalls Growth Strategy**

- Differentiating Marshalls from Winners
  - Expanded footwear
  - The CUBE
  - Home fashions smaller percentage of business
- Plan to open 9 stores FY13
- With continued outperformance, potential to accelerate growth



## TJX Canada

### **Reasons for Our Confidence**

- Two-plus decades operating in Canada:
  - Built outstanding merchant organization
  - Established strong store operations infrastructure
  - Forged great vendor relationships
- Winners' very high brand awareness
- Canada strong market for TJX since 1990



## Store Inventory Turns Driving Sales/Profit Growth

- Moving merchandise with ever-increasing speed
- Buying closer to need = better buying
- Driving sales and merchandise margins
- Consolidated store inventories turning 10-11x/year
  - Up from ~8x/year 5 years ago
  - Pretax profit margin up 330 bps over same period
- FY08 to FY12: sales grew 24%;  
store base grew 21%; DCs stayed static at 17
- Opportunity to run even faster, even better



Confidence to grow TJX to be  
at least double the size we are today!

# The TJX Companies, Inc.

**SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995:**

Various statements made in this presentation are forward-looking and involve a number of risks and uncertainties. All statements that address activities, events or developments that we intend, expect or believe may occur in the future are forward-looking statements. The following are some of the factors that could cause actual results to differ materially from the forward-looking statements: global economies and credit and financial markets; foreign currency exchange rates; buying and inventory management; market, geographic and category expansion; customer trends and preferences; quarterly operating results; marketing, advertising and promotional programs; data security; seasonal influences; large size and scale; unseasonable weather; serious disruptions and catastrophic events; competition; personnel recruitment and retention; acquisitions and divestitures; information systems and technology; cash flows; consumer spending; merchandise quality and safety; merchandise importing; international operations; commodity prices; compliance with laws, regulations and orders; changes in laws and regulations; outcomes of litigation and proceedings; real estate leasing; market expectations; tax matters and other factors that may be described in our filings with the Securities and Exchange Commission, including in the Risk Factors section of our most recent annual report on Form 10-K. We do not undertake to publicly update or revise our forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied in such statements will not be realized.

**IMPORTANT INFORMATION AT WEBSITE:** The Company routinely posts information that may be important to investors in the Investor Information section at [www.tjx.com](http://www.tjx.com). The Company encourages investors to consult that section of its website regularly.

Reconciliations of Non-GAAP financial measures to GAAP financial measures are available at [www.tjx.com](http://www.tjx.com) under "Reconciliation of Financials."

**OTHER IMPORTANT INFORMATION:**

All references to sales, pretax margin and EPS are on a continuing operations basis.



**The TJX Companies, Inc.**  
**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 projections of non-GAAP financial data and corresponding reconciliations to GAAP financial measures and projected 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.

**Appendix 1: Reconciliation of GAAP Basis Earnings Per Share from Continuing Operations**

	<u>FY97</u>	<u>FY02</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u> (53 weeks)	<u>FY11</u>	<u>FY12*</u>
<b>EPS from continuing operations</b>	<b>\$0.30</b>	<b>\$0.91</b>	<b>\$1.65</b>	<b>\$1.68</b>	<b>\$2.08</b>	<b>\$3.30</b>	<b>\$3.82</b>
Adjusted for non-operating items:							
<i>Provision (Credit) for Computer Intrusion Related Costs</i>				\$0.25	(\$0.04)	(\$0.02)	
<i>Tax Adjustment</i>					(\$0.03)		
<i>Benefit from 53rd week</i>					(\$0.09)		
<i>Impact of A.J. Wright Store Closings</i>						\$0.21	\$0.08
<i>A.J. Wright Store Conversion / Grand Re-Opening Costs</i>							\$0.03
<b>Adjusted EPS</b>	<b>\$0.30</b>	<b>\$0.91</b>	<b>\$1.65</b>	<b>\$1.93</b>	<b>\$1.92</b>	<b>\$3.49</b>	<b>\$3.93</b>

\* Represents the mid-point of FY12 guidance as provided on 10/25/2011

	<b>CAGR</b>	
	<b>GAAP</b>	<b>Adjusted</b>
1 Year	16%	13%
3 Year	22%	27%
4 Year	23%	19%
5 Year	18%	19%
10 Year	15%	16%
15 Year	18%	19%

## Appendix 2: Reconciliation of Fiscal Pre-Tax Margin

(\$ million, except percentages)	<u>FY08</u>	<u>FY09</u> (53 Weeks)	<u>FY10</u>	<u>FY11</u>	<u>FY12</u> Low	<u>FY12</u> High
Net Sales from Continuing Operations	18,337	19,000	20,288	21,942	23,022	23,166
A.J. Wright Net Sales				(279)	(9)	(9)
Benefit from 53rd Week		<u>(266)</u>				
<b>Adjusted Net Sales from Continuing Operations (52 Weeks)</b>	<b>18,337</b>	<b>18,734</b>	<b>20,288</b>	<b>21,663</b>	<b>23,013</b>	<b>23,157</b>
Pre-Tax Profit from Continuing Operations	1,260	1,451	1,952	2,164	2,364	2,411
Impact of A.J. Wright Consolidation*				(141)	(70)	(70)
Benefit from 53rd Week		(59)				
Provision (Credit) for Computer Intrusion Related Costs	<u>197</u>	<u>(31)</u>		<u>12</u>		
<b>Adjusted Pre-Tax Profit from Continuing Operations</b>	<b>1,457</b>	<b>1,361</b>	<b>1,952</b>	<b>2,293</b>	<b>2,434</b>	<b>2,480</b>
Pre-Tax Margin from Continuing Operations	6.9%	7.6%	9.6%	9.9%	10.3%	10.4%
<b>Adjusted Pre-Tax Margin from Continuing Operations</b>	<b>7.9%</b>	<b>7.3%</b>	<b>9.6%</b>	<b>10.6%</b>	<b>10.6%</b>	<b>10.7%</b>

\*Includes expenses related to the A.J. Wright consolidation, including closing costs and additional operating losses related to the closure of A.J. Wright stores not closed in Q4 FY11, the costs related to the conversion of the former A.J. Wright stores to other TJX banners, and the costs related to grand re-opening events when the stores re-opened.

**Appendix 3: Reconciliation of Second Half Pre-Tax Margin**

(\$ million, except percentages)	<u>2H FY09</u>	<u>2H FY10</u>	<u>2H FY11</u>	<u>2H FY12</u> Low	<u>2H FY12</u> High
Net Sales from Continuing Operations	10,142	11,186	11,858	12,334	12,478
A.J. Wright Net Sales			<u>(279)</u>		
Benefit from 53rd Week	<u>(266)</u>				
<b>Adjusted Net Sales from Continuing Operations</b>	9,876	11,186	11,579	12,334	12,478
Pre-Tax Profit from Continuing Operations	817	1,199	1,131	1,375	1,421
Impact of A.J. Wright Consolidation*			142		
Benefit from 53rd Week	(58)				
Provision (Credit) for Computer Intrusion Related Costs	<u>(31)</u>				
<b>Adjusted Pre-Tax Profit from Continuing Operations</b>	729	1,199	1,272	1,375	1,421
Pre-Tax Margin from Continuing Operations	8.1%	10.7%	9.5%	11.2%	11.4%
<b>Adjusted Pre-Tax Margin from Continuing Operations</b>	<b>7.4%</b>	<b>10.7%</b>	<b>11.0%</b>	<b>11.2%</b>	<b>11.4%</b>

\*Includes expenses related to the A.J. Wright consolidation, including closing costs and additional operating losses related to the closure of A.J. Wright stores not closed in Q4 FY11, the costs related to the conversion of the former A.J. Wright stores to other TJX banners, and the costs related to grand re-opening events when the stores re-opened.

**Appendix 4: Reconciliation of FY11 and FY12 Quarterly EPS Growth**

<u>FY12</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>		<u>Q4</u>		<u>FY</u>	
			Low	High	Low	High	Low	High
<b>EPS from continuing operations</b>	\$0.67	\$0.90	\$1.03	\$1.07	\$1.19	\$1.23	\$3.78	\$3.86
Adjusted for non-operating items:								
<i>Impact of A.J. Wright Store Closings</i>	\$0.08						\$0.08	
<i>A.J. Wright Store Conversion / Grand Re-Opening Costs</i>	\$0.03						\$0.03	
<b>Adjusted EPS</b>	<u>\$0.78</u>	<u>\$0.90</u>	<u>\$1.03</u>	<u>\$1.07</u>	<u>\$1.19</u>	<u>\$1.23</u>	<u>\$3.89</u>	<u>\$3.97</u>
<u>FY11</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>		<u>Q4</u>		<u>FY</u>	
<b>EPS from continuing operations</b>	\$0.80	\$0.74	\$0.92		\$0.83		\$3.30	
Adjusted for non-operating items:								
<i>Provision (Credit) for Computer Intrusion Related Costs</i>		(\$0.01)					(\$0.02)	
<i>Impact of A.J. Wright Store Closings</i>					\$0.22		\$0.21	
<b>Adjusted EPS</b>	<u>\$0.80</u>	<u>\$0.73</u>	<u>\$0.92</u>		<u>\$1.05</u>		<u>\$3.49</u>	
<u>FY11 vs. FY12</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>		<u>Q4</u>		<u>FY</u>	
			Low	High	Low	High	Low	High
<b>Reported EPS Growth</b>	(16%)	22%	12%	16%	43%	48%	15%	17%
<b>Adjusted EPS Growth</b>	(3%)	23%	12%	16%	13%	17%	11%	14%