FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

/X/ Quarterly Report under Section 13 and 15(d)
Of the Securities Exchange Act of 1934
Or
/ / Transition Report Pursuant to Section 13 and 15(d)
Of the Securities Exchange Act of 1934

For Quarter Ended October 27, 2001
Commission file number 1-4908

THE TJX COMPANIES, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	04-2207613
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
770 Cochituate Road Framingham, Massachusetts	01701
(Address of principal executive offices)	(Zip Code)

(508) 390-1000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X]. No [ ].

The number of shares of Registrant's common stock outstanding as of November 24, 2001: 272,738,553

PART I FINANCIAL INFORMATION
THE TJX COMPANIES, INC. AND CONSOLIDATED SUBSIDIARIES
STATEMENTS OF INCOME
(UNAUDITED)
DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS

	Thirteen Weeks Ended	
	October 27, 2001	October 28, 2000
Net sales	$ 2,741,769	$ 2,461,411
Cost of sales, including buying and occupancy costs	2,059,996	1,807,748
Selling, general and administrative expenses	431,721	385,666
Interest expense, net	8,537	9,379
Income from continuing operations before provision for income taxes	241,515	258,618
Provision for income taxes	92,017	100,344
Income from continuing operations	149,498	158,274
Loss related to discontinued operations, net of income taxes	(40,000)	--
Net Income	$ 109,498	$ 158,274
Earnings per share:		
Income from continuing operations:		
Basic	$ .55	$ .56
Diluted	$ .54	$ .56
Net income:		
Basic	$ .40	$ .56
Diluted	$ .40	$ .56
Cash dividends declared per share	$ .045	$ .04

The accompanying notes are an integral part of the financial statements.

PART I FINANCIAL INFORMATION

THE TJX COMPANIES, INC. AND CONSOLIDATED SUBSIDIARIES

STATEMENTS OF INCOME

(UNAUDITED)

DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS

	Thirty-Nine Weeks Ended	
	October 27, 2001	October 28, 2000
Net sales	$ 7,500,286	$ 6,827,701
Cost of sales, including buying and occupancy costs	5,641,316	5,064,086
Selling, general and administrative expenses	1,218,434	1,088,097
Interest expense, net	18,441	17,206
Income from continuing operations before provision for income taxes	622,095	658,312
Provision for income taxes	237,018	255,425
Income from continuing operations	385,077	402,887
Loss related to discontinued operations, net of income taxes	(40,000)	--
Net Income	$ 345,077	$ 402,887
Earnings per share:		
Income from continuing operations:		
Basic	$ 1.39	$ 1.39
Diluted	$ 1.38	$ 1.38
Net income:		
Basic	$ 1.25	$ 1.39
Diluted	$ 1.24	$ 1.38
Cash dividends declared per share	$ .135	$ .12

The accompanying notes are an integral part of the financial statements.

THE TJX COMPANIES, INC. AND CONSOLIDATED SUBSIDIARIES
BALANCE SHEETS
(UNAUDITED)
IN THOUSANDS

	October 27, 2001	January 27, 2001	October 28, 2000
ASSETS			
Current assets:			
Cash and cash equivalents	$ 76,088	$ 132,535	$ 55,481
Accounts receivable	94,130	61,845	70,719
Merchandise inventories	1,990,920	1,452,877	1,949,730
Prepaid expenses and other current assets	64,474	74,690	47,923
Total current assets	2,225,612	1,721,947	2,123,853
Property at cost:			
Land and buildings	140,112	133,714	133,575
Leasehold costs and improvements, including capitalized leases	840,657	704,011	684,499
Furniture, fixtures and equipment	1,157,646	984,848	935,536
	2,138,415	1,822,573	1,753,610
Less accumulated depreciation and amortization	1,044,901	914,590	875,348
	1,093,514	907,983	878,262
Other assets	73,528	69,976	93,802
Deferred income taxes, net	65,096	47,391	40,955
Goodwill and tradename, net of amortization	180,576	184,986	186,411
TOTAL ASSETS	$ 3,638,326	$ 2,932,283	$ 3,323,283
LIABILITIES			
Current liabilities:			
Current installments of long-term debt	$ 351,285	$ 73	$ 155
Short-term debt	--	39,000	311,000
Accounts payable	882,631	645,672	881,224
Accrued expenses and other current liabilities	493,973	501,822	437,805
Federal and state income taxes payable	71,321	42,192	88,633
Total current liabilities	1,799,210	1,228,759	1,718,817
Other long-term liabilities	234,381	165,440	188,029
Capital lease obligations	30,656	--	--
Long-term debt, exclusive of current installments	319,430	319,372	319,357
Commitments and contingencies	--	--	--
SHAREHOLDERS' EQUITY			
Common stock, authorized 1,200,000,000 shares, par value $1, issued and outstanding 272,524,929; 280,378,675 and 279,772,945 shares, respectively	272,525	280,379	279,773
Additional paid-in capital	--	--	--
Accumulated other comprehensive income (loss)	(3,253)	(3,288)	(1,929)
Retained earnings	985,377	941,621	819,236
Total shareholders' equity	1,254,649	1,218,712	1,097,080
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 3,638,326	$ 2,932,283	$ 3,323,283

The accompanying notes are an integral part of the financial statements.

THE TJX COMPANIES, INC. AND CONSOLIDATED SUBSIDIARIES
STATEMENTS OF CASH FLOWS
(UNAUDITED)
IN THOUSANDS

	Thirty-Nine Weeks Ended	
	October 27, 2001	October 28, 2000
Cash flows from operating activities:		
Net income	$ 345,077	$ 402,887
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss from discontinued operations	40,000	--
Depreciation and amortization	152,386	130,985
(Gain) on sale of other assets	--	(722)
Property disposals	2,441	861
Tax benefit of employee stock options	21,125	1,052
Changes in assets and liabilities:		
(Increase) in accounts receivable	(32,474)	(15,454)
(Increase) in merchandise inventories	(544,165)	(731,587)
Decrease (increase) in deferred income taxes	8,823	(17,901)
Decrease (increase) in prepaid expenses and other current assets	9,976	(13,080)
Increase in accounts payable	239,961	270,835
(Decrease) increase in accrued expenses and other liabilities	(12,859)	26,346
Increase in income taxes payable	29,132	45,907
Other, net	(375)	(5,190)
Net cash provided by operating activities	259,048	94,939
Cash flows from investing activities:		
Property additions	(297,112)	(181,319)
Issuance of note receivable	(5,537)	(18,524)
Proceeds from sale of other assets	--	9,183
Net cash (used in) investing activities	(302,649)	(190,660)
Cash flows from financing activities:		
Proceeds from current year borrowings of short-term debt, net	--	311,000
Payments on short-term debt outstanding from prior year	(39,000)	--
Proceeds from borrowing of long-term debt	347,579	--
Payments on capital lease obligation	(697)	--
Principal payments on long-term debt	(67)	(100,273)
Cash payments for repurchase of common stock	(326,876)	(400,355)
Proceeds from sale and issuance of common stock, net	40,544	4,051
Cash dividends paid	(36,022)	(33,496)
Net cash (used in) financing activities	(14,539)	(219,073)
Effect of exchange rate changes on cash	1,693	(1,484)
Net (decrease) in cash and cash equivalents	(56,447)	(316,278)
Cash and cash equivalents at beginning of year	132,535	371,759
Cash and cash equivalents at end of period	$ 76,088	$ 55,481

The accompanying notes are an integral part of the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. The results for the first nine months are not necessarily indicative of results for the full fiscal year, because TJX's business, in common with the businesses of retailers generally, is subject to seasonal influences, with higher levels of sales and income generally realized in the second half of the year.

2. The preceding data are unaudited and reflect all normal recurring adjustments, the use of retail statistics, and accruals and deferrals among periods required to match costs properly with the related revenue or activity, considered necessary by TJX for a fair presentation of its financial statements for the periods reported, all in accordance with generally accepted accounting principles and practices consistently applied.

3. TJX's cash payments for interest and income taxes are as follows:

	Thirty-Nine Weeks Ended	
	October 27, 2001	October 28, 2000
	(In Thousands)	
Cash paid for:		
Interest on debt	$ 14,342	$ 20,669
Income taxes	$175,391	$225,558

Effective June 1, 2001, TJX recorded a capital lease asset and a related capital lease obligation (non-cash transaction) of $32.6 million in connection with the lease of 283,000 square feet of additional office space in Framingham, Massachusetts.

4. On August 20, 2001, Ames Department Stores, Inc filed a voluntary petition for relief under Chapter 11 of the Federal Bankruptcy Code. In 1988, TJX completed the sale of its former Zayre Stores division to Ames. Ames emerged from a prior bankruptcy under a plan of reorganization in 1992. TJX remains contingently liable on certain leases of the former Zayre stores still leased by Ames following the prior reorganization. TJX believes that its current reserve for discontinued operations is adequate to meet the costs it may incur with respect to the Ames bankruptcy and that its contingent liability for these leases will not have a material adverse effect on its financial condition, operating results or cash flows. TJX is not contingently liable with respect to substantially all of the leases for stores closed and leases rejected by Ames to date in its current reorganization.

On November 7, 2001, House2Home, Inc. filed for a voluntary petition for relief under Chapter 11 of the Federal Bankruptcy Code and subsequently announced its intention to liquidate the business. House2Home (formerly known as Waban, Inc. and HomeBase, Inc.) was spun off by TJX, along with BJ's Wholesale Club in 1989. In 1997, House2Home spun-off BJ's Wholesale Club Inc. and BJ's Wholesale Club, Inc. agreed to indemnify TJX for all liabilities relating to the House2Home leases with respect to the period through January 31, 2003, and 50% of such liabilities thereafter. As a result of House2Home's filing, TJX recorded an estimated after-tax charge of $40 million (net of income taxes of $27 million), or $.14 per share, for the present value of the potential contingent lease obligations associated with up to 41 House2Home locations. The charge was recorded in the third quarter ending October 27, 2001 as a loss relating to discontinued operations. If TJX were liable on all 41 of the leases, the discounted present value after-tax cost, without reflecting any mitigating factors, would be $64.6 million, net of the indemnification by BJ's Wholesale Club, Inc. The number and cost of the lease obligations for which TJX may have liability may be reduced by lease terminations, expirations, subletting, assignments, buyouts, lease modifications and other actions. TJX believes that its reserve appropriately reflects these possible outcomes and that any contingent liability for these leases will not have a material adverse effect on its financial condition, operating results or cash flows.

TJX is also contingently liable on certain leases of BJ's Wholesale Club, Inc. for which BJ's Wholesale Club, Inc. is primarily liable.

The contingent lease obligations with respect to TJX's former Hit or Miss division, which filed for bankruptcy and liquidated, have been substantially resolved and TJX believes that its current reserve for discontinued operations is adequate to meet the costs it may incur in connection with Hit or Miss.

5. Effective January 28, 2001, TJX implemented Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement requires that all derivatives be recorded on the balance sheet at fair value. TJX enters derivative contracts to hedge its net investment in foreign operations, and to hedge certain foreign denominated merchandise commitments and intercompany payables. The fair value of all its derivative contracts as of January 28, 2001, most of which were net investment hedge contracts, amounted to a net asset of $10.0 million, as compared to a carrying value of $11.6 million. This resulted in a reduction to accumulated other comprehensive income for the cumulative effect of an accounting change of $1.6 million.

   TJX records all of its hedge contracts at fair value. The change in fair value of the contracts designated as a hedge of the net investment in foreign operations resulted in a net gain, which was credited to other comprehensive income to offset losses of the translation adjustment of its foreign operations. The remainder of TJX's hedge contracts were either designated as fair value hedges or hedge accounting was not elected. The change in fair value of these contracts, which is immaterial, is reflected in current period earnings.

6. TJX's comprehensive income for the periods ended October 27, 2001 and October 28, 2000 is presented below:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 27, 2001	October 28, 2000	October 27, 2001	October 28, 2000
	(Dollars in thousands)		(Dollars in thousands)	
Net income	$ 109,498	$ 158,274	$ 345,077	$ 402,887
Other comprehensive income (loss):				
Cumulative effect of accounting change (SFAS 133)	--	--	(1,572)	--
Loss due to foreign currency translation adjustments	(1,435)	(5,566)	(3,786)	(14,433)
Gain on net investment hedge contracts	1,143	5,580	5,142	13,804
Amounts reclassified from other comprehensive income to net income	--	--	251	133
Comprehensive income	$ 109,206	$ 158,288	$ 345,112	$ 402,391

7. The computation of basic and diluted earnings per share is as follows:

	Thirteen Weeks Ended	
	October 27, 2001	October 28, 2000
	(Dollars in thousands) (except per share amounts)	
Income from continuing operations	$ 149,498	$ 158,274
Net income	$ 109,498	$ 158,274
Shares for basic and diluted earnings per share calculations:		
Average common shares outstanding for basic EPS	273,384,485	280,987,221
Dilutive effect of stock options and awards	2,695,347	1,946,497
Average common shares outstanding for diluted EPS	276,079,832	282,933,718
Income from continuing operations:		
Basic earnings per share	$ .55	$ .56
Diluted earnings per share	$ .54	$ .56
Net income:		
Basic earnings per share	$ .40	$ .56
Diluted earnings per share	$ .40	$ .56

	Thirty-Nine Weeks Ended	
	October 27, 2001	October 28, 2000
	(Dollars in thousands) (except per share amounts)	
Income from continuing operations	$ 385,077	$ 402,887
Net income	$ 345,077	$ 402,887
Shares for basic and diluted earnings per share calculations:		
Average common shares outstanding for basic EPS	276,310,351	290,051,195
Dilutive effect of stock options and awards	2,828,658	1,860,134
Average common shares outstanding for diluted EPS	279,139,009	291,911,329
Income from continuing operations:		
Basic earnings per share	$ 1.39	$ 1.39
Diluted earnings per share	$ 1.38	$ 1.38
Net income:		
Basic earnings per share	$ 1.25	$ 1.39
Diluted earnings per share	$ 1.24	$ 1.38

8. During the third quarter ended October 27, 2001, TJX repurchased 2.4 million shares of its common stock under its $1 billion stock repurchase program at a cost of $75.5 million. For the nine months ended October 27, 2001, TJX repurchased 10.9 million shares at a cost of $335.3 million. Since the inception of the $1 billion stock repurchase program through October 27, 2001, TJX repurchased 30.4 million shares at a cost of $716.9 million.

9. On February 13, 2001, TJX issued $517.5 million zero coupon convertible subordinated notes due February 2021 and raised gross proceeds of $347.6 million. The issue price of the notes represented a yield to maturity of 2% per year. The notes are convertible into 8.5 million shares of common stock if specified conditions are met. These conditions have not been met as of October 27, 2001 and thus the shares are excluded from the diluted earnings per share calculations. The holders of the notes have the right to require TJX to purchase the notes at the end of the first, third, sixth and twelfth year following the issuance date. As of October 27, 2001, TJX has classified the notes as current liabilities due to the February 2002 put option. If the holders exercise this option, TJX expects to fund the payment with cash, its short-term credit facility, new long-term borrowings or a combination thereof. Due to the February 2002 put option, the debt expense of approximately $8 million is being amortized over twelve months.

10. TJX evaluates the performance of its segments based on "operating income" which is defined as pre-tax income before general corporate expense, goodwill amortization and interest. Presented below is financial information on TJX's business segments.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 27, 2001	October 28, 2000	October 27, 2001	October 28, 2000
Net sales:				
Marmaxx	$ 2,271,893	$ 2,107,248	$ 6,269,190	$ 5,909,129
Winners *	179,797	161,019	463,881	409,417
T.K. Maxx	126,307	96,239	333,818	254,225
HomeGoods	125,181	77,038	335,836	203,325
A.J. Wright	38,591	19,867	97,561	51,605
	$ 2,741,769	$ 2,461,411	$ 7,500,286	$ 6,827,701
Operating income (loss):				
Marmaxx	$ 244,266	$ 248,992	$ 646,586	$ 658,250
Winners *	18,850	26,018	40,430	54,569
T.K. Maxx	2,149	5,646	6,408	4,683
HomeGoods	1,496	1,211	(2,392)	1,854
A.J. Wright	(3,108)	(4,002)	(10,183)	(11,549)
	263,653	277,865	680,849	707,807
General corporate expense	12,950	9,216	38,358	30,332
Goodwill amortization	651	652	1,955	1,957
Interest expense, net	8,537	9,379	18,441	17,206
Income from continuing operations before provision for income taxes	$ 241,515	$ 258,618	$ 622,095	$ 658,312

* Includes the operating results of the new HomeSense stores which commenced operations in April 2001.

11. In June 2001 the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets." This statement addresses how goodwill and other intangible assets should be accounted for after they have been initially recognized in the financial statements. We will implement SFAS No. 142 for our fiscal year beginning January 27, 2002. As a result of the new standard TJX will no longer amortize its goodwill or the Marshalls

tradename which has an indefinite life. This will increase annual net income by approximately $5 million, or $.02 per share.

In August 2001 the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." This statement addresses how impairments and disposals of long-lived assets should be accounted for and expands the scope of discontinued operations. TJX expects to implement SFAS No. 144 for the fiscal year beginning January 27, 2002 and believes the impact of the new standard is immaterial.

12. Certain amounts in the financial statements of the prior period have been reclassified for comparative purposes.

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

Thirty-Nine Weeks Ended October 27, 2001 Versus Thirty-Nine Weeks Ended October 28, 2000

All reference to earnings per share amounts are diluted earnings per share unless otherwise indicated.

Net sales for the third quarter of fiscal 2002 were $2,741.8 million, up 11% from $2,461.4 million last year. For the thirty-nine week period this year, net sales were $7,500.3 million, up 10% from $6,827.7 million for the same period last year. The increase in sales for both periods is attributable to the addition of new stores and an increase in same store sales. Consolidated same store sales increased 3% for the third quarter ended October 27, 2001 and increased 2% for the nine-month period.

Income from continuing operations for the third quarter was $149.5 million, or $.54 per share, versus $158.3 million, or $.56 per share last year. For the thirty-nine week period, income from continuing operations was $385.1 million, or $1.38 per share, versus $402.9 million, or $1.38 per share in the prior year. The thirteen weeks and thirty-nine weeks ended October 27, 2001, include an after-tax charge of $40 million, or $.14 per share, to discontinued operations for contingent lease obligations associated with House2Home, Inc. which was spun-off by TJX in 1989.

The following table sets forth operating results expressed as a percentage of net sales:

	Percentage of Net Sales			
	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 27, 2001	October 28, 2000	October 27, 2001	October 28, 2000
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales, including buying and occupancy costs	75.1	73.4	75.2	74.2
Selling, general and administrative expenses	15.7	15.7	16.2	15.9
Interest expense, net	.4	.4	.3	.3
Income from continuing operations before provision for income taxes	8.8%	10.5%	8.3%	9.6%

Cost of sales including buying and occupancy costs, as a percentage of net sales, increased for both periods. The increase in this ratio for the periods ended October 27, 2001, is largely due to aggressive pricing on some merchandise categories in response to the fall-off in consumer confidence caused by the September 11 attacks, our normal rapid markdown policy and, to a lesser extent, higher distribution costs. This pricing strategy helped to drive sales for the quarter, but had an adverse impact on merchandise margins. On a year-to-date basis, the increase in this ratio also reflects the effect of less than planned growth in sales. We expect distribution costs to continue to increase in the short term due to increased investment in our distribution center network.

Selling, general and administrative expenses, as a percentage of net sales, increased for the nine month period from the prior year due to higher store payroll costs in the first half of this fiscal year, primarily at Marmaxx, as well as the effect of less than planned growth in sales. The increase in store payroll costs is due to higher labor costs.

Interest expense, net includes interest income of $2.0 million in the third quarter of the current year versus $.9 million of interest income in the third quarter last year. The thirty-nine weeks ended this year includes interest income of $11.7 million versus $9.1 million of interest income last year. The increase in gross interest expense, over the comparable periods last year, is due to the amortization of the debt discount and debt expenses relating to zero coupon convertible notes issued in February 2001 (see Note 9 of the Notes to Consolidated Financial Statements for more information).

Our effective income tax rate was 38.1% for both the three months and the nine months ended October 27, 2001 versus 38.8% for both the three months and nine months ended October 28, 2000. The reduction in the income tax rate is attributable to tax benefits associated with our United Kingdom operations.

The following is a summary of key operating statistics of our business segments:
(US dollars in millions)

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 27, 2001	October 28, 2000	October 27, 2001	October 28, 2000
MARMAXX				
Net sales	$2,271.9	$2,107.2	$6,269.2	$5,909.1
Operating income	$ 244.3	$ 249.0	$ 646.6	$ 658.3
Operating margin	10.8%	11.8%	10.3%	11.1%
Percent increase in same store sales	3%	3%	2%	2%
Stores in operation at end of period			1,254	1,187
WINNERS				
Net sales	$ 179.8	$ 161.0	$ 463.9	$ 409.4
Operating income	$ 18.9	$ 26.0	$ 40.4	$ 54.6
Operating margin	10.5%	16.2%	8.7%	13.3%
Percent increase in same store sales (local currency)	3%	9%	3%	10%
Stores in operation at end of period				
Winners			129	116
HomeSense			7	--
T.K. MAXX				
Net sales	$ 126.3	$ 96.2	$ 333.8	$ 254.2
Operating income	$ 2.1	$ 5.6	$ 6.4	$ 4.7
Operating margin	1.7%	5.9%	1.9%	1.8%
Percent increase in same store sales (local currency)	0%	10%	5%	9%
Stores in operation at end of period			99	72

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 27, 2001	October 28, 2000	October 27, 2001	October 28, 2000
HOMEGOODS				
Net sales	$ 125.2	$ 77.0	$ 335.8	$ 203.3
Operating income (loss)	$ 1.5	$ 1.2	$ (2.4)	$ 1.8
Operating margin	1.2%	1.6%	(.7)%	.9%
Percent increase in same store sales	7%	0%	5%	5%
Stores in operation at end of period			109	69
A.J. WRIGHT				
Net sales	$ 38.6	$ 19.9	$ 97.6	$ 51.6
Operating (loss)	$ (3.1)	$ (4.0)	$ (10.2)	$ (11.5)
Operating margin	(8.1)%	(20.1)%	(10.4)%	(22.4)%
Percent increase in same store sales	18%	16%	19%	20%
Stores in operation at end of period			40	22

Marmaxx same store sales met our expectations for the quarter, but operating income for the thirteen weeks ended October 27, 2001, was slightly below last year. Operating income was negatively impacted by the aggressive pricing we initiated after September 11 to spur customer traffic. The results for the thirty-nine weeks ended October 2001, also reflect the impact of lower than planned sales and higher store payroll costs in the first half of this year.

Winners same store sales increases were below plan and operating income was less than the comparable periods last year. This operating performance is primarily due to Winners inventory position being above desired levels and the related costs incurred in the second and third quarter to move to a more liquid inventory position. The sales results of the new HomeSense stores are above expectations. The HomeSense operating results are included with Winners, but are not material.

In the third quarter, T.K. Maxx same store sales were flat and operating income was below the prior year. Results at this division were negatively impacted in the third quarter due to inventory above desired levels. In addition, unusually warm weather in the U.K. and Ireland throughout much of October negatively affected results. Operating income for the thirty-nine weeks ended October 27, 2001 was ahead of last year reflecting this division's strong sales performance in the first six months of this year.

HomeGoods same store sales have been aided by progress we have made in dealing with the distribution issues that adversely affected HomeGoods in the second half of last year. At the same time however, operating profits for the periods ending October 27, 2001 were impacted by the increase in distribution costs. Operating income for the thirteen weeks ended October 2001 was slightly ahead of last year. The operating income for the thirty-nine week period reflects the cost HomeGoods incurred in the second quarter to move to a more liquid inventory position.

The strong sales performance at A.J. Wright led to an improvement in their operating income and margins as compared to the prior year.

Financial Condition

Cash flows from operating activities for the nine months ended October 27, 2001 and October 28, 2000 reflect increases in inventories and accounts payable that are primarily due to normal seasonal requirements and new stores. The increase in net cash provided by operating activities for the nine months ended October 27, 2001, as compared to the prior year, is primarily the result of a fresher and more liquid inventory position.

Investing activities relate primarily to our property additions which are higher than the comparable period last year due to our accelerated store roll-out program and investment in our distribution center network. Investing activities for the period ended October 28, 2000 included proceeds of $9.2 million from the sale of all of our shares of Manulife Financial received as part of its demutualization in 1999, and $18.5 million of advances we made under a construction loan agreement in connection with the expansion of our leased home office facility.

During the first nine months of fiscal 2002 we repurchased 10.9 million shares at a total cost of $335.3 million as compared to the repurchase of 20.7 million shares at a cost of $396.1 million in the same period last year. Since the inception of the $1 billion stock repurchase program, through October 27, 2001, we have repurchased 30.4 million shares at a total cost of $716.9 million.

Financing activities for the period ending October 27, 2001 include the payment of $39 million of short-term debt outstanding at the end of the fiscal year ended January 27, 2001. Financing activities for the period ended October 27, 2001 also include proceeds of $347.6 million from the February 2001 issuance of $517.5 million zero coupon convertible subordinated notes due 2021. The holders of the notes have the right to require us to purchase the notes at the end of the first, third, sixth and twelfth year following the issuance date. As of October 27, 2001, we have classified the notes as current liabilities due to the February 2002 put option. If the holders exercise this option, TJX expects to fund the payment with cash, our short-term credit facility, new long-term borrowings, or a combination thereof.

In July 2001, we renewed our $250 million, 364-day revolving credit agreement through July 5, 2002. Our $500 million, five-year revolving credit facility extends through September 2002.

On August 20, 2001, Ames Department Stores, Inc filed a voluntary petition for relief under Chapter 11 of the Federal Bankruptcy Code. In 1988, we completed the sale of our former Zayre Stores division to Ames. Ames emerged from a prior bankruptcy under a plan of reorganization in 1992. TJX remains contingently liable on certain leases of the former Zayre stores still leased by Ames following the prior reorganization. We believe that our current reserve for discontinued operations is adequate to meet the costs we may incur with respect to the Ames bankruptcy and that any contingent liability for these leases will not have a material adverse effect on our financial condition, operating results or cash flows. TJX is not contingently liable with respect to substantially all of the leases for stores closed and leases rejected by Ames to date in its current reorganization.

On November 7, 2001, House2Home, Inc. filed for a voluntary petition for relief under Chapter 11 of the Federal Bankruptcy Code and subsequently announced its intention to liquidate the business. House2Home (formerly known as Waban, Inc. and HomeBase, Inc.) was spun off by TJX, along with BJ's Wholesale Club in 1989. In 1997, House2Home spun-off BJ's Wholesale Club Inc. and BJ's Wholesale Club, Inc. agreed to indemnify TJX for all liabilities relating to the House2Home leases with respect to the period through January 31, 2003, and 50% of such liabilities thereafter. As a result of House2Home's filing, TJX recorded an estimated after-tax charge of $40 million (net of income taxes of $27 million), or $.14 per share, for the present value of the potential contingent lease obligations associated with up to 41 House2Home locations. The charge was recorded in the third quarter ending October 27, 2001 as a loss relating to discontinued operations. If TJX were liable on all 41 of the leases, the discounted present value after-tax cost, without reflecting any mitigating factors, would be $64.6 million, net of the indemnification by BJ's Wholesale Club, Inc. The number and cost of the lease obligations for which TJX may have liability may be reduced by lease terminations, expirations, subletting, assignments, buyouts, lease modifications and other actions. We believe that our reserve appropriately reflects these possible outcomes and that any contingent liability for these leases will not have a material adverse effect on our financial condition, operating results or cash flows.

TJX is also contingently liable on certain leases of BJ's Wholesale Club, Inc. for which BJ's Wholesale Club, Inc. is primarily liable.

New Accounting Pronouncements

In June 2001 the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets." This statement addresses how goodwill and other intangible assets should be accounted for after they have been initially recognized in the financial statements. We will implement SFAS No. 142 for our fiscal year beginning January 27, 2002. As a result of the new standard TJX will no longer amortize its goodwill or the Marshalls tradename which has an indefinite life. This will increase annual net income by approximately $5 million, or $.02 per share.

In August 2001 the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." This statement addresses how impairments and disposals of long-lived assets should be accounted for and expands the scope of discontinued operations. We expect to implement SFAS No. 144 for our fiscal year beginning January 27, 2002 and believe the impact of the new standard is immaterial.

Forward Looking Information

Certain statements contained in this report are forward-looking and involve a number of risks and uncertainties. Among the factors that could cause actual results to differ materially are the following: general economic conditions including affects of terrorist incidents and military actions and consumer demand and preferences; weather patterns in areas where we have concentrations of stores; competitive factors, including pressure from pricing and promotional activities of competitors; the impact of excess retail capacity and the availability of desirable store and distribution center locations on suitable terms; recruiting quality sales associates; the availability, selection and purchasing of attractive merchandise on favorable terms; potential disruptions in supply and duties, tariffs and quotas on imported merchandise, as well as economic and political problems in countries from which merchandise is imported; currency and exchange rate factors in our foreign operations; expansion of our store base, development of new businesses and application of our off-price strategies in foreign countries; our acquisition and divestiture activities; our ultimate liability with respect to leases relating to discontinued operations including indemnification and other factors affecting or mitigating our liability; and other factors that are or may be described in the Company's filings with the Securities and Exchange Commission. 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 therein will not be realized.

PART II. Other Information

Item 6(a) Exhibits

Item 6(b) Reports on Form 8-K

The Company did not file a current report on Form 8-K during the quarter ended October 27, 2001.

SIGNATURE

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.

THE TJX COMPANIES, INC.

(Registrant)

Date: December 11, 2001

/s/ Donald G. Campbell

Donald G. Campbell, Executive Vice President - Finance, on behalf of The TJX Companies, Inc. and as Principal Financial and Accounting Officer of The TJX Companies, Inc.