FILED PURSUANT TO RULE 424(B)(1)
REGISTRATION NO: 333-5501

PROSPECTUS

1,000,000 Shares

[LOGO] THE TJX COMPANIES, INC.
SERIES E CUMULATIVE CONVERTIBLE PREFERRED STOCK
(Participating Equity Preferred Stock[SM] -- PEPS[SM])
($1.00 par value)

All of the shares of the Series E Cumulative Convertible Preferred Stock, par value $1.00 per share ("Series E Preferred Stock" or "PEPS"), of The TJX Companies, Inc. ("TJX" or the "Company") offered hereby are being sold by the Selling Stockholder as described herein under "Selling Stockholder." None of the proceeds from the sale of the PEPS will be received by the Company.

The annual dividend rate payable with respect to each PEPS is $7.00, is cumulative and is payable quarterly in arrears on each January 1, April 1, July 1 and October 1, commencing on January 1, 1996. The liquidation preference applicable to each PEPS is equal to the sum of $100 and the amount of accrued and unpaid dividends thereon.

On November 17, 1998 (the "Automatic Conversion Date"), unless earlier converted at the option of the holder, each PEPS will convert automatically into (i) a number of shares (the "Conversion Shares") of the Company's Common Stock, par value $1.00 per share (the "Common Stock") equal to the applicable Exchange Rate (as defined) and (ii) the right to receive accrued and unpaid dividends thereon. The "Exchange Rate" is equal to (i) if the Current Market Price (as defined) is equal to or greater than $18.525 (the "Threshold Common Stock Price"), 5.398111 shares of Common Stock per PEPS, (ii) if the Current Market Price is less than the Threshold Common Stock Price but greater than $15.4375, the number of shares of Common Stock having a value (determined at the Current Market Price) equal to $100 and (c) if the Current Market Price is less than or equal to $15.4375, 6.477733 shares of Common Stock per PEPS. The Exchange Rate is subject to adjustment in certain events.

At any time prior to the close of business on the business day prior to the Automatic Conversion Date, each PEPS is convertible at the option of the holder thereof into 5.398111 shares of Common Stock, subject to adjustment in certain events. For a detailed description of the PEPS, see "Description of Series E Preferred Stock."

The PEPS have been approved for listing on the New York Stock Exchange (the "NYSE") under the Symbol "TJX PrE", subject to official notice of issuance. The last reported sale price of the Common Stock on the NYSE on June 24, 1996 was $31.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATES SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

PRICE $171.34 PER PEPS

	PRICE TO PUBLIC	UNDERWRITING DISCOUNTS AND COMMISSIONS(1)	PROCEEDS TO SELLING STOCKHOLDER(2)
Per PEPS......................................	$171.34	$4.71	$166.63
Total(3)......................................	$171,340,000	$4,710,000	$166,630,000

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(1) The Company, Melville Corporation and the Selling Stockholder have agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Underwriters."
(2) Before deducting expenses payable by the Selling Stockholder, estimated to be $150,000. Expenses payable by the Company are estimated to be $375,000.
(3) The Selling Stockholder has granted the Underwriters an option, exercisable within 30 days of the date hereof, to purchase up to 150,000 additional shares of Series E Preferred Stock at the price to public less underwriting discounts and commissions for the purpose of covering over-allotments, if any. If the Underwriters exercise such option in full, the total price to public, underwriting discounts and commissions and proceeds to the Selling Stockholder will be $197,041,000, $5,416,500 and $191,624,500, respectively. See"Underwriters."
[SM] Service Mark of Morgan Stanley & Co. Incorporated.

The PEPS are offered, subject to prior sale, when, as and if accepted by the Underwriters and subject to approval of certain legal matters by Latham & Watkins, counsel for the Underwriters. It is expected that delivery of the PEPS will be made on or about June 28, 1996 at the offices of Morgan Stanley & Co. Incorporated, New York, New York, against payment therefor in immediately available funds.

MORGAN STANLEY & CO.
Incorporated

CS FIRST BOSTON

SALOMON BROTHERS INC

June 24, 1996

No person is authorized in connection with any offering made hereby to give any information or to make any representation not contained or incorporated by reference in this Prospectus, and any information or representation not contained or incorporated herein must not be relied upon as having been authorized by the Company or the Underwriters. This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any security other than the securities covered by this Prospectus, nor does it constitute an offer or solicitation by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. Neither the delivery of this Prospectus at any time nor any sale made hereunder shall under any circumstance imply that the information herein is correct as of any date subsequent to the date hereof.

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IN CONNECTION WITH ANY OFFERING OF SERIES E PREFERRED STOCK HEREUNDER AT FIXED PRICES, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SHARES OF SERIES E PREFERRED STOCK AND/OR COMMON STOCK OF THE COMPANY AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NEW YORK STOCK EXCHANGE, IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

DURING THIS OFFERING, CERTAIN PERSONS AFFILIATED WITH PERSONS PARTICIPATING IN THE DISTRIBUTION MAY ENGAGE IN TRANSACTIONS FOR THEIR OWN ACCOUNTS OR FOR THE ACCOUNTS OF OTHERS IN THE SERIES E PREFERRED STOCK AND/OR COMMON STOCK OF THE COMPANY PURSUANT TO EXEMPTIONS FROM RULES 10b-6, 10b-7, AND 10b-8 UNDER THE SECURITIES EXCHANGE ACT OF 1934.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents previously or simultaneously filed with the Securities and Exchange Commission (the "Commission") (File No. 1-4908) are incorporated herein by reference:

(a) The Company's Annual Report on Form 10-K for the fiscal year ended January 27, 1996;

(b) The Company's Quarterly Report on Form 10-Q for the thirteen weeks ended April 27, 1996;

(c) The Company's Current Report on Form 8-K dated May 24, 1996 (filed June 5, 1996);

(d) The Company's Current Report on Form 8-K dated June 18, 1996 (filed June 20, 1996);

(e) The Company's Amendment No. 4 on Form 8-A/A dated June 3, 1996 to the Company's Registration Statement on Form 8-A in respect of the Common Stock, including without limitation the description of the Common Stock set forth therein; and

(f) The consolidated financial statements of Marshalls of Roseville, Minn., Inc. and the unaudited pro forma condensed consolidated financial statements of the Company set forth in the Company's Amendment No. 1 on Form 8-K/A dated November 17, 1995 (filed January 31, 1996).

All documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") after the date of this Prospectus and prior to the termination of the offering made hereby shall be incorporated by reference into this Prospectus and shall be deemed to be a part of this Prospectus from the date of filing of such documents. See "Available Information." Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded to the extent that a statement contained in this Prospectus or in the accompanying Prospectus Supplement, or in any other subsequently filed incorporated document, modifies or supersedes such statement. The Company will provide, upon written or oral request, without charge, to each person to whom a copy of this Prospectus has been delivered, a copy of any or all of the documents which have been or may be incorporated in this Prospectus by reference, other than certain exhibits to such documents. Requests for such copies should be directed to: The TJX Companies, Inc., 770 Cochituate Road, Framingham, Massachusetts 01701 (telephone (508) 390-1000), Attention: Sherry Lang, Manager of Investor Relations.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Exchange Act, and, in accordance therewith, files periodic reports, proxy materials and other information with the Commission. Such reports, proxy materials and other information filed by the Company can be inspected and copied at the public reference facilities maintained by the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, and at the Commission's regional offices at 7 World Trade Center, 13th Floor, New York, New York 10048, and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such material can be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. The Commission maintains a Web site that contains reports, proxy and information statements and other information regarding the Company; the address of such site is http://www.sec.gov. In addition, similar information concerning the Company can be inspected at the NYSE, 20 Broad Street, New York, New York 10005.

This Prospectus constitutes a part of a Registration Statement on Form S-3 (together with all amendments and exhibits thereto, the "Registration Statement") filed by the Company with the Commission under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the securities offered hereby. This Prospectus does not contain all the information included in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. Reference is made to such Registration Statement and to the exhibits thereto for further information with respect to the Company and the PEPS.

SUMMARY

The following summary is qualified in its entirety by the detailed information appearing elsewhere or incorporated by reference in this Prospectus. The Company's fiscal year ends on the last Saturday in January and the Company identifies fiscal years by reference to the year in which the fiscal year ends. Thus, fiscal 1996 refers to the fiscal year ended January 27, 1996. All information as to stores currently in operation is as of January 27, 1996, except as otherwise specifically indicated.

THE COMPANY

The TJX Companies, Inc. is the largest off-price family apparel retailer in North America. The Company operated, as of January 27, 1996, 587 T.J. Maxx stores, the recently acquired Marshalls chain of 496 stores, and Winners Apparel Ltd., a Canadian off-price family apparel chain with 52 stores. TJX is also developing HomeGoods, a U.S. off-price home fashion chain with 22 stores, and T.K. Maxx, an off-price family apparel concept in the United Kingdom, which has 9 stores. The Company also has operated the Chadwick's of Boston off-price women's fashion catalog. The Company's mission is to consistently deliver value to its customers by providing rapidly changing assortments of brand-name merchandise at prices substantially below department and specialty store regular prices. Net sales of the Company for the fiscal year ended January 27, 1996 were $4.4 billion, including Marshalls' sales since its acquisition by TJX in November 1995. The Company's combined T.J. Maxx and Marshalls division represents the substantial majority of the Company's sales volume.

TJX completed the acquisition of Marshalls, an off-price family apparel chain, from Melville Corporation on November 17, 1995. The purchase price (before expenses) for the acquisition was $599.3 million, consisting of $375 million in cash, before closing adjustments, plus an additional $49.3 million (paid on April 30, 1996) based on the final closing balance sheet, plus $175 million in TJX convertible preferred stock. The convertible preferred stock consisted of the 1,500,000 PEPS offered hereby plus 250,000 shares of Series D Cumulative Convertible Preferred Stock.

As a result of the acquisition, TJX added 496 Marshalls stores to its existing base of 587 U.S. off-price family apparel stores as of January 27, 1996. Management believes that it will realize improved operating efficiencies for the combined entity through the integration of many administrative and operational functions as well as through increased purchasing leverage. In addition, through the acquisition of Marshalls, the Company will be able to decrease the amount of excess retail square footage in the competitive off-price retail sector through the closure of underperforming stores. During the period from the Marshalls acquisition through the end of fiscal 1998, the Company expects to close approximately 30 T.J. Maxx stores and 170 Marshalls stores. TJX established a $244.1 million reserve in the allocation of the purchase price of Marshalls relating primarily to the anticipated closing of these approximately 170 Marshalls stores. In addition, TJX recorded a charge of $35 million for the closing of these approximately 30 T.J. Maxx stores. The Company plans to retain the independent identities of the T.J. Maxx and Marshalls chains, including, but not limited to, certain elements of marketing, merchandising, product assortment and store appearance.

Both T.J. Maxx and Marshalls offer a broad range of brand-name family apparel, accessories, shoes, domestics, giftware and jewelry at prices generally 20% to 60% below department and specialty store regular prices. The Company's strategies for increasing sales and profitability at both T.J. Maxx and Marshalls include:

- Taking advantage of increased purchasing leverage to deliver lower prices, to increase the differential of the prices offered by T.J. Maxx and Marshalls as compared to those offered by department and specialty stores and to provide enhanced value to customers;

- Continuing the process of integrating Marshalls and T.J. Maxx and further consolidating duplicative functions and reducing associated operating expenses;

- Closing underperforming stores; and

- Improving the performance of Marshalls by implementing strategies utilized by T.J. Maxx such as increased brand-name focus, everyday low price strategy, disciplined markdown programs, and low operating expenses.

In September 1995, the Company sold its Hit or Miss chain of off-price women's specialty apparel stores. On May 24, 1996, the Company's subsidiary Chadwick's of Boston, Ltd. ("Chadwick's") filed with the Commission a Registration Statement (File No. 333-4427) related to the sale by the Company in an underwritten public offering of up to 9,260,000 shares (or approximately 61%), excluding 1,389,000 shares (or approximately 9%) subject to an underwriters' over-allotment option, of the common stock of Chadwick's, which operates the Chadwick's of Boston fashion catalog. The Company expects to reduce its ownership interest in Chadwick's over time, subject to prevailing market and other conditions.

THE OFFERING

Securities Offered.........	1,000,000 PEPS. The PEPS are shares of the Company's Series E Preferred Stock
Ranking....................	The PEPS offered hereby will rank, with respect to dividends and upon liquidation, dissolution or winding up, senior to the Common Stock, pari passu with the Company's outstanding Series D Cumulative Convertible Preferred Stock, par value $1.00 per share (the "Series D Preferred Stock") and, after the redemption or conversion of all shares of the Company's Series A Cumulative Convertible Preferred Stock, par value $1.00 per share (the "Series A Preferred Stock"), pari passu with the Company's Series C Cumulative Convertible Preferred Stock, par value $1.00 per share (the "Series C Preferred Stock"). For so long as any shares of Series A Preferred Stock remain outstanding, the PEPS will rank junior to the Series A Preferred Stock and the Series C Preferred Stock. The Company has given notice to the holders of the Series A Preferred Stock that it intends to redeem all outstanding shares of Series A Preferred Stock on June 24, 1996.
Dividends..................	The annual dividend rate payable with respect to each PEPS is $7.00, is cumulative and is payable quarterly in arrears on each January 1, April 1, July 1 and October 1, commencing January 1, 1996.
Mandatory Conversion.......	On November 17, 1998 the ("Automatic Conversion Date"), unless earlier converted at the option of the holder, each PEPS will convert automatically into (i) a number of shares of Common Stock equal to the Exchange Rate and (ii) the right to receive accrued and unpaid dividends thereon. The "Exchange Rate" is equal to (i) if the Current Market Price is equal to or greater than $18.525 (the "Threshold Common Stock Price"), 5.398111 shares of Common Stock per each PEPS, (ii) if the Current Market Price is less than the Threshold Common Stock Price but greater than $15.4375, the number of shares of Common Stock having a value (determined at the Current Market Price) equal to $100 and (c) if the Current Market Price is less than or equal to $15.4375, 6.477733 shares of Common Stock per each PEPS. The Exchange Rate is subject to adjustment in certain events. The "Current Market Price" generally means the average of the daily Closing Prices per share of Common Stock for the ten consecutive Trading Days immediately prior to, but not including, the Automatic Conversion Date.

Conversion at the Option of the Holder.................	At any time prior to the close of business on the business day prior to the Automatic Conversion Date, each PEPS is convertible at the option of the holder thereof into 5.398111 shares of Common Stock, subject to adjustment in certain events.
Liquidation Preference.....	The liquidation preference applicable to each PEPS is equal to the sum of $100 and the amount of accrued and unpaid dividends thereon.
Redemption at the Option of the Company................	The PEPS are not redeemable by the Company.
Voting Rights.............	Except as required by law or with respect to the creation or issuance of senior classes or series of preferred stock, the holders of PEPS will generally not be entitled to any voting rights unless the equivalent of six quarterly dividends payable on the PEPS are in arrears, in which case the number of directors of the Company will be increased by two and the holders of PEPS, voting separately as a class with the holders of shares of any other series of parity preferred stock upon which like voting rights have been conferred and are exercisable, will be entitled to elect two directors for a term of one year (or until the dividend arrearage has been paid).
Listing....................	The PEPS have been approved for listing on the NYSE under the symbol "TJX PrE", subject to official notice of issuance. The Common Stock is listed on the NYSE under the symbol "TJX".
Use of Proceeds...........	None of the proceeds from the sale of the PEPS will be received by the Company.

SUMMARY FINANCIAL DATA

The summary financial data reflects the Company's Hit or Miss division, which was sold on September 30, 1995, as a discontinued operation. On November 17, 1995 the Company acquired Marshalls. The Company has included the results of Marshalls in its consolidated results commencing November 18, 1995.

On May 24, 1996, the Company's subsidiary Chadwick's of Boston, Ltd. filed with the Commission a Registration Statement related to the sale by the Company in an underwritten public offering of up to 9,260,000 shares (or approximately 61%), excluding 1,389,000 shares (or approximately 9%) subject to an underwriters' over-allotment option, of the common stock of Chadwick's. (See "Pro Forma Condensed Consolidated Financial Statements.")

	FISCAL YEAR ENDED					13 WEEKS ENDED	
	JANUARY 25, 1992	JANUARY 30, 1993	JANUARY 29, 1994	JANUARY 28, 1995	JANUARY 27, 1996	APRIL 29, 1995	APRIL 27, 1996
	(IN MILLIONS, EXCEPT PER SHARE AND STORE AMOUNTS)						
INCOME STATEMENT DATA:							
Net sales	$2,380.6	$2,879.3	$3,253.5	$3,489.1	$4,447.5	$ 830.4	$1,604.2
Operating income(1)(2)	194.3	239.7	261.6	214.7	201.2	36.6	77.4
Income from continuing operations(2)	90.0	110.7	124.6	86.6	63.6	9.5	30.1
Net income(2)(3)	20.1	102.8	124.4	82.6	26.3	8.1	30.1
Earnings per common share from continuing operations(2)	$ 1.28	$ 1.49	$ 1.58	$ 1.08	$ .74	$ .11	$ .33
Dividends per common share(4)	0.46	0.46	0.50	0.56	0.49	0.14	0.07
Ratio of earnings to combined fixed charges and preferred stock dividends(5)	3.79x	3.65x	3.69x	2.52x	1.70x	1.47x	1.83x
CASH FLOW DATA:							
Earnings before interest, taxes, depreciation and amortization from continuing operations	$ 223.5	$ 259.7	$ 282.2	$ 238.9	$ 239.1	$ 44.4	$ 98.7
Capital expenditures	78.0	102.1	118.5	120.0	111.8	26.6	16.9
BALANCE SHEET DATA:							
Working capital(6)	$ 158.9	$ 244.2	$ 285.4	$ 277.2	$ 409.2	$ 267.9	$ 439.9
Total assets(6)	1,004.0	1,209.1	1,331.0	1,550.8	2,745.6	1,718.2	2,779.4
Long-term debt (exclusive of current installments)	307.4	179.8	210.9	239.5	690.7	238.5	679.7
Shareholders' equity	260.5	505.2	590.9	607.0	764.6	602.7	785.5
STORES IN OPERATION -- END OF PERIOD							
T.J. Maxx	437	479	512	551	587	558	590
Marshalls	--	--	--	--	496	--	494
Winners	9	15	27	37	52	39	57
HomeGoods	--	6	10	15	22	19	23
T.K. Maxx	--	--	--	5	9	6	9

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(1) Operating income is the pre-tax income from the business segments before interest and general corporate items. See "Selected Information by Major Business Segment."
(2) For fiscal 1996, reflects an after-tax charge of $21.0 million ($35 million pre-tax), or $.29 per share, for the estimated cost of closing approximately 30 T.J. Maxx stores in connection with the acquisition of Marshalls.
(3) Net income includes the results of and/or charges relating to discontinued operations. Discontinued operations relate to the Company's Hit or Miss division which was sold on September 30, 1995 and to a reserve established relating to lease liabilities from its former Zayre division. The Company sold the Zayre division in October 1988 to Ames Department Stores Inc. ("Ames"). In April 1990 Ames filed for bankruptcy and certain lease liabilities reverted back to the Company. The loss on disposal of discontinued operations includes a $50 million after-tax charge in fiscal 1992 relating to Zayre division and an after-tax charge of $31.7 million in fiscal 1996 relating to the sale of Hit or Miss. In addition to the foregoing after-tax charge, the income (loss) of the Hit or Miss division for all periods prior to September 30, 1995 is included in discontinued operations.
(4) In the fourth quarter of fiscal 1996, the Company reduced its quarterly dividend from $.14 to $.07 per share of Common Stock in order to utilize the approximately $20 million in annual dividend savings in support of its acquisition of Marshalls.
(5) For purposes of computing the ratio of earnings to fixed charges and preferred stock dividends, "earnings" represent income from continuing operations plus provision for taxes, interest expense and the interest portion of rentals. "Fixed charges" represents interest expense, capitalized interest, and a portion of rentals, which is considered representative of

the interest factor. "Preferred stock dividends" represent the preferred stock dividend requirements increased to an amount representing the pre-tax earnings that would be required to cover such dividend requirements.

(6) Excludes the net assets of the discontinued Hit or Miss division.

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THE COMPANY

GENERAL

The TJX Companies, Inc. is the largest off-price family apparel retailer in North America. The Company operated, as of January 27, 1996, 587 T.J. Maxx stores, the recently acquired Marshalls chain of 496 stores, and Winners Apparel Ltd., a Canadian off-price family apparel chain with 52 stores. TJX is also developing HomeGoods, a U.S. off-price home fashion chain with 22 stores, and T.K. Maxx, an off-price family apparel concept in the United Kingdom, which has 9 stores. The Company also has operated the Chadwick's of Boston off-price women's fashion catalog. The Company's mission is to consistently deliver value to its customers by providing rapidly changing assortments of brand-name merchandise at prices substantially below department store and specialty store regular prices. Net sales of the Company for the fiscal year ended January 27, 1996 were $4.4 billion, including Marshalls' sales since its acquisition by TJX in November 1995. The Company's combined T.J. Maxx and Marshalls division represents the substantial majority of the Company's sales volume.

TJX completed the acquisition of Marshalls, an off-price family apparel chain, from Melville Corporation on November 17, 1995. The purchase price (before expenses) for the acquisition was $599.3 million, consisting of $375 million in cash, before closing adjustments, plus an additional $49.3 million (paid on April 30, 1996) based on the final closing balance sheet, plus $175 million in TJX convertible preferred stock. The convertible preferred stock consisted of the 1,500,000 PEPS offered hereby plus 250,000 shares of Series D Cumulative Convertible Preferred Stock.

As a result of the acquisition, TJX added 496 Marshalls stores to its existing base of 587 U.S. off-price family apparel stores as of January 27, 1996. Management believes that it will realize improved operating efficiencies for the combined entity through the integration of many administrative and operational functions as well as through increased purchasing leverage. In addition, through the acquisition of Marshalls, the Company will be able to decrease the amount of excess retail square footage in the competitive off-price retail sector through the closure of underperforming stores. During the period from the Marshalls acquisition through the end of fiscal 1998, the Company expects to close approximately 30 T.J. Maxx stores and 170 Marshalls stores. TJX established a $244.1 million reserve in the allocation of the purchase price of Marshalls relating primarily to the anticipated closing of these approximately 170 Marshalls stores. In addition, TJX recorded a charge of $35 million for the closing of these approximately 30 T.J. Maxx stores. The Company plans to retain the independent identities of the T.J. Maxx and Marshalls chains, including, but not limited to, certain elements of merchandising, product assortment and store appearance.

Both T.J. Maxx and Marshalls offer a broad range of brand-name family apparel, accessories, shoes, domestics, giftware and jewelry at prices generally 20% to 60% below department and specialty store regular prices. The Company's strategies for increasing sales and profitability at both T.J. Maxx and Marshalls include:

- Taking advantage of increased purchasing leverage to deliver lower prices, to increase the differential of the prices offered by T.J. Maxx and Marshalls as compared to those offered by department and specialty stores and to provide enhanced value to customers;

- Continuing the process of integrating Marshalls and T.J. Maxx and further consolidating duplicative functions and reducing associated operating expenses;

- Closing underperforming stores; and

- Improving the performance of Marshalls by implementing strategies utilized by T.J. Maxx such as increased brand-name focus, everyday low price strategy, disciplined markdown programs, and low operating expenses.

In September 1995, the Company sold its Hit or Miss chain of off-price women's specialty apparel stores. On May 24, 1996, the Company's subsidiary Chadwick's of Boston, Ltd. filed with the Commission a Registration Statement (File No. 333-4427) related to the sale by the Company in an underwritten public offering of up to 9,260,000 shares (or approximately 61%), excluding 1,389,000 shares (or approximately 9%) subject to an underwriters' over-allotment option, of the common stock of Chadwick's, which operates the Chadwick's of Boston fashion catalog. The Company expects to reduce its ownership interest in Chadwick's over time, subject to prevailing market and other conditions.

T.J. MAXX

T.J. Maxx is the largest off-price family apparel chain in the United States. T.J. Maxx was founded by the Company in 1976 and operated, as of January 27, 1996, 587 stores in 48 states.

T.J. Maxx sells brand-name family apparel, accessories, giftware, domestics, women's shoes and fine jewelry at prices generally 20% to 60% below department and specialty store regular prices. T.J. Maxx's target customers are women between the ages of 25 to 50, who typically have families with middle and upper-middle incomes and who generally fit the profile of a department store shopper.

The ability to purchase merchandise at favorable prices and operate with a low cost structure is essential to T.J. Maxx's off-price mission. The chain uses opportunistic buying strategies to purchase large quantities of merchandise at significant discounts from initial wholesale prices. Those strategies include special situation purchases, closeouts of current season fashions and out-of-season purchases of fashion basic items for warehousing until the appropriate selling season. These buying strategies rely heavily on inventory controls that permit a virtually continuous "open-to-buy" position. In addition, highly automated warehousing and distribution systems track, allocate and deliver an average of 10,000 items per week to each store. Each T.J. Maxx store is currently serviced by one of the chain's four distribution centers in Worcester, Massachusetts; Evansville, Indiana; Las Vegas, Nevada; and Charlotte, North Carolina.

T.J. Maxx stores are generally located in suburban community shopping centers and average approximately 28,000 gross square feet in size. In recent years, T.J. Maxx has enlarged a number of stores to a larger format, approximately 30,000-40,000 gross square feet in size, and plans to continue its program of enlarging other successful stores. This larger format allows T.J. Maxx to expand all of its departments, with particular emphasis on its successful giftware and domestics departments and other non-apparel categories. During fiscal 1996, 41 stores were opened, including 22 of the new larger prototype, and 5 were closed. In addition, 17 existing stores were expanded to the larger format, bringing the total of T.J. Maxx stores in the larger format to 217. In fiscal 1997, approximately 30 stores are expected to be closed; approximately 25 new stores are planned, of which approximately 10 are expected to be larger stores, along with the planned expansion of about 19 existing locations.

MARSHALLS

Marshalls is the second largest off-price family apparel retailer in the United States. Marshalls operated, as of January 27, 1996, 496 stores in 38 states. Marshalls target customers fit a profile similar to those of T.J. Maxx. Marshalls merchandise is also similar to that carried by T.J. Maxx, except that Marshalls offers its customers a full-line shoe department, a larger men's department and costume, rather than fine, jewelry. Marshalls stores average approximately 32,000 gross square feet. During fiscal 1996, 25 Marshalls stores were opened and 13 were closed. In fiscal 1997, approximately 60 stores are expected to be closed; approximately 10 new stores are planned. Each Marshalls store is currently serviced by one of four distribution centers located in Woburn, Massachusetts; Decatur, Georgia; Bridgewater, Virginia; and Chatsworth, California.

The operations and strategies of T.J. Maxx and Marshalls have been very similar historically. In recent years, however, Marshalls had moved away from some of its key strategies, such as everyday low prices, in favor of other marketing concepts, including the frequent use of promotional pricing. By restoring certain Marshalls historical strategies and effecting other improvements, including the adoption of certain strategies similar to those of TJX, the Company believes that it can increase Marshalls' level of profitability and performance.

MARSHALLS ACQUISITION

The Company believes that the Marshalls acquisition offers a number of advantages and opportunities, including the following:

Enhanced Purchasing Power. The combined T.J. Maxx/Marshalls division represents significantly increased purchasing power which the Company believes will permit it to reduce its costs of merchandise, thereby leading to lower prices and enhanced value to its customers.

Increase Price Differential with Department Stores. In recent years, department stores have offered increased promotional pricing thereby effectively reducing the price differential between department store prices and the everyday low prices of T.J. Maxx and Marshalls. The Company believes that the purchasing leverage gained as a result of the Marshalls acquisition will permit it to reduce its prices and thereby enhance its competitive position in an increasingly competitive environment.

Operating Efficiencies. The Company expects to achieve significant savings through the integration and consolidation of T.J. Maxx and Marshalls organizations and functions in a number of areas including the real estate, administrative, human resources and buying organizations. In addition, the Company expects to realize substantial savings through the consolidation of T.J. Maxx and Marshalls management information systems and by decreased promotional advertising.

Store Closings. By the end of fiscal 1998, the Company currently expects to close approximately 170 Marshalls stores and 30 T.J. Maxx stores. By closing these stores, the Company will eliminate its least productive locations, which should benefit the store sales of the remaining nearby T.J. Maxx and Marshalls stores. In connection with the Marshalls acquisition, the Company established reserves for store closings which it believes will be adequate to cover the costs of such closings in both chains.

Utilization of Best Practices of Each Chain. The Company expects to realize additional benefits by extending the respective strengths and expertise of each of Marshalls and T.J. Maxx to improve the performance of each chain.

Improvement of Marshalls Performance. The Company believes it can significantly improve Marshalls' performance by incorporating a number of features of the T.J. Maxx model. The Company has begun the reduction of Marshalls' emphasis on promotional pricing events in favor of the everyday low pricing strategy of T.J. Maxx. Marshalls will also reduce its portion of private label merchandise and give more emphasis to national brands. The T.J. Maxx disciplined markdown approach, which requires regular and timely markdowns of unsold merchandise, with a goal of promoting a regular flow of fresh merchandise into the store, has replaced the Marshalls approach, which gave less emphasis to regular markdowns and thereby permitted a greater buildup of aging merchandise.

Retention of T.J. Maxx and Marshalls Separate Identities. Notwithstanding the foregoing changes, the Company intends to preserve the separate identities of T.J. Maxx and Marshalls and thereby capitalize on the strengths of each franchise in the marketplace. Marshalls' broader assortment of men's clothing and its full-line footwear department will continue, as will the chain's greater emphasis on items such as costume jewelry. While T.J. Maxx and Marshalls will continue to feature much of the same merchandise, each chain will also receive different merchandise and emphasize certain vendors' products. In order to enhance the distinct identity of Marshalls and T.J. Maxx, the Company intends to maintain separate marketing departments for each chain which will pursue independent marketing and advertising strategies. Each of T.J. Maxx and Marshalls also will continue to present different store layouts, wall design, fixturing and other aesthetic differences designed to preserve a distinct store appearance.

The foregoing is a description of the Company's present strategies related to the Marshalls acquisition. Such strategies may change over time as the Company and the off-price retail sector evolve.

WINNERS APPAREL LTD.

The Company acquired the Winners chain in fiscal 1991. The Winners acquisition has provided the Company with the opportunity to introduce the concept of off-price apparel retailing to the Canadian market. Since the acquisition, Winners has increased its number of stores from 5 to 52 as of January 27, 1996.

Winners' apparel merchandising concept is substantially similar to that of T.J. Maxx. Winners' stores average 24,000 gross square feet, and emphasize off-price designer and brand-name misses sportswear, dresses, lingerie, accessories and giftware, as well as menswear and clothing for children, including infants and toddlers. In fiscal 1996, Winners opened 15 stores in new and existing Canadian markets. Winners expects to open 12-15 stores in fiscal 1997.

HOMEGOODS

The Company is continuing to develop its HomeGoods stores, which are designed to expand upon the Company's off-price presence in the home fashions market. HomeGoods stores offer a broad and deep range of home fashion products, including domestics, cookware, bath accessories, and giftware in a no-frills, multi-department format.

HomeGoods has moved to a smaller 35,500 square foot prototype for new openings and downsized existing locations. HomeGoods opened 9 stores and closed 2 stores in fiscal 1996 and operated, as of January 27, 1996, a total of 22 stores. HomeGoods and T.J. Maxx are experimenting with a new format that combines the T.J. Maxx and HomeGoods concepts in one store and have opened three such stores.

T.K. MAXX

During fiscal 1995, the Company opened its first 5 T.K. Maxx stores in the United Kingdom, and began testing the off-price family apparel concept in Europe. T.K. Maxx utilizes the same off-price strategy employed by T.J. Maxx and Winners. At the end of fiscal 1996, the Company had a total of 9 stores and has plans to open approximately 9 in fiscal 1997.

CHADWICK'S OF BOSTON

On May 24, 1996, the Company's subsidiary Chadwick's of Boston, Ltd. filed with the Commission a Registration Statement (File No. 333-4427) related to the sale by the Company in an underwritten public offering of up to 9,260,000 shares (or approximately 61%), excluding 1,389,000 shares (or approximately 9%) subject to an underwriters' overallotment option, of the common stock of Chadwick's, which operates the Chadwick's of Boston fashion catalog. The Company expects to reduce its ownership interest in Chadwick's over time, subject to prevailing market and other conditions.

Chadwick's, founded by the Company in 1983, offers off-price women's career and casual fashion apparel through a catalog operation. The Chadwick's catalog features first quality, current fashion and classic merchandise, including career, sportswear, casual wear, dresses, suits and accessories, with a mix of brand-name and private label merchandise, priced significantly below conventional retailers and other catalog operations. Chadwick's target customers are 25 to 55-year old women interested in moderately to upper-moderately priced merchandise. Certain of Chadwick's catalogs also carry menswear.

COMPETITION

The retail apparel business is highly competitive. The Company generally competes for customers with a variety of conventional and discount retail stores, including national, regional and local independent department and specialty stores, as well as with catalog operations, factory outlet stores and other off-price stores. In recent years, the Company has encountered increased competition from department stores which have become more focused on promotions to increase sales. Competitive factors important to the Company's customers include fashion, value, merchandise selection, brand-name recognition and, to a lesser degree, store location. In addition, because the Company purchases much of its inventory opportunistically, the Company competes for merchandise with other national and regional off-price apparel and other discount outlets. Also, many of the Company's competitors handle identical or similar lines of merchandise and have comparable locations, and some have greater financial resources than the Company. The Company expects that the Marshalls acquisition will enhance its competitiveness. See "-- Marshalls Acquisition."

USE OF PROCEEDS

All of the PEPS are being sold by the Selling Stockholder as described herein under "Selling Stockholder." None of the proceeds from the sale of the PEPS will be received by the Company.

PRICE RANGE OF COMMON STOCK AND DIVIDENDS

The Company's Common Stock is listed on the New York Stock Exchange, Inc. (the "NYSE") and is traded under the symbol TJX. The following table sets forth, for the fiscal periods indicated, the high and low sales prices per share of the Common Stock as reported on the NYSE, and the cash dividends declared per share of Common Stock. The reported last sale price of the Common Stock on the NYSE on June 24, 1996 was $31.

FISCAL YEAR ENDED	HIGH	LOW	CASH DIVIDENDS DECLARED PER SHARE
January 28, 1995			
1st Quarter	$29 3/8	$22 7/8	$.14
2nd Quarter	24 7/8	18 1/8	.14
3rd Quarter	23 1/4	15 5/8	.14
4th Quarter	16 1/4	13 3/16	.14
January 27, 1996			
1st Quarter	14	11 1/8	.14
2nd Quarter	15 1/2	11 3/8	.14
3rd Quarter	15 3/4	11 1/2	.14
4th Quarter	19 7/8	13 1/2	.07
January 30, 1997			
1st Quarter	30 3/4	18 1/2	.07
2nd Quarter (through June 24, 1996)	36 5/8	28	.07

In the fourth quarter of fiscal 1996, the Company reduced its quarterly dividend from $.14 to $.07 per share of Common Stock in order to use the approximately $20 million in annual dividend savings in support of its acquisition of Marshalls.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following selected consolidated financial information of the Company for each of the last five fiscal years is derived from the consolidated financial statements, including the notes thereto, contained in the Company's Annual Reports on Form 10-K for the five fiscal years ended January 27, 1996, which have been audited by Coopers & Lybrand L.L.P., the Company's independent accountants. The information for the 13 weeks ended April 27, 1996 and April 29, 1995 is unaudited but, in the opinion of management, reflects all adjustments (consisting only of normal recurring items) necessary for a fair presentation of the results for such interim periods. The following selected consolidated financial information for the five years ended January 27, 1996 and for the 13 weeks ended April 29, 1995 reflects the Company's Hit or Miss division, which was sold on September 30, 1995, as a discontinued operation. On November 17, 1995 the Company acquired Marshalls, and the Company has included the results of Marshalls in its consolidated results commencing November 18, 1995.

On May 24, 1996, the Company's subsidiary Chadwick's of Boston, Ltd. filed with the Commission a Registration Statement related to the sale by the Company in an underwritten offering of up to 9,260,000 shares (or approximately 61%), excluding 1,389,000 shares (or approximately 9%) subject to an underwriters' over-allotment option, of the common stock of Chadwick's.

This selected consolidated financial information should be read in conjunction with the consolidated financial statements, related notes, pro forma financial information and other financial information incorporated by reference herein. (See "Pro Forma Condensed Consolidated Financial Statements.")

	FISCAL YEAR ENDED					13 WEEKS ENDED	
	JAN. 25, 1992	JAN. 30, 1993	JAN. 29, 1994	JAN. 28, 1995	JAN. 27, 1996	APR. 29, 1995	APR. 27, 1996
	(IN MILLIONS, EXCEPT PER SHARE AND STORE AMOUNTS)						
INCOME STATEMENT DATA:							
Net sales	$2,380.6	$2,879.3	$3,253.5	$3,489.1	$4,447.5	$ 830.4	$1,604.2
Operating income(1)(2)	194.3	239.7	261.6	214.7	201.2	36.6	77.4
Income from continuing operations(2)	90.0	110.7	124.6	86.6	63.6	9.5	30.1
Income (loss) from discontinued operations, including (loss) on the disposal of discontinued operations, net of income taxes(3)	(69.9)	(6.7)	2.4	(4.0)	(34.0)	(1.4)	--
Other items, net of income taxes (4)	--	(1.2)	(2.6)	--	(3.3)	--	--
Net income (2)	$ 20.1	$ 102.8	$ 124.4	$ 82.6	$ 26.3	$ 8.1	$ 30.1
Income per common share:							
Continuing operations(2)	$ 1.28	$ 1.49	$ 1.58	$ 1.08	$ .74	$ .11	$ .33
Discontinued operations	(.99)	(.09)	.04	(.05)	(.46)	(.02)	--
Net income(2)	.29	1.38	1.58	1.03	.23	.09	.33
Dividends per common share(5)	.46	.46	.50	.56	.49	.14	.07
Weighted average common shares (in millions)	70.1	73.9	74.2	73.5	73.1	72.5	85.3
Ratio of earnings to combined fixed charges and preferred stock dividends(6)	3.79x	3.65x	3.69x	2.52x	1.70x	1.47x	1.83x
CASH FLOW DATA:							
Earnings before interest, taxes, depreciation and amortization from continuing operations	$ 223.5	$ 259.7	$ 282.2	$ 238.9	$ 239.1	$ 44.4	$ 98.7
Capital expenditures	78.0	102.1	118.5	120.0	111.8	26.6	16.9
Balance sheet data:							
Working capital(7)	$ 158.9	$ 244.2	$ 285.4	$ 277.2	$ 409.2	$ 267.9	$ 439.9
Total assets(7)	1,004.0	1,209.1	1,331.0	1,550.8	2,745.6	1,718.2	2,779.4
Long-term debt (exclusive of current installments)	307.4	179.8	210.9	239.5	690.7	238.5	679.7
Retained earnings (deficit)	(38.1)	44.7	125.2	159.1	140.5	155.3	161.0
Shareholders' equity	260.5	505.2	590.9	607.0	764.6	602.7	785.5
Stores in Operation - End of Period:							
T.J. Maxx	437	479	512	551	587	558	590
Marshalls	--	--	--	--	496	--	494
Winners	9	15	27	37	52	39	57
HomeGoods	--	6	10	15	22	19	23
T.K. Maxx	--	--	--	5	9	6	9

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(1) Operating income is the pre-tax income from the business segments before interest and general corporate items. See "Selected Information by Major Business Segment."

(2) For fiscal 1996, reflects an after-tax charge of $21.0 million ($35 million pre-tax), or $.29 per share, for the estimated cost of closing approximately 30 T.J. Maxx stores in connection with the acquisition of Marshalls.

(3) Discontinued operations relate to the Company's Hit or Miss division which was sold on September 30, 1995 and to a reserve established relating to lease liabilities from its former Zayre division. The Company sold the Zayre division in October 1988 to Ames Department Stores Inc. ("Ames"). In April 1990 Ames filed for bankruptcy and certain lease liabilities reverted back to the Company. The loss on disposal of discontinued operations includes a $50 million after-tax charge in fiscal 1992 relating to Zayre division and an after-tax charge of $31.7 million in fiscal 1996 relating to the sale of Hit or Miss. In addition to the foregoing after-tax charge, the income (loss) of the Hit or Miss division for all periods prior to September 30, 1995 is also included in discontinued operations.

(4) Other items, net includes extraordinary charges of $1.2 million, or $.02 per share, and $3.3 million, or $.05 per share, for the early retirement of debt in fiscal 1993 and fiscal 1996, respectively, and a charge for the net cumulative effect of accounting changes of $2.7 million, or $.04 per share, in fiscal 1994.

(5) In the fourth quarter of fiscal 1996, the Company reduced its quarterly dividend from $.14 to $.07 per share of Common Stock in order to utilize the approximately $20 million in annual dividend savings in support of its acquisition of Marshalls.

(6) For purposes of computing the ratio of earnings to combined fixed charges and preferred stock dividends, "earnings" represent income from continuing operations plus provision for taxes, interest expense and the interest portion of rentals. "Fixed charges" represents interest expense, capitalized interest, and a portion of rentals, which is considered representative of the interest factor. "Preferred stock dividends" represent the preferred stock dividend requirements increased to an amount representing the pre-tax earnings that would be required to cover such dividend requirements.

(7) Excludes the net assets of discontinued Hit or Miss operations.

SELECTED INFORMATION BY MAJOR BUSINESS SEGMENT

The following selected financial information by business segment for each of the last five fiscal years is derived from the consolidated financial statements of the Company. The information for the 13 weeks ended April 27, 1996 and April 29, 1995 are unaudited but, in the opinion of management, reflect all adjustments (consisting only of normal recurring items) necessary for a fair presentation of the results for such interim periods. This Selected Information by Major Business Segment for the five years ended January 27, 1996 and for the 13 weeks ended April 29, 1995 reflects the Company's Hit or Miss division, which was sold on September 30, 1995, as a discontinued operation. On November 17, 1995 the Company acquired Marshalls. The Company has included the results of Marshalls in its consolidated results commencing November 18, 1995. Accordingly, the following selected information by major business segment includes the historical results of Marshalls only from and after November 18, 1995.

On May 24, 1996, the Company's subsidiary Chadwick's of Boston, Ltd., which conducts the Company's off-price catalog operation, filed with the Commission a Registration Statement related to the sale by the Company in an underwritten offering of up to 9,260,000 shares (or approximately 61%), excluding 1,389,000 shares (or approximately 9%) subject to an underwriters' over-allotment option, of the common stock of Chadwick's.

	FISCAL YEAR ENDED					13 WEEKS ENDED	
	JAN. 25, 1992	JAN. 30, 1993	JAN. 29, 1994	JAN. 28, 1995	JAN. 27, 1996	APR. 29, 1995	APR. 27. 1996
	(IN MILLIONS)						
NET SALES:							
Off-price family apparel stores	$2,207.2	$2,588.6	$2,832.1	$3,055.6	$3,896.7	$700.7	$1,452.9
Off-price catalog operation	173.4	290.7	421.4	433.5	472.4	116.6	132.0
Off-price home fashion stores	--	--	--	--	78.4	13.1	19.3
	$2,380.6	$2,879.3	$3,253.5	$3,489.1	$4,447.5	$830.4	$1,604.2
OPERATING INCOME (LOSS):							
Off-price family apparel stores(1)	$ 180.9	$ 216.7	$ 236.9	$ 208.6	$ 188.0	$ 32.9	$ 67.1
Off-price catalog operation	13.4	23.0	24.7	6.1	26.6	5.2	12.9
Off-price home fashion stores(2)	--	--	--	--	(13.4)	(1.5)	(2.6)
	194.3	239.7	261.6	214.7	201.2	36.6	77.4
General corporate expense(3)	14.0	29.2	33.9	39.4	45.5	10.1	10.2
Goodwill amortization	2.6	2.6	2.6	2.6	2.6	.7	.7
Interest expense, net	24.4	24.1	17.9	24.5	44.2	8.5	15.1
Income from continuing operations before income taxes, extraordinary items and cumulative effects of accounting changes	$ 153.3	$ 183.8	$ 207.2	$ 148.2	$ 108.9	$ 17.3	$ 51.4
DEPRECIATION AND AMORTIZATION:							
Off-price family apparel stores	$ 40.0	$ 44.2	$ 47.4	$ 53.6	$ 69.6	$ 14.9	$ 27.9
Off-price catalog operation	2.4	3.7	5.1	6.3	7.1	1.8	1.8
Off-price home fashion stores	--	--	--	--	1.8	.5	.5
Corporate, including goodwill	3.4	3.9	4.7	6.4	7.4	1.4	1.9
	$ 45.8	$ 51.8	$ 57.2	$ 66.3	$ 85.9	$ 18.6	$ 32.1

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(1) Fiscal 1996 includes a charge of $35 million relating to the closing of approximately 30 T.J. Maxx stores in connection with the acquisition of Marshalls.

(2) Fiscal 1996 includes a charge of $3.8 million for certain restructuring costs of the HomeGoods operation.

(3) General corporate expense includes the net results of HomeGoods since its inception in fiscal 1993 through the end of fiscal 1995. General corporate expense also includes the net results of T.K. Maxx in all periods presented since its inception in fiscal 1994, costs associated with the Company's former Value Mart operation for fiscal 1993 and the net results of the Cosmopolitan catalog for fiscal 1996.

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

On September 30, 1995, the Company sold its Hit or Miss division. This transaction was accounted for as a discontinued operation and all historical results of the Hit or Miss division have been reclassified to discontinued operations for comparative purposes.

On November 17, 1995, the Company acquired the Marshalls off-price family apparel chain from Melville Corporation. Under the purchase method of accounting, the assets and liabilities and results of operations associated with the acquired business have been included in the Company's financial position and results of operations since the date acquired. Accordingly, the financial position and results of operations of the Company as of, and for the periods ending, January 27, 1996 and April 27, 1996, are not directly comparable to the financial position and results of operations of the Company for prior periods, and are not necessarily indicative of the financial position and results of operations that may be reported by the Company for future periods. The following discussion should be read in conjunction with the consolidated financial statements and notes thereto contained elsewhere in this report.

On May 24, 1996, the Company's subsidiary Chadwick's of Boston, Ltd. filed with the Commission a Registration Statement (File No. 333-4427) related to the sale by the Company in an underwritten public offering of up to 9,260,000 shares (or approximately 61%), excluding 1,389,000 shares (or approximately 9%) subject to an underwriters' over-allotment option, of the common stock of Chadwick's, which operates the Chadwick's of Boston fashion catalog. The Company expects to reduce its ownership interest in Chadwick's over time, subject to prevailing market and other conditions.

RESULTS OF OPERATIONS

Thirteen Weeks Ended April 27, 1996 versus Thirteen Weeks Ended April 29, 1995

Net sales from continuing operations for the first quarter were $1,604.2 million, up 93% from $830.4 million last year. The increase in sales is primarily attributable to the acquisition of Marshalls. Same store sales increased by 5% at T.J. Maxx, 4% at Winners, 7% at Marshalls and 5% at HomeGoods. Chadwick's experienced a 13% increase in net sales.

Income from continuing operations was $30.1 million, or $.33 per common share, versus $9.5 million or $.11 per common share, last year. Net income for the period ended April 29, 1995, after reflecting Hit or Miss as a discontinued operation, was $8.1 million or $.09 per common share.

The following table sets forth operating results expressed as a percentage of net sales (continuing operations):

	PERCENTAGE OF NET SALES	
	13 WEEKS ENDED	
	APRIL 27, 1996	APRIL 29, 1995
Net sales	100.0%	100.0%
Cost of sales, included buying and occupancy costs	77.3	76.4
Selling, general and administrative expenses	18.5	20.5
Interest expense, net	1.0	1.0
Income from continuing operations before income taxes	3.2%	2.1%

Cost of sales including buying and occupancy costs as a percent of net sales increased from the prior year. This increase is the result of Chadwick's smaller pro rata share of consolidated results, due to the Marshalls acquisition, as Chadwick's operates with a lower cost of sales ratio than the Company's store operations.

Selling, general and administrative expenses, as a percentage of net sales, decreased from the prior year. This improvement is primarily the result of a decrease in Chadwick's pro rata share of consolidated results, due to the Marshalls acquisition, as Chadwick's operates at a higher selling, general and administrative expense ratio than the Company's store operations.

The increase in interest expense for the quarter ended April 1996 versus April 1995 is due to interest on the $200 million of notes issued in June 1995 and on the $375 million term loan incurred for the acquisition of Marshalls.

The decrease in the effective income tax rate reflects the tax benefits on foreign operating losses realizable due to a corporate restructuring of certain foreign subsidiaries that took place in the second half of fiscal 1996.

The following table sets forth the operating results of the Company's major business segments: (unaudited)

	THIRTEEN WEEKS ENDED	
	APRIL 27, 1996	APRIL 29, 1995
	(IN MILLIONS)	
Net sales:		
Off-price family apparel stores	$1,452.9	$700.7
Off-price catalog operation	132.0	116.6
Off-price home fashion stores	19.3	13.1
	$1,604.2	$830.4
Operating income (loss):		
Off-price family apparel stores	$ 67.1	$ 32.9
Off-price catalog operation	12.9	5.2
Off-price home fashion stores	(2.6)	(1.5)
	77.4	36.6
General corporate expense (1)	10.2	10.1
Goodwill amortization	.7	.7
Interest expense, net	15.1	8.5
Income from continuing operations before income taxes	$ 51.4	$ 17.3

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(1) General corporate expense for the thirteen weeks ended April 27, 1996 includes the net operating results of T.K. Maxx. General Corporate expense for the thirteen weeks ended April 29, 1995 includes the net operating results of T.K. Maxx and the Cosmopolitan catalog.

The off-price family apparel stores segment, T.J. Maxx, Marshalls, and Winners more than doubled its operating profit primarily due to the benefits of the Marshalls acquisition. This segment's operating results reflect its strong sales performance along with tight inventory control. Chadwick's recorded an increase in operating income due to a strong response to the spring catalog and its improved ability to meet customer demand in the first quarter of this year versus last year's first quarter.

Stores in operation at the end of the period are as follows:

	APRIL 27, 1996	APRIL 29, 1995
T.J. Maxx	590	558
Marshalls	494	--
Winners	57	39
HomeGoods	23	19
T.K. Maxx	9	6

Fiscal Year Ended January 27, 1996 versus Fiscal Year Ended January 28, 1995 and Fiscal Year Ended January 28, 1995 versus Fiscal Year Ended January 29, 1994

Continuing Operations. Income from continuing operations before extraordinary item and cumulative effect of accounting changes ("income from continuing operations") was $63.6 million in fiscal 1996 versus

$86.6 million and $124.6 million in fiscal 1995 and 1994, respectively. Income from continuing operations per common share, on a fully diluted basis, was $.74 in fiscal 1996, versus $1.08 in fiscal 1995 and $1.58 in fiscal 1994. The results for fiscal 1996 include a $35 million pre-tax ($21 million after-tax) charge for closing certain T.J. Maxx stores in connection with the acquisition of Marshalls. Excluding the $35 million pre-tax charge, income from continuing operations for fiscal 1996 would have been $84.6 million, or $1.03 per share.

Net sales for fiscal 1996 increased 27.5% to $4.45 billion from $3.49 billion in 1995. Net sales for fiscal 1995 increased 7.2% to $3.49 billion from $3.25 billion in fiscal 1994. Same store sales, on a consolidated basis, decreased 2% in fiscal 1996, and were flat in fiscal 1995. The above consolidated sales and same store sales results include those for Marshalls for the post-acquisition period.

On a divisional basis, same stores sales at T.J. Maxx were down 2% in fiscal 1996 and flat in fiscal 1995. Same store sales for Marshalls from the date of acquisition in mid-November decreased 1%. Winners achieved same store sales increases of 7% in fiscal 1996 and 10% in fiscal 1995. The continuation of weak apparel sales in the U.S. as well as the highly promotional retail environment were factors affecting sales in both fiscal 1995 and fiscal 1996 for the off-price family apparel segment. Sales for Chadwick's increased 9% in fiscal 1996 and 3% in fiscal 1995. This division had experienced rapid growth in the years prior to fiscal 1995 which put a strain on its operations, and in fiscal 1995, had a negative impact on the division's ability to service its customers. Chadwick's made considerable progress in correcting these difficulties and improving its profitability in fiscal 1996. Lastly, HomeGoods, whose results are reported as a separate segment beginning in fiscal 1996, experienced a same store sales increase of 1%.

Cost of sales, including buying and occupancy costs, as a percentage of net sales, was 77.1%, 75.8% and 74.7% in fiscal 1996, 1995 and 1994, respectively. The increase in this percentage in both fiscal 1996 and 1995 reflects higher than planned markdowns taken as a result of the weak apparel environment and the highly promotional retail environment. In addition, the increase in fiscal 1996 reflects the inclusion of HomeGoods in the detailed consolidated results of the Company as HomeGoods operated at a lower margin in fiscal 1996 than the other divisions.

Selling, general and administrative expenses as a percentage of net sales were 18.7% in fiscal 1996, 19.3% in fiscal 1995 and 18.4% in fiscal 1994. The decrease in the ratio in fiscal 1996 versus 1995 reflects the inclusion of Marshalls in the Company's consolidated results, as Marshalls operates at an expense ratio closer to that of T.J. Maxx versus the other divisions. The expense ratio for fiscal 1996 also reflects the benefits realized by Chadwick's due to operational improvements made at this division. The increase in fiscal 1995 in this expense ratio, versus fiscal 1994, is primarily attributable to the Chadwick's division. Chadwick's had an expense ratio increase in fiscal 1995 primarily due to increased production and postage costs of its catalogs and order processing costs.

The Company recorded a pre-tax charge of $35 million in fiscal 1996 for the closing of approximately 30 T.J. Maxx stores in connection with the acquisition of Marshalls. The Company also expects to close approximately 170 Marshalls stores for which a reserve was established in the allocation of the purchase price under the purchase accounting method. These reserves are primarily estimates for the costs associated with subletting or otherwise disposing of store leases.

Interest expense was $44.2 million in fiscal 1996, $24.5 million in fiscal 1995 and $17.9 million in fiscal 1994. The increase in fiscal 1996 versus fiscal 1995 is primarily due to additional borrowings, including a $45 million real estate mortgage, issued in December 1994, but which was prepaid as a result of the Marshalls acquisition, a $375 million term loan to fund the cash portion of the purchase price of the Marshalls acquisition and $200 million of notes issued in June 1995 under the Company's shelf registration statement. The increase in fiscal 1995 versus fiscal 1994 also reflects increased borrowing levels as well as increased rates. The comparison of fiscal 1995 to fiscal 1994 is impacted by $2 million of interest income included in fiscal 1994 associated with a federal tax refund.

The Company's effective income tax rate was 42% in fiscal 1996 and 1995 and 40% in fiscal 1994. The increase in the effective rate in fiscal 1996 and 1995 is primarily attributable to the Company's entry into the United Kingdom where a net operating loss carryforward has been incurred. The difference in the U.S. federal statutory tax rate and the Company's worldwide effective income tax rate in each fiscal year is primarily attributable to the effective state income tax rate, with the additional impact in fiscal 1996 and 1995 of the aforementioned net operating loss carryforward attributable to the Company's entry into the United Kingdom.

Discontinued Operations and Net Income. Net income for fiscal 1996 includes a loss on the disposal of the Hit or Miss discontinued operation, net of income taxes, of $31.7 million. The results of the Hit or Miss division prior to the sale have been reclassified as income (loss) from discontinued operations, net of income taxes, which includes a loss of $2.3 million in fiscal 1996, a loss of $4.0 million in fiscal 1995 and income of $2.4 million in fiscal 1994.

In addition, in fiscal 1996, in connection with the Marshalls acquisition and the new bank credit agreement (described below), the Company prepaid its $45 million real estate mortgage on its Chadwick's fulfillment center and incurred an after-tax extraordinary charge for the early retirement of debt of $3.3 million, or $.05 per common share. In fiscal 1994, the Company recorded an after-tax charge of $2.7 million, or $.04 per common share, for the cumulative effect of accounting changes.

Net income, after reflecting the above items, was $26.3 million, or $.23 per common share, in fiscal 1996, $82.6 million, or $1.03 per common share, in fiscal 1995 and $124.4 million, or $1.58 per common share, in fiscal 1994.

CAPITAL SOURCES AND LIQUIDITY

Net cash provided by operating activities was $233.6 million, $103.4 million and $75.0 million in fiscal 1996, 1995 and 1994, respectively. The increase in cash provided by operating activities in fiscal 1996 versus that of fiscal 1995 was primarily attributable to the timing of the Marshalls acquisition and the resulting favorable cash flow of the holiday selling season. The Company also experienced an increase in cash provided by operations in fiscal 1995 versus fiscal 1994 despite reduced net income in fiscal 1995. The impact of the lower net income in fiscal 1995 was offset by an increase in consolidated accounts payable to merchandise inventory ratio and lower payments against the Company's discontinued operations reserve. Cash flows from operating and financing activities for the quarter ended April 27, 1996 reflect increases in inventories and accounts payable, which are primarily due to normal seasonal requirements. The improvement in cash provided by operating activities in the quarter ended April 27, 1996 versus the quarter ended April 29, 1995 reflects stronger sales and tight inventory controls. Short term borrowings at the end of the first quarter ended April 1996 were lower than at the end of the same quarter in 1995. The decrease in short term borrowings in the first quarter ended April 1996 versus April 1995 is a result of the strong cash position at the end of fiscal 1996 which reflected the benefits from the timing of the Marshalls acquisition and the resulting favorable cash flow of the holiday selling season. Cash flows from operating activities over the next several years will be impacted by the settlements and disposition of leases associated with both the Company's discontinued operations reserve and the store closing and restructuring reserves. The Company's reserve for store closing and restructuring in respect of continuing operations was $251.6 million at the end of fiscal 1996, and the reserve for discontinued operations was $25.3 million.

Inventories as a percentage of net sales were 30.2% in fiscal 1996, 25.5% in fiscal 1995 and 22.1% in fiscal 1994. The fiscal 1996 percentage is not comparable since Marshalls net sales are included only from November 18, 1995. Using pro forma net sales for fiscal 1996, which assumes Marshalls was acquired at the beginning of the fiscal year, inventories as a percentage of net sales in fiscal 1996 would be 20.5%. The higher percentage in fiscal 1995 versus fiscal 1994 and the lower pro forma percentage for fiscal 1996 versus fiscal 1995 reflect higher warehouse inventory related to opportunistic merchandise purchases and a larger percentage of spring merchandise on hand at the end of fiscal 1995. Working capital was $409.2 million in fiscal 1996, $277.2 million in fiscal 1995 and $285.4 million in fiscal 1994. The increase in working capital in fiscal 1996 is primarily attributable to the acquisition of Marshalls.

The Company's cash flows from investing activities include capital expenditures for the last two years as set forth in the table below:

	FISCAL YEAR ENDED JANUARY	
	1996	1995
	(IN MILLIONS)	
New stores	$ 44.6	$ 53.2
Store renovations and improvements	36.5	40.0
Office and distribution centers	30.7	26.8
Capital expenditures	$111.8	$120.0

Capital expenditures for both fiscal 1996 and 1995 emphasized new stores and store renovations.

The Company expects that capital expenditures will approximate $150 million for fiscal 1997 including approximately $46 million for new stores, primarily T.J. Maxx and Marshalls; $69 million for improvements to existing stores, primarily T.J. Maxx and Marshalls; and approximately $35 million for office and distribution centers.

Investing activities for fiscal 1996 include $378.7 million paid for the acquisition of Marshalls. In addition to the cash outlay for the acquisition of Marshalls, the Company issued $175 million of convertible junior preferred stock. See Note E to the consolidated financial statements for further information on the preferred stock issued. The total purchase price for Marshalls reflected in these financials, including acquisition costs and a purchase price adjustment paid subsequent to the end of fiscal 1996, totals $606 million.

Lastly, investing activities for fiscal 1996 reflect proceeds of $3 million for the sale of the Hit or Miss division. The Company also received a $10 million note, due in seven years with 10% interest.

Financing Activities. In June 1995, the Company filed a shelf registration statement with the Securities and Exchange Commission, which provides for the issuance of up to $250 million of long-term debt. In June 1995, the Company issued $200 million of long-term notes under the registration statement. The proceeds were used, in part, to repay short-term borrowings and for general corporate purposes, including new store and capital expenditures, and the repayment of scheduled maturities of other outstanding long-term debt. During fiscal 1995 and fiscal 1994, the Company borrowed an aggregate of $57.5 million under its medium term note program, (which was replaced by the shelf registration statement mentioned above). The aggregate borrowings under the medium term note program were used entirely to fund the Company's investments in its Canadian and United Kingdom operations.

In connection with the purchase of Marshalls, the Company entered into an unsecured $875 million bank credit agreement under which the Company borrowed $375 million on a term loan basis to fund the cash portion of the Marshalls purchase price. The Company may also borrow up to an additional $500 million on a revolving loan basis for the working capital needs of the Company. Interest is payable on the borrowings at rates equal to or less than prime. Subsequent to year-end, the Company entered into two interest rate swap agreements which in essence provide for a fixed rate of 5.9% on $200 million of the $375 million term loan. The term loan matures on November 17, 2000, and the revolving loan expires on November 17, 1998. The new agreement has certain financial covenants which include a minimum net worth requirement and certain leverage and fixed charge ratios. In connection with this financing arrangement, the Company canceled its former committed U.S. short-term credit lines and prepaid its $45 million real estate mortgage on its Chadwick's fulfillment center, issued in December 1994. The Company incurred an after-tax extraordinary charge of $3.3 million on the early retirement of this debt.

The Company declared quarterly dividends on its common stock of $.14 per share in fiscal 1995 and for the first three quarters of fiscal 1996. In connection with the acquisition of Marshalls, the Company reduced the quarterly dividend to $.07 per common share effective with the dividend payable for the fourth quarter of fiscal 1996. Annual dividends on common stock totaled $35.5 million in fiscal 1996 and $41.6 million in fiscal 1995. The Company also has dividend requirements on its outstanding Series A and Series C Preferred Stock which totaled $7.2 million in each of fiscal 1996 and 1995, as well as dividend requirements on the new

Series D and Series E junior Preferred Stock issued in the acquisition of Marshalls. Series D Preferred Stock carries an annual dividend of $0.5 million and the Series E Preferred Stock carries an annual dividend of $10.5 million. An aggregate of $9.4 million of preferred dividends is reflected in investing activities for fiscal 1996. During fiscal 1995, the Company repurchased 1.1 million shares of Common Stock for a cost of $19.3 million under a stock buy-back program, which the Company terminated due to the acquisition of Marshalls.

The Company has traditionally funded its seasonal merchandise requirements through short-term bank borrowings and the issuance of short-term commercial paper. The Company has the ability to borrow up to $500 million on a revolving loan basis under its bank agreement. As of January 27, 1996, the entire $500 million was available for use. The maximum amount of short-term borrowings outstanding during fiscal 1996, 1995 and 1994 was $200 million, $181.5 million and $133 million, respectively. The Company also has C$20 million of committed lines for its Canadian operations, all of which were available as of January 27, 1996. Management believes that the Company's internally generated funds along with the available credit facility and credit lines and existing cash balances are adequate to meet its needs.

Chadwick's Offering. On May 24, 1996, Chadwick's of Boston, Ltd., a holding company formed to own the off-price catalog operation of the Company, filed a Registration Statement with the Securities and Exchange Commission pursuant to which the Company intends to sell to the public 9,260,000 shares of common stock of Chadwick's. An additional 1,389,000 shares of common stock are subject to an over-allotment option granted to the underwriters. After the offering, the Company will own approximately 30%-39% (depending on the amount of the underwriters' over-allotment option exercised) of the outstanding shares of common stock of Chadwick's. It is currently anticipated that the initial offering price will be between $14.00 and $16.00 per share. The Company intends to use the proceeds from the stock sale to pay down a portion of the bank financing taken on to acquire Marshalls. The Company is required to redeem the outstanding Series D Preferred Stock, which are held by the Selling Stockholder, with proceeds from the stock sale but it anticipates, based on current market prices, that the holder of the Series D Preferred Stock will convert its shares into Common Stock upon a call for redemption.

There can be no assurance that the offering reflected in the Chadwick's Registration Statement will be made or consummated or, if the offering is consummated, that the amount of shares sold or the initial public offering price per share will be as reflected in the Chadwick's Registration Statement.

SELLING STOCKHOLDER

All of the PEPS being offered hereby are being sold by Nashua Hollis CVS, Inc. (the "Selling Stockholder"), a wholly owned subsidiary of Melville Corporation ("Melville").

In connection with the acquisition of Marshalls, the Company issued to Melville 1,500,000 PEPS. Melville subsequently transferred the PEPS to the Selling Stockholder. In addition to the PEPS, the Company also issued to Melville 250,000 shares of Series D Preferred Stock (which also were subsequently transferred to the Selling Stockholder). The shares of Series D Preferred Stock are convertible into shares of Common Stock ranging in number from 1,349,528 to 2,024,292 (subject to adjustment in the event of stock splits, reverse stock splits and similar events). See "Description of Capital Stock - Series D Preferred Stock." Neither Melville nor the Selling Stockholder owns any other equity securities of the Company.

Subject to the 30 day lockup period described below in "Underwriters" and the Standstill and Registration Rights Agreement referred to below, the Selling Stockholder currently intends to proceed as soon as practicable with the public sale of the remaining shares of Series E Preferred Stock held by it after completion of the offering, but has no current plans to dispose of the Series D Preferred Stock. Melville intends to evaluate and review market, industry and general economic conditions (including the Company's common stock price) from time to time, and based on such prevailing conditions and the Company's stock price at the time, there can be no assurance as to when or whether the Selling Stockholder will proceed with such public sale of Series E Preferred Stock. In addition, Melville may consider from time to time various alternative courses of action as permitted by the Standstill and Registration Rights Agreement. Such actions may include, in circumstances permitted by the Standstill and Registration Rights Agreement and subject to the 30 day lockup period described below in "Underwriters," the sale of all or a portion of the Company's Series D Preferred Stock and Series E Preferred Stock held by the Selling Stockholder (or common stock issuable upon conversion of some or all of such preferred stock) in the open market, in privately negotiated transactions, through an underwritten public offering or otherwise. See "Underwriters."

The Company and Melville entered into an agreement dated as of November 17, 1995 (the "Standstill and Registration Rights Agreement"), a copy of which is incorporated by reference as an exhibit to the Registration Statement of which this Prospectus is a part, pursuant to which the Company agreed to register the offer and sale of the PEPS held by the Selling Stockholder, including the PEPS offered hereby, under the Securities Act, and the Selling Stockholder and Melville and the Company agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act in connection with the sale of the shares pursuant to a registered public offering contemplated by the Standstill and Registration Rights Agreement. Pursuant to the Standstill and Registration Rights Agreement, the Selling Stockholder is required to pay the underwriting discounts and commissions and expenses of its legal counsel and accountants associated with the offering, and the Company is generally required to pay all of the other expenses directly associated with the offering, including, without limitation, the cost of registering the shares offered hereby, including applicable registration and filing fees, printing expenses and applicable expenses for legal counsel and accountants incurred by the Company.

DESCRIPTION OF SERIES E PREFERRED STOCK

The following summary description of the PEPS does not purport to be complete and is subject to, and qualified in its entirety by reference to, the Restated Certificate of Incorporation of the Company, as amended (the "Certificate"), the Certificates of Designation with respect to the PEPS and the By-Laws of the Company (the "By-Laws"), copies of which are incorporated by reference as exhibits to the Registration Statement relating to the offering herein.

RANKING

On November 17, 1995, the Company issued 1,500,000 shares of Series E Preferred Stock in a private placement. The PEPS rank senior to the Common Stock, junior to the Series A Preferred Stock and the Series C Preferred Stock, and on a parity with the Series D Preferred Stock, with respect to the payment of dividends and upon liquidation, dissolution or winding up. The PEPS shall so rank on a parity with the Series C Preferred Stock at such times as there shall be no shares of Series A Preferred Stock outstanding. The Company may not, without the consent of two-thirds of the votes of the holders of the outstanding PEPS and all other outstanding shares of preferred stock of the Company (the "Preferred Stock"), ranking on a parity with the PEPS either as to dividends or upon liquidation, dissolution or winding up, voting together as a single class, create, authorize or issue, or reclassify any authorized stock of the Company into, or create, authorize or issue any obligation or security convertible into or evidencing a right to purchase, any shares of any class of stock of the Company ranking prior to the PEPS or ranking prior to any other series of Preferred Stock which ranks on a parity with the PEPS. However, the Company may create additional classes of stock or issue series of Preferred Stock ranking on a parity with the PEPS with respect to the payment of dividends or upon liquidation, dissolution and winding up without the consent of any holder of PEPS.

DIVIDENDS

Holders of PEPS are entitled to receive, when and as declared by the Board of Directors of the Company out of assets of the Company legally available for payment, cash dividends at an annual rate of $7.00 per each PEPS, payable in arrears on January 1, April 1, July 1 and October 1 of each year commencing January 1, 1996. Each dividend is payable to holders of record as they appear on the stock register of the Company on a record date, not more than 60 nor less than 10 days before the payment date, fixed by the Board of Directors of the Company. Dividends are cumulative and accrue on a daily basis from the date of original issuance of the PEPS. Dividends payable on the PEPS for each full quarterly dividend period are computed by annualizing the dividend rate and dividing by four. Dividends payable for any period greater or less than a full dividend period are computed on the basis of a 360-day year consisting of twelve 30-day months. The PEPS are not entitled to any dividend, whether payable in cash, property or stock, in excess of Full Cumulative Dividends. No interest is payable in respect of any accrued and unpaid dividends.

Unless Full Cumulative Dividends on all outstanding shares of any series of Preferred Stock ranking senior to the PEPS have been paid or declared and set aside for payment for all past dividend payment periods, no dividend may be declared on shares of the PEPS (other than a dividend paid in stock ranking junior to any series of Preferred Stock ranking senior to the PEPS as to dividends), nor may shares of the PEPS be redeemed or purchased by the Company nor any sinking fund payment made for such redemption or purchase (other than a purchase or redemption made by issue or delivery of stock ranking junior to any Series of Preferred Stock ranking senior to the PEPS as to dividends, or upon liquidation, dissolution or winding up). Unless Full Cumulative Dividends on all outstanding shares of the PEPS have been paid or declared and set aside for payment for all past dividend payment periods, no dividend (other than a dividend paid in stock ranking junior to the PEPS as to dividends) may be declared on any stock ranking junior to the PEPS as to dividends, nor may any stock ranking junior to the PEPS as to dividends or upon liquidation, dissolution or winding up be redeemed or purchased by the Company nor any sinking fund payment made for such redemption or purchase (other than a purchase or redemption made by issue or delivery of stock ranking junior to the PEPS as to dividends or upon liquidation, dissolution or winding up); provided that, unless prohibited by the terms of any other outstanding series of Preferred Stock, any monies theretofore deposited in any sinking fund with respect to any Preferred Stock in compliance with the terms thereof may thereafter be applied in accordance with the terms thereof. If dividends on PEPS and on any other series of Preferred Stock ranking on a parity as to dividends with the PEPS are in arrears, any dividend payment on account of such arrearage must be made ratably upon all outstanding shares of the PEPS and such other series of Preferred Stock in proportion to the respective amounts of Full Cumulative Dividends.

LIQUIDATION RIGHTS

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company not including mergers, consolidations and sale of all or substantially all assets, before any payment or distribution of assets (whether from capital or surplus) is made to holders of the PEPS upon liquidation, dissolution or winding up, the holders of each class or series of Preferred Stock ranking senior to the PEPS upon liquidation, dissolution or winding up shall be entitled to receive full payment of their liquidation preferences. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, before any payment or distribution of assets (whether from capital or surplus) is made to holders of Common Stock or any other stock of the Company ranking junior to the PEPS upon liquidation, dissolution or winding up, the holders of PEPS shall receive a liquidation preference of $100 per share and shall be entitled to receive all accrued and unpaid dividends through the date of distribution, and the holders of any class or series of Preferred Stock ranking on a parity with the PEPS as to liquidation, dissolution or winding up shall be entitled to receive the full respective liquidation preferences (including any premium) to which they are entitled and shall receive all accrued and unpaid dividends with respect to their respective shares through and including the date of distribution. If, upon such a voluntary or involuntary liquidation, dissolution or winding up of the Company, the assets of the Company are insufficient to pay in full the amounts described above as payable with respect to the PEPS and any class or series of Preferred Stock of the Company ranking on a parity with the PEPS as to liquidation, dissolution or winding up, the holders of the PEPS and of such other class or series of Preferred Stock will share ratably in any such distribution of assets of the Company first in proportion to their respective liquidation preferences until such preferences are paid in full, and then in proportion to their respective amounts of accrued but unpaid dividends. After payment of any such liquidating preference and accrued dividends, the PEPS will not be entitled to any further participation in any distribution of assets by the Company. Neither the sale of all or substantially all the assets of the Company, nor the merger or consolidation of the Company into or with any other corporation, will be deemed to be a liquidation, dissolution or winding up of the Company.

REDEMPTION

Shares of PEPS are not redeemable at the option of the Company.

VOTING RIGHTS

Except as indicated below or as expressly required by applicable law, holders of PEPS have no voting rights.

If the equivalent of six full quarterly dividends payable on the PEPS are in arrears, the maximum authorized number of directors of the Company will be increased by two and the holders of PEPS, voting separately as a class with the holders of shares of any other series of Preferred Stock ranking on a parity with the PEPS and upon which like voting rights have been conferred and are exercisable, will be entitled to elect two directors for successive one-year terms until all dividends in arrears on the PEPS have been paid or declared and set apart for payment. Upon payment or declaration and setting apart of funds for payment of all such dividends in arrears, the term of office of each director elected will immediately terminate and the number of directors constituting the entire Board of Directors of the Company will be reduced by the number of directors elected by the holders of the PEPS and any other series of Preferred Stock ranking on a parity with the PEPS as discussed above.

The Company may not, without the affirmative vote or consent of two-thirds of the votes of the holders of the PEPS and each other series of Preferred Stock ranking on a parity with the PEPS and upon which like voting rights have been conferred (voting together as a single class), create, authorize or issue, or reclassify any authorized stock of the Company into, or create, authorize or issue any obligation or security convertible into or evidencing a right to purchase, any shares of any class of stock of the Company ranking prior to the PEPS or any other series of Preferred Stock which ranks on a parity with the PEPS as to dividends or upon liquidation, dissolution or winding up. The Company may not, without the affirmative vote or consent of two-thirds of the votes of the holders of the outstanding shares of the PEPS and each other series of Preferred Stock of the Company similarly affected, if any, voting together as a single class, amend, alter or repeal any provision of the Certificate which would materially and adversely affect the preferences, rights, powers or privileges, qualification, limitations and restrictions of the PEPS and any such other series of Preferred Stock; provided, however, that the creation, issuance or increase in the amount of authorized shares of any other series of Preferred Stock ranking on a parity with or junior to the PEPS with respect to the payment of dividends or the distribution of assets upon liquidation, dissolution or winding up of the affairs of the Company will not be deemed to materially and adversely affect such rights and preferences, privileges or voting powers.

CONVERSION

On November 17, 1998 (the "Automatic Conversion Date"), unless earlier converted at the option of the holder, each outstanding PEPS shall convert automatically (the "Automatic Conversion") into (i) shares of Common Stock at the Exchange Rate in effect on the Automatic Conversion Date and (ii) the right to receive an amount in cash equal to Full Cumulative Dividends on such share to the Automatic Conversion Date.

PEPS may be converted, in whole or in part, at the option of the holder thereof ("Optional Conversion"), at any time through the close of business on the Business Day prior to November 17, 1998, into shares of Common Stock at the Upper Exchange Rate.

The Exchange Rate shall be subject to adjustment (under formulae set forth in the Certificate of Designations) from time to time as appropriate in certain circumstances, including if the Company shall (i) pay or make a dividend or other distribution with respect to its Common Stock in shares of Common Stock (including by way of reclassification of any shares of its Common Stock) to all holders of Common Stock, (ii) subdivide its outstanding shares of Common Stock into a greater number of shares of Common Stock or combine its outstanding shares of Common Stock into a smaller number of shares of Common Stock, (iii) issue certain rights or warrants to all holders of its Common Stock entitling them (for a period not exceeding 45 days from the date of such issuance) to subscribe for or purchase shares of Common Stock at a price less than the Fair Market Value of the Common Stock on the record date for the determination of stockholders entitled to receive such rights or warrants, or (iv) pay a dividend or make a distribution to all holders of its Common Stock consisting of evidences of its indebtedness or other assets (including shares of capital stock of the Company other than Common Stock but excluding any cash dividends or other distributions referred to in clauses (i) or (ii) above) or shall issue to all holders of its Common Stock rights or warrants to subscribe for or purchase any of its securities (other than those referred to in clause (iii) above). Notwithstanding the foregoing, there will be no adjustment in the event the Company were to issue rights to purchase capital stock of the Company pursuant to a shareholder rights agreement. Anything in this paragraph notwithstanding, the Company shall be entitled to make such upward adjustments in the Exchange Rate, in addition to those required by this paragraph, as the Company in its sole discretion shall determine to be advisable, in order that any stock dividends, subdivision of shares, distribution of rights to purchase stock or securities, or distribution of securities convertible into or exchangeable for stock (or any transaction which could be treated as any of the foregoing transactions pursuant to Section 305 of the Internal Revenue Code of 1986, as amended) hereafter made by the Company to its stockholders shall not be taxable. All adjustments to the Exchange Rate shall be calculated to the nearest 1/1,000,000th of a share of Common Stock. No adjustment in the Exchange Rate shall be required unless such adjustment would require an increase or decrease of at least one percent in the Exchange Rate; provided, however, that any adjustments which by reason of the foregoing are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All adjustments to the Exchange Rate shall be made successively. Before taking any action that would cause an adjustment increasing the Exchange Rate such that the conversion price (for purposes of this paragraph, an amount equal to the liquidation value per each PEPS divided by the Upper Exchange Rate as in effect from time to time) would be below the then par value of the Common Stock, the Company will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock at the Upper Exchange Rate as so adjusted.

In case of any consolidation or merger to which the Company is a party (other than a merger or consolidation in which the Company is the continuing corporation and in which the Common Stock outstanding immediately prior to the merger or consolidation remains unchanged), or in case of any sale or transfer to another corporation of the property of the Company as an entirety or substantially as an entirety, or in case of any statutory exchange of securities with another corporation (other than in connection with a merger or acquisition), proper provision shall be made so that each share of PEPS shall, after consummation of such transaction, be subject to (i) conversion at the option of the holder into the kind and amount of securities, cash or other property receivable upon consummation of such transaction by a holder of the number of shares of Common Stock into which such share of PEPS would have been converted if the conversion had occurred immediately prior to consummation of such transaction (based on the Exchange Rate in effect immediately prior to such consummation) and (ii) conversion on the Automatic Conversion Date into the kind and amount of securities, cash or other property receivable upon consummation of such transaction by a holder of the number of shares of Common Stock into which such share of PEPS would have been converted if the conversion on the Automatic Conversion Date had occurred immediately prior to the date of consummation of such transaction (based on the Exchange Rate in effect immediately prior to such consummation); assuming in each case that such holder of Common Stock failed to exercise rights of election, if any, as to the kind or amount of securities, cash or other property receivable upon consummation of such transaction (provided that if the kind or amount of securities, cash or other property receivable upon consummation of such transaction is not the same for each nonelecting share, then the kind and amount of securities, cash or other property receivable upon consummation of such transaction for each nonelecting share shall be deemed to be the kind and amount so receivable per share by a plurality of the nonelecting shares). The kind and amount of securities into which the PEPS shall be convertible after consummation of such transaction shall be subject to adjustment as described above following the date of consummation of such transaction. The Company may not become a party to any such transaction unless the terms thereof are consistent with the foregoing.

FRACTIONAL SHARES

No fractional shares or scrip representing fractional shares of Common Stock shall be issued upon conversion of any PEPS. Instead of any fractional share of Common Stock that would otherwise be issuable upon conversion of any PEPS, the Company shall pay a cash adjustment in respect of such fractional interest in an amount equal to the same fraction of the Closing Price of a share of Common Stock (or, if there is no such Closing Price, the fair market value of a share of Common Stock, as determined or prescribed by the Board of Directors) at the close of business on the Trading Day immediately preceding the date of conversion.

LISTING; TRANSFER AGENT

The PEPS have been approved for listing on the NYSE under the Symbol "TJX PrE", subject to official notice of issuance. The transfer agent, registrar, dividend disbursing agent and redemption agent for the PEPS will be Boston Equiserve, subject to the right of the Company to designate another bank or trust company having its principal office in the United States and having a combined capital and surplus of at least $100,000,000 to assume some or all of such functions.

DEFINITIONS

The following terms shall have the meanings indicated in respect of the Series E Preferred Stock:

"Base Number" shall mean the number derived from dividing $100 by $15.4375.

"Business Day" shall mean any day other than a Saturday, Sunday, or a day on which banking institutions in the State of New York or The Commonwealth of Massachusetts are authorized or obligated by law or executive order to close or a day which is or is declared a national or New York or Massachusetts state holiday.

"Closing Price" with respect to any securities on any day shall mean the closing sale price regular way on such day or, in case no such sale takes place on such day, the average of the reported closing bid and asked prices, regular way, in each case on the New York Stock Exchange, or, if such security is not listed or admitted to trading on such Exchange, on the principal national securities exchange or quotation system on which such security is quoted or listed or admitted to trading, or, if not quoted or listed or admitted to trading on any national securities exchange or quotation system, the average of the closing bid and asked prices of such security on the over-the-counter market on the day in question as reported by the National Association of Securities Dealers, Inc. Automated Quotation System, or a similarly generally accepted reporting service, or if not so available, in such manner as furnished by any New York Stock Exchange member firm selected from time to time by the Board of Directors for that purpose or (solely in the case of Series C Preferred Stock) a price determined in good faith by the Board of Directors.

"Current Market Price" shall mean the average of the daily Closing Prices per share of Common Stock for the ten consecutive Trading Days immediately prior to the date in question; provided, however, that, if any event that results in an adjustment of the Exchange Rate occurs during the period beginning on the first day of such ten-day period and ending on the applicable conversion date, the Current Market Price as determined pursuant to the foregoing shall be appropriately adjusted to reflect the occurrence of such event.

"Dividend Payment Date" shall mean January 1, April 1, July 1 and October 1 in each year.

"Exchange Rate" for the PEPS shall be equal to (a) if the Current Market Price on the date of determination is equal to or greater than 120% of $15.4375 (the "Threshold Common Stock Price"), the number of shares of Common Stock equal to 0.83333333 of the Base Number (the "Upper Exchange Rate"), (b) if the Current Market Price on the date of determination is less than the Threshold Common Stock Price but greater than $15.4375, the number of shares of Common Stock having a value (determined at the Current Market Price) equal to $100 per share of Series E Preferred Stock (the "Middle Exchange Rate"), and (c) if the Current Market Price on the date of determination is equal to or less than $15.4375, a number of shares of Common Stock (the "Lower Exchange Rate") equal to the Base Number; provided that for all purposes relating to Optional Conversion by a holder pursuant to the above section entitled "Conversion," the Exchange Rate shall be equal to the Upper Exchange Rate. The Exchange Rate is subject to adjustment as set forth in the above section entitled "Conversion."

"Fair Market Value" on any day shall mean the average of the daily Closing Prices of a share of Common Stock of the Company on the five (5) consecutive Trading Days selected by the Company commencing not more than 20 Trading Days before, and ending not later than, the earlier of the day in question and the day before the "ex" date with respect to the issuance or distribution requiring such computation. The term " 'ex' date", when used with respect to any issuance or distribution, means the first day on which the Common Stock trades regular way, without the right to receive such issuance or distribution, on the exchange or in the market, as the case may be, used to determine that day's Closing Price.

"Full Cumulative Dividends" shall mean, with respect to the PEPS, or any other capital stock of the Company, as of any date the aggregate amount of all then accumulated, accrued and unpaid dividends payable on such shares of PEPS, or other capital stock, as the case may be, in cash, whether or not earned or declared and whether or not there shall be funds legally available for the payment thereof.

"Trading Day" shall mean (x) if the applicable security is listed or admitted for trading on the New York Stock Exchange or another national securities exchange, a day on which the New York Stock Exchange or such other national securities exchange is open for business or (y) if the applicable security is quoted on the National Market System of the National Association of Securities Dealers Automated Quotation System, a day on which trades may be made on such National Market System or (z) if the applicable security is not so listed, admitted for trading or quoted, any day other than a Saturday or Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a summary of the federal income tax consequences expected to apply to purchasers of the PEPS under current law, which is subject to change. The discussion does not cover all aspects of federal taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, particular purchases, and does not address state, local, or foreign income or other tax laws. Certain holders (including financial institutions, tax-exempt organizations, broker-dealers, insurance companies, and foreign individuals and entities) may be subject to special rules not discussed below. The discussion assumes that purchasers of the PEPS will hold the PEPS as a "capital asset" within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "Code").

DISTRIBUTIONS

Distributions with respect to the PEPS will be treated as dividends and taxable as ordinary income to the extent that the distributions are made out of the Company's current and accumulated earnings and profits. To the extent that a distribution is not made out of the Company's current and accumulated earnings and profits, the distribution will constitute a non-taxable return of capital reducing the holder's adjusted tax basis in its shares of PEPS and, to the extent the distribution exceeds such basis, will result in capital gain.

A corporate holder will generally be entitled to 70% dividends-received deduction with respect to distributions that are treated as dividends on shares of PEPS that the corporate holder has held for at least 46 days (91 days in the case of certain dividends). For this purpose, the period for which the holder is treated as having held shares of PEPS generally will not include any period for which the holder has an option to sell, is under a contractual obligation to sell, has made a short sale of or is the grantor of an option to buy substantially identical stock or securities or as to which the holder has otherwise diminished its risk of loss by holding other positions with respect to substantially similar or related property. Dividends on the PEPS will not be eligible for the dividends-received deduction to the extent that the holder has incurred indebtedness that is directly attributable to the acquisition or carrying of the relevant shares. In addition, a corporate holder may be required to reduce its adjusted tax basis in shares of stock or to recognize gain as the result of a payment of an "extraordinary dividend." The Company believes that regular quarterly dividends paid to an original holder of the PEPS generally will not constitute extraordinary dividends. Finally, it should be noted that the Administration's current budget proposal contains a provision that, if enacted, would reduce the dividends-received deduction to 50% and make certain changes in the holding period provisions described above.

For alternative minimum tax purposes, dividends eligible for the 70% dividends-received deduction are included in a corporate holder's "adjusted current earnings". If such adjusted current earnings exceed the corporate holder's regular taxable income, 75% of the excess is added to the holder's alternative minimum taxable income and may be subject to an alternative minimum tax.

Under certain circumstances, the operation of the conversion price adjustment provisions of the PEPS may result in the deemed receipt of a taxable distribution by the holders of the PEPS if the effect of such adjustments is to increase such holder's proportionate interests in the Company. Any such constructive distributions may constitute (and cause other distributions to constitute) extraordinary dividends to corporate holders.

CONVERSION AND DISPOSITION

Conversion of PEPS into Common Stock generally will not result in the recognition of gain or loss (except with respect to cash received in lieu of fractional shares). The holder's adjusted tax basis in Common Stock received upon conversion (including any fractional shares which are deemed to have been issued) generally will be equal to that of the shares of PEPS converted.

Upon the sale or exchange of shares of PEPS, or of shares of Common Stock acquired upon conversion of shares of PEPS, a holder will recognize capital gain or loss equal to the difference between the amount realized on such sale or exchange and the holder's adjusted tax basis in such stock. Any capital gain or loss recognized will generally be treated as long-term capital gain or loss if the holder held the stock for more than one year. For this purpose, the period for which the PEPS was held would be included in the holding period of Common Stock received upon a conversion.

BACKUP WITHHOLDING

The Company generally is required to withhold and remit to the U.S. Treasury 31% of distributions paid to any individual shareholder who fails to furnish a correct taxpayer identification number to the Company, who is determined by the Secretary of the Treasury to have under-reported dividends or interest income, or who fails to certify to the Company that he is not subject to such withholding. An individual's taxpayer identification number is normally his social security number.

THE FOREGOING SUMMARY IS INCLUDED HEREIN FOR GENERAL INFORMATION ONLY. ACCORDINGLY, PROSPECTIVE HOLDERS OF THE PEPS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES TO SUCH HOLDERS RELATING TO THE PEPS, INCLUDING THE APPLICATION AND EFFECT OF STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX LAWS.

DESCRIPTION OF CAPITAL STOCK

The following summary description of the Company's capital stock does not purport to be complete and is subject to, and qualified in its entirety by reference to, the Certificate, the respective Certificates of Designation (each, a "Certificate of Designation") with respect to each series of Preferred Stock described herein and the By-Laws, copies of which are incorporated by reference as exhibits to the Registration Statement relating to the offering herein.

AUTHORIZED CAPITAL STOCK

The Company's authorized capital stock consists of 155 million shares of capital stock, of which 150 million shares are Common Stock, $1.00 par value per share, and 5 million shares are Preferred Stock, $1.00 par value per share. The Certificate authorizes the issuance of shares of Preferred Stock from time to time in one or more series not exceeding the aggregate number of shares of Preferred Stock authorized by the Certificate, without stockholder approval, with such voting powers, designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as are set forth in resolutions adopted by the Company's Board of Directors. Thus, without stockholder approval, the Company could authorize the issuance of Preferred Stock with voting, conversion and other rights that could dilute the voting power and other rights of holders of the Common Stock and, subject to any limiting terms thereof, other series of Preferred Stock. The Company may from time to time amend the Certificate to increase the number of authorized shares of Common Stock or Preferred Stock in the manner provided by the Certificate and the General Corporation Law of the State of Delaware.

There were outstanding as of May 24, 1996 210,100 shares of Series A Preferred Stock, 1,650,000 shares of Series C Preferred Stock, 250,000 shares of Series D Preferred Stock and 1,500,000 shares of PEPS of the Company. The Company has given notice to the holders of the Series A Preferred Stock that it intends to redeem all outstanding shares of Series A Preferred Stock on June 24, 1996. As of June 18, 1996, all of the outstanding shares of Series A Preferred Stock have been converted by the holders thereof into Common Stock and, accordingly, no such shares of Series A Preferred Stock remain outstanding.

COMMON STOCK

Subject to the rights of holders of Preferred Stock, holders of Common Stock are entitled to receive such dividends as may from time to time be declared by the Board of Directors of the Company out of such funds legally available for declaration of dividends. Holders of Common Stock are entitled to one vote per share on every question submitted to them at a meeting of stockholders or otherwise. In the event of a liquidation, dissolution or winding up and distribution of the assets of the Company, after paying or setting aside for the holders of Preferred Stock the full preferential amounts to which they are entitled, and subject to any rights of any series of Preferred Stock to participate pro rata with the Common Stock with respect to distributions, the holders of Common Stock will be entitled to receive pro rata all of the remaining assets of the Company available for distribution to stockholders. There are no pre-emptive rights for holders of Common Stock. The issued and outstanding shares of Common Stock are fully paid and nonassessable. Shares of Common Stock are not convertible into shares of any other class of capital stock of the Company.

SERIES A PREFERRED STOCK

The Company has given notice to the holders of the Series A Preferred Stock that it intends to redeem all outstanding shares of Series A Preferred Stock on June 24, 1996. As of June 18, 1996, all of the outstanding shares of Series A Preferred Stock have been converted by the holders thereof into Common Stock and, accordingly, no such shares of Series A Preferred Stock remain outstanding.

Ranking

The Series A Preferred Stock ranks, with respect to dividends or upon liquidation, dissolution or winding up, (i) on a parity with the Series C Preferred Stock, and other Preferred Stock permitted pursuant to the terms of the Series A Preferred Stock and ranking with respect to dividends or upon liquidation, dissolution or winding up on a parity with the Series A Preferred Stock, and (ii) prior to all other capital stock of the Company. Without the consent of the holders of two-thirds of the outstanding shares of Series A Preferred Stock, the Company may not authorize, create or increase the authorized amount of any class or series of stock that ranks prior to or, except for the Series C Preferred Stock and a limited amount of Preferred Stock ranking as to dividends or upon liquidation, dissolution or winding up on a parity with the Series C Preferred Stock, on a parity with the Series A Preferred Stock or, except for non-participating Preferred Stock and participating Preferred Stock issued pursuant to certain stockholder rights plans, junior to the Series A Preferred Stock with respect to the payment of dividends or upon liquidation, dissolution or winding up.

Dividends

Holders of shares of the Series A Preferred Stock are entitled to cumulative dividends payable quarterly at an annual rate of $8.00 per share. With limited exceptions, holders of Series A Preferred Stock are entitled to Full Cumulative Dividends before dividends may be declared on junior stock (including the PEPS) and before such junior stock may be redeemed or purchased by the Company.

Liquidation Rights

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company (not including certain mergers, consolidations or sales of all or substantially all assets), the holders of Series A Preferred Stock are entitled to receive a liquidation preference equal to the then applicable redemption price, plus accrued and unpaid dividends to the redemption date, prior to any distribution on junior stock, including the PEPS.

Redemption

Commencing April 1, 1995, the Series A Preferred Stock may be redeemed by the Company at any time at a redemption price of $104.80 per share, declining by $0.80 per share on April 1 of each year thereafter to $100 per share on April 1, 2001, plus accrued and unpaid dividends to the redemption date. Upon a Change of Control Event (generally defined as voluntary liquidations, certain mergers into a subsidiary, a sale of all or substantially all the Company's assets, or certain actions affecting the public market for the Company's stock or its status as a public corporation), a holder of Series A Preferred Stock may at its option require redemption of its shares at a cash per share price equal to the greater of (i) the then redemption price or (ii) the product of the higher of the then market price of Common Stock or the price per share of Common Stock received by any other stockholder in the Change of Control Event or related transactions times the number of shares of Common Stock then issuable upon conversion of a share of Series A Preferred Stock.

Voting Rights

Holders of Series A Preferred Stock will be entitled as a separate class to elect two directors in the event of defaults in the payment of dividends aggregating $8.00 per share and are entitled to a separate class vote on matters which would adversely affect the rights and preferences of the Series A Preferred Stock. The Company may not, without the affirmative vote or consent of the holders of at least two-thirds of the then outstanding Series A Preferred Stock, voting as a separate class, (i) authorize, create or issue, or increase the authorized or issued amount of, any class or series of stock ranking prior to or on parity with the Series A Preferred Stock as to dividends or upon liquidation, dissolution or winding up, except for Preferred Stock ranking on a parity with the Series A Preferred Stock having an aggregate liquidation preference of not more than $100 million; (ii) authorize, create or issue, or increase the authorized amount of, any participating Preferred Stock; (iii) create, authorize or issue any class or series of common stock other than the Common Stock; (iv) amend the Certificate or By-laws if such amendment would adversely affect the powers, rights, privileges or preferences of the Series A Preferred Stock; (v) increase the number of shares of Series A Preferred Stock authorized for issuance; (vi) create, authorize or issue any class or series of capital stock or any security exercisable for or convertible into any capital stock except as permitted under clauses (i), (ii) or (iii) above; (vii) amend the Certificate of Designations relating to the Series A Preferred Stock or (viii) issue any additional shares of Series A Preferred Stock.

Conversion

Shares of the Series A Preferred Stock are convertible at any time at the option of the holder thereof into shares of Common Stock of the Company at a conversion price of $21.00 per share of Common Stock, subject to adjustment in certain events including subdivisions, splits or combinations of Common Stock, stock dividends, extraordinary dividends or distributions on the Common Stock and issuances of Common Stock and related securities at less than their current Market Price. Upon the occurrence of a Control Adjustment Event (generally defined to be the acquisition by any person or group of beneficial ownership of at least 51% of the Common Stock, incumbent directors ceasing during any year to constitute a majority of the Board of Directors or involuntary liquidation of the Company), the conversion price is subject to adjustment downward to the greater of $3.50 and the then market price of the Common Stock. Holders of shares of Series A Preferred Stock have a similar adjustment election in the event of the Registrant's failure to make payment upon any mandatory redemption. Any share of Series A Preferred Stock outstanding on April 15, 2007 is entitled to a conversion price adjustment to the higher of $7.00 and the then market price of the Common Stock.

Eligibility for Sale; Registration Rights, Etc.

The holders of the Series A Preferred Stock have agreed not to transfer any shares of Series A Preferred Stock, or Common Stock issuable upon conversion thereof, except (i) pursuant to an effective registration under the Securities Act, (ii) in accordance with Rule 144 or Rule 144A under the Securities Act, or (iii) in a transaction otherwise not requiring registration under the Securities Act. In general, under Rule 144 as currently in effect, a person (or persons whose shares are aggregated) who has beneficially owned his or her shares for at least two years, including an "affiliate," as that term is defined below, is entitled to sell, within any three-month period, that number of shares that does not exceed the greater of 1% of the then outstanding shares or the average weekly trading volume of the then outstanding shares during the four calendar weeks preceding each such sale. A person (or persons whose shares are aggregated) who is not deemed an "affiliate" of the Company, and who has beneficially owned shares for at least three years, is entitled to sell such shares under Rule 144 (k) without regard to any volume or other limitations described above. As defined in Rule 144, an "affiliate" of an issuer is a person that directly or indirectly through the use of one or more intermediaries, controls, or is controlled by, or is under common control with, such issuer. The holders of the Series A Preferred Stock may qualify for use of Rule 144(k).

Under their respective share purchase agreements, holders of shares of Series A Preferred Stock are entitled to certain rights regarding registration of their shares under the Securities Act. Such holders are entitled to include, at the Company's expense, their shares of Series A Preferred Stock, or any shares of any Common Stock issued upon conversion thereof, in certain registrations under the Securities Act by the Company prior to April 15, 1997 of offerings of Convertible Preferred Stock or Common Stock or rights thereto, provided that no such shares need be included in a registration by the Company of an underwritten offering to the extent that the underwriters determine that such inclusion would jeopardize the successful sale of the shares to be sold by the underwriters. The holders of the Series A Preferred Stock have not exercised any such rights with respect to the offering made hereby. At any time prior to April 15, 1997 the holders of the Series A Preferred Stock may demand the registration under the Securities Act, at the Company's expense, of the public sale of a portion or all of such shares.

The share purchase agreements relating to the Series A Preferred Stock also contain various undertakings by the Company, including limitations on dividends and repurchases of the Company's stock, changes in the primary business engaged in by the Company and its subsidiaries and certain restrictions on dividends.

Definitions

Capitalized terms not otherwise defined have the meanings set forth in "Definitions" following the description of Series E Preferred Stock.

SERIES C PREFERRED STOCK

Ranking

The Series C Preferred Stock ranks senior to the Common Stock, the Series D Preferred Stock and the PEPS, and on a parity with the Series A Preferred Stock, with respect to the payment of dividends and upon liquidation, dissolution or winding up. The Series C Preferred Stock shall so rank on a parity with the Series D Preferred Stock and the PEPS at such times as there shall be no shares of Series A Preferred Stock outstanding. The Company may not, without the consent of two-thirds of the votes of the holders of the outstanding shares of Series C Preferred Stock and all other outstanding shares of Preferred Stock ranking on a parity with the Series C Preferred Stock either as to dividends or upon liquidation, dissolution or winding up, voting together as a single class, create, authorize or issue, or reclassify any authorized stock of the Company into, or create, authorize or issue any obligation or security convertible into or evidencing a right to purchase, any shares of any class of stock of the Company ranking prior to the Series C Preferred Stock or ranking prior to any other series of Preferred Stock which ranks on a parity with the Series C Preferred Stock. However, the Company may create additional classes of stock or issue series of Preferred Stock ranking on a parity with the Series C Preferred Stock with respect to the payment of dividends or upon liquidation, dissolution and winding up without the consent of any holder of Series C Preferred Stock.

Dividends

Holders of shares of the Series C Preferred Stock are entitled to cumulative dividends payable quarterly at an annual rate of $3.125 per share. With limited exceptions, holders of Series C Preferred Stock are entitled to Full Cumulative Dividends before dividends may be declared on junior stock (including PEPS so long as the Series A Preferred Stock is outstanding) and before such junior stock may be redeemed or purchased by the Company.

Liquidation Rights

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company (not including mergers, consolidations or sales of all or substantially all assets), holders of Series C Preferred Stock are entitled to receive a liquidation preference of $50 per share plus accrued dividends, prior to any distribution on junior stock (including the PEPS so long as the Series A Preferred Stock is outstanding).

Optional Redemption

Commencing September 1, 1995, the Series C Preferred Stock is redeemable at the option of the Company at any time at a redemption price per share (expressed as a percentage of the $50 liquidation preference thereof), of 104.375%, declining annually to 100% in 2002, plus accrued dividends.

Voting Rights

Except as indicated below or as expressly required by applicable law, the holders of the Series C Preferred Stock have no voting rights.

If the equivalent of six full quarterly dividends payable on the Series C Preferred Stock are in arrears, the holders of Series C Preferred Stock, voting separately as a class with the holders of shares of any other series of Preferred Stock which ranks on a parity with the Series C Preferred Stock and has been granted like voting rights which are then exercisable (which does not include the Series A Preferred Stock, which has separate voting rights), will be entitled to elect two directors for successive one-year terms until all dividends in arrears on the Series C Preferred Stock have been paid or declared and set apart for payment.

The consent of two-thirds of the votes of the holders of the Series C Preferred Stock and each other series of Preferred Stock which ranks on a parity with the Series C Preferred Stock and has been granted like voting rights (voting together as a single class), is required for the Company to create, authorize or issue, or reclassify any authorized stock of the Company into, or create, authorize or issue any obligation or security convertible into or evidencing a right to purchase, any shares of any class of stock of the Company ranking prior to the Series C Preferred Stock or any other series of Preferred Stock which ranks on a parity with the Series C Preferred Stock. The Company may not, without the affirmative vote or consent of two-thirds of the votes of the holders of the outstanding shares of the Series C Preferred Stock and each other series of Preferred Stock of the Company similarly affected, voting together as a single class, amend, alter or repeal any provision of the Certificate which would materially and adversely affect the preferences, rights, powers or privileges, qualification, limitations and restrictions of the Series C Preferred Stock and any such other series of Preferred Stock. The creation, issuance or increase in the amount of authorized shares of any other series of Preferred Stock ranking on a parity with or junior to the Series C Preferred Stock with respect to the payment of dividends or the distribution of assets upon liquidation, dissolution or winding up of the affairs of the Company will not be deemed to have such material and adverse effect.

Conversion

Shares of the Series C Preferred Stock are convertible at any time at the option of the holder thereof into a number of shares of Common Stock equal to the aggregate liquidation preference of the shares of Series C Stock surrendered for conversion divided by the conversion price of $25.9375 per share of Common Stock, subject to adjustment as described below.

The initial conversion price of $25.9375 is subject to adjustment (under formulae set forth in the Certificate of Designations) in certain events, including certain subdivisions and combinations of the Common Stock, the issuance of Common Stock as a dividend or distribution on Common Stock, extraordinary dividends or distributions on Common Stock and payment in respect of a tender or exchange offer by the Company or any subsidiary of the Company for the Common Stock to the extent that the cash and value of any other consideration included in such payment per share of Common Stock exceeds the Current Market Price per share of Common Stock on the Trading Day next succeeding the date of payment.

If any transaction shall occur, including without limitation (i) any recapitalization or reclassification of shares of Common Stock (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination of the Common Stock), (ii) any consolidation or merger of the Company with or into another person or any merger of another person into the Company (other than a merger that does not result in a reclassification, conversion, exchange or cancellation of Common Stock), (iii) any sale or transfer of all or substantially all of the assets of the Company, or (iv) any compulsory share exchange, pursuant to any of which holders of Common Stock shall be entitled to receive other securities, cash or other property, then appropriate provision shall be made so that the holder of each share of Series C Preferred Stock then outstanding shall have the right thereafter to convert such share only into (x) in the case of any such transaction that does not constitute a Common Stock Fundamental Change (as defined below) and subject to funds being legally available for such purpose under applicable law at the time of such conversion, the kind and amount of the securities, cash or other property that would have been receivable upon such recapitalization, reclassification, consolidation, merger, sale, transfer or share exchange by a holder of the number of shares of Common Stock issuable upon conversion of such share of Series C Preferred Stock immediately prior to such recapitalization, reclassification, consolidation, merger, sale, transfer or share exchange, after giving effect, in the case of any Non-Stock Fundamental Change (as defined below), to any adjustment in the conversion price in accordance with clause (i) of the following paragraph, and (y) in the case of any such transaction that constitutes a Common Stock Fundamental Change, common stock of the kind received by holders of Common Stock as a result of such Common Stock Fundamental Change in an amount determined in accordance with clause (ii) of the following paragraph.

Notwithstanding any other provision in the preceding paragraphs to the contrary, if any Fundamental Change (as defined below) occurs, then the conversion price in effect will be adjusted immediately after such Fundamental Change as follows:

(i) in the case of a Non-Stock Fundamental Change, the conversion price of the shares of Series C Preferred Stock immediately following such Non-Stock Fundamental Change shall be the lower of (A) the conversion price in effect immediately prior to such Non-Stock Fundamental Change, but after giving effect to any other prior adjustments effected pursuant to the preceding paragraphs, and (B) the product of (1) the greater of the Applicable Price (as defined below) and the then applicable Reference Market Price (as defined below) and (2) a fraction, the numerator of which is $50 and the denominator of which is (x) the amount of the redemption price for one share of Series C Preferred Stock if the redemption date were the date of such Non-Stock Fundamental Change, plus (y) any then accrued and then-accumulated and unpaid dividends on Series C Preferred Stock; and

(ii) in the case of a Common Stock Fundamental Change, the conversion price of the shares of Series C Preferred Stock immediately following such Common Stock Fundamental Change shall be the conversion price in effect immediately prior to such Common Stock Fundamental Change, but after giving effect to any other prior adjustments effected pursuant to the preceding paragraphs, multiplied by a fraction, the numerator of which is the Purchaser Stock Price (as defined below) and the denominator of which is the Applicable Price; provided, however, that in the event of a Common Stock Fundamental Change in which (A) 100% of the value of the consideration received by a holder of Common Stock is common stock of the successor, acquiror, or other third party (and cash, if any, paid with respect to any fractional interests in such common stock resulting from such Common Stock Fundamental Change) and (B) all of the Common Stock of the Company shall have been exchanged for, converted into, or acquired for, common stock of the successor, acquiror or other third party (and any cash with respect to fractional interests), the conversion price of the shares of Series C Preferred Stock immediately following such Common Stock Fundamental Change shall be the conversion price in effect immediately prior to such Common Stock Fundamental Change multiplied by a fraction, the numerator of which is one (1) and the denominator of which is the number of shares of common stock of the successor, acquiror, or other third party received by a holder of one share of Common Stock as a result of such Common Stock Fundamental Change.

Depending upon whether a Fundamental Change is a Non-Stock Fundamental Change or a Common Stock Fundamental Change, a holder may receive significantly different consideration upon conversion. In the event of a Non-Stock Fundamental Change, the holder has the right to convert shares of Series C Preferred Stock into the kind and amount of the shares of stock and other securities or property or assets (including cash), except as otherwise provided above, as is determined by the number of shares of Common Stock receivable upon conversion at the conversion price as adjusted in accordance with clause (i) of the preceding paragraph. However, in the event of a Common Stock Fundamental Change in which less than 100% of the value of the consideration received by a holder of Common Stock is common stock of the successor, acquiror or other third party, a holder of a share of Series C Preferred Stock who converts such share following the Common Stock Fundamental Change will receive consideration in the form of such common stock only, whereas a holder who converted such share prior to the Common Stock Fundamental Change would have received consideration in the form of such common stock as well as any other securities or assets (which may include cash) issuable upon conversion of such share of Series C Preferred Stock immediately prior to such Common Stock Fundamental Change.

Definitions

Capitalized terms not otherwise defined have the meanings set forth in "Definitions" following the description of Series E Preferred Stock.

The following terms shall have the meanings indicated in respect of the Series C Preferred Stock:

"Applicable Price" shall mean (i) in the event of a Non-Stock Fundamental Change in which the holders of the Common Stock receive only cash, the amount of cash received by a holder of one share of Common Stock and (ii) in the event of any other Non-Stock Fundamental Change or any Common Stock Fundamental Change, the average of the reported last sale price for one share of the Common Stock (determined as provided in the Certificate of Designations) during the 10 Trading Days immediately prior to the Record Date for the determination of the holders of Common Stock entitled to receive cash, securities, property or other assets in connection with such Non-Stock Fundamental Change or Common Stock Fundamental Change or, if there is no such Record Date, prior to the date upon which the holders of the Common Stock shall have the right to receive such cash, securities, property or other assets.

"Common Stock Fundamental Change" shall mean any Fundamental Change in which more than 50% of the value (as determined in good faith by the Board of Directors of the Company) of the consideration received by holders of Common Stock consists of common stock that, for the 10 Trading Days immediately prior to such Fundamental Change, has been admitted for listing or admitted for listing subject to notice of issuance on a national securities exchange or quoted on the National Market System of the National Association of Securities Dealers, Inc. Automated Quotations System; provided, however, that a Fundamental Change shall not be a Common Stock Fundamental Change unless either (i) the Company continues to exist after the occurrence of such Fundamental Change and the outstanding shares of Series C Preferred Stock continue to exist as outstanding shares of Series C Preferred Stock, or (ii) not later than the occurrence of such Fundamental Change, the outstanding shares of Series C Preferred Stock are converted into or exchanged for shares of convertible preferred stock of a corporation succeeding to the business of the Company, which convertible preferred stock has powers, preferences and relative, participating, optional or other rights, and qualifications, limitations and restrictions substantially similar to those of the Series C Preferred Stock.

"Fair Market Value" shall mean the amount which a willing buyer would pay a willing seller in an arm's length transaction.

"Fundamental Change" shall mean the occurrence of any transaction or event or series of transactions or events pursuant to which all or substantially all of the Common Stock of the Company shall be exchanged for, converted into, acquired for or shall constitute solely the right to receive cash, securities, property or other assets (whether by means of an exchange offer, liquidation, tender offer, consolidation, merger, combination, reclassification, recapitalization or otherwise); provided, however, in the case of any such series of transactions or events, for purposes of adjustment of the conversion price, such Fundamental Change shall be deemed to have occurred when substantially all of the Common Stock of the Company shall have been exchanged for, converted into, or acquired for, or shall constitute solely the right to receive, such cash, securities, property or other assets, but the adjustment shall be based upon the consideration that the holders of Common Stock received in the transaction or event as a result of which more than 50% of the Common Stock of the Company shall have been exchanged for, converted into, or acquired for, or shall constitute solely the right to receive, such cash, securities, property or other assets; and provided, further, that such term does not include (i) any such transaction or event in which the Company and/or any of its subsidiaries are the issuers of all the cash, securities, property or other assets exchanged, acquired or otherwise issued in such transaction or event, or (ii) any such transaction or event in which the holders of Common Stock receive securities of an issuer other than the Company if, immediately following such transaction or event, such holders hold a majority of the securities having the power to vote normally in the election of directors of such other issuer outstanding immediately following such transaction or other event.

"Non-Stock Fundamental Change" shall mean any Fundamental Change other than a Common Stock Fundamental Change.

"Purchaser Stock Price" shall mean, with respect to any Common Stock Fundamental Change, the average of the reported last sale price for one share of the common stock received by holders of Common Stock (determined as provided in the Certificate of Designations) in such Common Stock Fundamental Change during the 10 Trading Days immediately prior to the date fixed for the determination of the holders of Common Stock entitled to receive such common stock or, if there is no such date, prior to the date upon which the holders of the Common Stock shall have the right to receive such common stock.

"Reference Market Price" shall initially mean $13.8333 and, in the event of any adjustment to the conversion price other than as a result of a Fundamental Change, the Reference Market Price shall also be adjusted so that the ratio of the Reference Market Price to the conversion price after giving effect to any such adjustment shall always be the same as the ratio of the initial Reference Market Price to the initial conversion price of $25.9375 per share.

SERIES D PREFERRED STOCK

Ranking

The Series D Preferred Stock ranks senior to the Common Stock, junior to the Series A Preferred Stock and the Series C Preferred Stock, and on a parity with the PEPS, with respect to the payment of dividends and upon liquidation, dissolution or winding up, provided that the Series D Preferred Stock shall so rank on a parity with the Series C Preferred Stock at such times as there shall be no shares of Series A Preferred Stock outstanding. The Company may not, without the consent of two-thirds of the votes of the holders of the outstanding shares of Series D Preferred Stock and all other outstanding shares of Preferred Stock ranking on a parity with the Series D Preferred Stock either as to dividends or upon liquidation, dissolution or winding up, voting together as a single class, create, authorize or issue, or reclassify any authorized stock of the Company into, or create, authorize or issue any obligation or security convertible into or evidencing a right to purchase, any shares of any class of stock of the Company ranking prior to the Series D Preferred Stock or ranking prior to any other series of Preferred Stock which ranks on a parity with the Series D Preferred Stock. However, the Company may create additional classes of stock or issue series of Preferred Stock ranking on a parity with the Series D Preferred Stock with respect to the payment of dividends or upon liquidation, dissolution and winding up without the consent of any holder of Series D Preferred Stock.

Dividends

Holders of shares of the Series D Preferred Stock are entitled to cumulative dividends payable quarterly at an annual rate of $1.8138 per share. With limited exceptions, holders of Series D Preferred Stock are entitled to Full Cumulative Dividends before dividends may be declared on junior stock and before such junior stock may be redeemed or purchased by the Company.

Liquidation Rights

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company (not including mergers, consolidations or sales of all or substantially all assets), the holders of each class or series of Preferred Stock ranking senior to the Series D Preferred Stock shall first receive full payment of their liquidation preferences. Holders of Series D Preferred Stock are then entitled to receive a liquidation preference of $100 per share plus accrued dividends prior to any distribution on stock ranking junior to the Series D Preferred Stock.

Mandatory Redemption in Event of Sale

Shares of the Series D Preferred Stock are subject to mandatory redemption in the following circumstances. If at any time not less than 10 Business Days before November 17, 1996 the Company shall consummate any Sale (generally defined as a sale of all or substantially all of the assets or stock of an operating division or subsidiary of the Company other than T.J. Maxx or Marshalls at a value of not less than a $25 million premium over the book value of such assets or stock), then the Company is required to apply as much of the Sale Proceeds (generally defined as the net cash proceeds, if any (after subtracting all fees and expenses related to such transaction), received by the Company in respect of any Sale) received by the Company in respect of such Sale as is necessary to redeem all then outstanding shares of Series D Preferred Stock (or, if fewer, as many such shares as can be redeemed at the Call Price out of such Sale Proceeds). Upon any such redemption, the Company shall deliver to the holders of shares of Series D Preferred Stock, in exchange for each share so redeemed, cash in an amount equal to the sum of (i) $100 per share plus (ii) Full Cumulative Dividends thereon to the date fixed for redemption.

Voting Rights

Except as indicated below or as expressly required by applicable law, the holders of the Series D Preferred Stock have no voting rights.

If the equivalent of six full quarterly dividends payable on the Series D Preferred Stock are in arrears, the maximum authorized number of directors of the Company will be increased by two and the holders of Series D Preferred Stock, voting separately as a class with the holders of shares of any other series of Preferred Stock ranking on a parity with the Series D Preferred Stock and upon which like voting rights have been conferred and are exercisable, will be entitled to elect two directors for successive one-year terms until all dividends in arrears on the Series D Preferred Stock have been paid or declared and set apart for payment. Upon payment or declaration and setting apart of funds for payment of all such dividends in arrears, the term of office of each director elected will immediately terminate and the number of directors constituting the entire Board of Directors of the Company will be reduced by the number of directors elected by the holders of the Series D Preferred Stock and any other series of Preferred Stock ranking on a parity with the Series D Preferred Stock as discussed above.

The Company may not, without the consent of two-thirds of the votes of the holders of the Series D Preferred Stock and each other series of Preferred Stock ranking on a parity with the Series D Preferred Stock and upon which like voting rights have been conferred (voting together as a single class), create, authorize or issue, or reclassify any authorized stock of the Company into, or create, authorize or issue any obligation or security convertible into or evidencing a right to purchase, any shares of any class of stock of the Company ranking prior to the Series D Preferred Stock or any other series of Preferred Stock which ranks on a parity with the Series D Preferred Stock. The Company may not, without the consent of two-thirds of the votes of the holders of the outstanding shares of the Series D Preferred Stock and each other series of Preferred Stock of the Company similarly affected, if any, voting together as a single class, amend, alter or repeal any provision of the Certificate which would materially and adversely affect the preferences, rights, powers or privileges, qualification, limitations and restrictions of the Series D Preferred Stock and any such other series of Preferred Stock. The creation, issuance or increase in the amount of authorized shares of any other series of Preferred Stock ranking on a parity with or junior to the Series D Preferred Stock with respect to the payment of dividends or the distribution of assets upon liquidation, dissolution or winding up of the affairs of the Company will not be deemed to have such material and adverse effect.

Conversion

On November 17, 1996 (the "Automatic Conversion Date"), unless earlier converted at the option of the holder, each outstanding share of the Series D Preferred Stock shall convert automatically (the "Automatic Conversion") into (i) shares of Common Stock at the Exchange Rate in effect on the Automatic Conversion Date and (ii) the right to receive an amount in cash equal to Full Cumulative Dividends on such share to the Automatic Conversion Date.

Shares of Series D Preferred Stock may be converted at the option of the holder thereof ("Optional Conversion"), at any time through the close of business on the Business Day prior to November 17, 1996, into (i) shares of Common Stock at the Exchange Rate in effect on the Optional Conversion Date; and (ii) the right to receive an amount in cash equal to Full Cumulative Dividends on such shares to the Optional Conversion Date. Notwithstanding the foregoing, the Company may, at its option, in lieu of delivering shares of Common Stock on the Optional Conversion Date, deliver cash in an aggregate amount equal to the aggregate Closing Price (on the Trading Day preceding the Optional Conversion Date) of the number of shares of Common Stock otherwise so deliverable (together, in any event, with Full Cumulative Dividends thereon to the Optional Conversion Date).

The Exchange Rate is subject to adjustment (under formulae set forth in the Certificate of Designations) from time to time as appropriate in certain circumstances, including certain subdivisions and combinations of the Common Stock, dividends in Common Stock and non-cash dividends and distributions on Common Stock.

In case of any consolidation or merger to which the Company is a party (other than a merger or consolidation in which the Company is the continuing corporation and in which the Common Stock outstanding immediately prior to the merger or consolidation remains unchanged), or in case of any sale or transfer to another corporation of the property of the Company as an entirety or substantially as an entirety, or in case of any statutory exchange of securities with another corporation (other than in connection with a merger or acquisition), proper provision shall be made so that each share of the Series D Preferred Stock shall, after consummation of such transaction, be subject to (i) conversion at the option of the holder into the kind and amount of securities, cash or other property receivable upon consummation of such transaction by a holder of the number of shares of Common Stock into which such share of Series D Preferred Stock would have been converted if the conversion had occurred immediately prior to consummation of such transaction (based on the Exchange Rate in effect immediately prior to such consummation), (ii) conversion on the Automatic Conversion Date into the kind and amount of securities, cash or other property receivable upon consummation of such transaction by a holder of the number of shares of Common Stock into which such share of Series D Preferred Stock would have been converted if the conversion on the Automatic Conversion Date had occurred immediately prior to the date of consummation of such transaction (based on the Exchange Rate in effect immediately prior to such consummation) and (iii) redemption on any redemption date in exchange for the kind and amount of securities, cash or other property receivable upon consummation of such transaction by a holder of the number of shares of Common Stock that would have been issuable at the Call Price in effect on such redemption date upon a redemption of such share of Series D Preferred Stock immediately prior to consummation of such transaction; assuming in each case that such holder of Common Stock failed to exercise rights of election, if any, as to the kind or amount of securities, cash or other property receivable upon consummation of such transaction (provided that if the kind or amount of securities, cash or other property receivable upon consummation of such transaction is not the same for each nonelecting share, then the kind and amount of securities, cash or other property receivable upon consummation of such transaction for each nonelecting share shall be deemed to be the kind and amount so receivable per share by a plurality of the nonelecting shares).

Definitions

Capitalized terms not otherwise defined have the meanings set forth in "Definitions" following the description of Series E Preferred Stock.

The following terms shall have the meanings indicated in respect of the Series D Preferred Stock:

"Call Price" of each share of Series D Preferred Stock shall mean $100 per share.

The "Exchange Rate" for the Series D Preferred Stock shall be equal to (a) if the Current Market Price on the date of determination is equal to or greater than 120% of $15.4375 (the "Threshold Common Stock Price"), the number of shares of Common Stock equal to 0.83333333 of the Base Number (the "Upper Exchange Rate"), (b) if the Current Market Price on the date of determination is less than the Threshold Common Stock Price but greater than 80% of $15.4375, the number of shares of Common Stock having a value (determined at the Current Market Price) equal to $100 per share of Series D Preferred Stock (the "Middle Exchange Rate"), and (c) if the Current Market Price on the date of determination is equal to or less than 80% of $15.4375, a number of shares of Common Stock (the "Lower Exchange Rate") equal to 1.25 multiplied by the Base Number. The Exchange Rate is subject to adjustment as set forth in the above section entitled "Conversion."

PEPS

For a detailed description of the PEPS see "Description of Series E Preferred Stock."

CERTAIN CHARTER AND BY-LAW PROVISIONS

The Certificate and By-Laws contain various provisions that may impede the acquisition of control of the Company by means of a tender offer, proxy fight or other means. Such provisions include a classified Board of Directors, restrictions on the ability of stockholders to remove directors, the ability to fill vacancies or call a stockholder meeting, and restrictions on stockholder proposals and amendment of certain charter and by-law provisions.

The Certificate further provides that no director of the company shall be liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Company or its shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law or (iv) for any transaction from which the director derived an improper personal benefit. Section 174 of the Delaware General Corporation Law specifies conditions under which directors of Delaware corporations may be liable for unlawful payment of dividends or unlawful stock purchases or redemptions.

SECTION 203 OF THE DELAWARE GENERAL CORPORATION LAW

As a Delaware corporation, the Company is subject to the provisions of Section 203 of the General Corporation Law of the State of Delaware. Section 203 generally provides that if a person or group acquires 15% or more of a corporation's voting stock (thereby becoming an "interested stockholder") without prior board approval, such interested stockholder may not, for a period of three years, engage in a wide range of business combination transactions with the corporation. However, this restriction does not apply to a person who becomes an interested stockholder in a transaction resulting in the interested stockholder owning at least 85% of the corporation's voting stock (excluding from the outstanding shares, shares held by officer-directors or pursuant to employee stock plans without confidential tender offer decisions), or to a business combination approved by the board of directors and authorized by the affirmative vote of at least 66 2/3% of the outstanding voting stock not owned by the interested stockholder. In addition, Section 203 does not apply to certain business combinations proposed subsequent to the public announcement of specified business combination transactions which are not opposed by the board of directors.

UNDERWRITERS

Under the terms and subject to the conditions contained in an Underwriting Agreement dated the date hereof, the Underwriters named below have severally agreed to purchase, and the Selling Stockholder has agreed to sell to them, severally, the respective number of PEPS set forth opposite the names of such Underwriters below:

NAME	NUMBER OF PEPS
Morgan Stanley & Co. Incorporated	266,700
CS First Boston Corporation	266,650
Salomon Brothers Inc	266,650
Dean Witter Reynolds Inc	50,000
A.G. Edwards & Sons, Inc	50,000
Legg Mason Wood Walker, Incorporated	50,000
Raymond James & Associates, Inc	50,000
Total	1,000,000

The Underwriting Agreement provides that the obligations of the several Underwriters to pay for and accept delivery of the PEPS offered hereby are subject to the approval of certain legal matters by their counsel and to certain other conditions. The Underwriters are committed to take and pay for all of the PEPS offered hereby if any are taken.

The Underwriters initially propose to offer the PEPS directly to the public at the public offering price set forth on the cover page hereof and to certain dealers at a price that represents a concession not in excess of $2.83 per PEPS. Any Underwriter may allow, and such dealers may reallow, a concession not in excess of $0.10 per PEPS to other underwriters or to certain other dealers.

The Company, the Selling Stockholder and Melville, and the Underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the other parties may be required to make in respect thereof.

The Selling Stockholder has agreed that, without the prior written consent of Morgan Stanley & Co. Incorporated on behalf of the Underwriters, it will not, during the period ending 30 days after the date of this Prospectus, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any shares of Series E Preferred Stock, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (including the Series D Preferred Stock). The foregoing sentence shall not apply to the shares of Series E Preferred Stock to be sold hereunder.

The Selling Stockholder has granted to the Underwriters an option, exercisable for 30 days from the date of this Prospectus, to purchase up to 150,000 additional Series E Preferred Stock at the public offering price set forth on the cover page hereof, less underwriting discounts and commissions. The Underwriters may exercise such option solely for the purpose of covering over-allotments, if any, incurred in connection with the sale of the Series E Preferred Stock offered hereby.

Prior to this offering, there has been no prior public market for the PEPS. Although the PEPS have been approved for listing on the NYSE, subject to official notice of issuance, there can be no assurance that an active public market will develop for the PEPS or that the PEPS will trade in the public market subsequent to the offering at or above the initial offering price.

Certain of the Underwriters have from time to time performed various investment banking services for the Company and its subsidiaries and for Melville and its subsidiaries, for which customary compensation has been received.

LEGAL OPINIONS

The legality of the PEPS and certain other legal matters in connection with the sale of the PEPS offered hereby will be passed upon for the Company by Ropes & Gray, Boston, Massachusetts. Certain legal matters in connection with the sale of the PEPS offered hereby will be passed upon for the Underwriters by Latham & Watkins, New York, New York. Certain legal matters relating to the Selling Stockholder will be passed on by Davis Polk & Wardwell, New York, New York.

EXPERTS

The consolidated balance sheets of the Company as of January 27, 1996 and January 28, 1995 and the consolidated statements of income, shareholders' equity and cash flows of the Company for the years ended January 27, 1996, January 28, 1995, and January 29, 1994, incorporated by reference in this prospectus, have been incorporated herein in reliance on the report of Coopers & Lybrand L.L.P., independent accountants, given on the authority of that firm as experts in accounting and auditing.

The consolidated balance sheets of Marshalls as of December 31, 1994 and 1993, and the consolidated statements of income, stockholders' equity and cash flows of Marshalls for the years ended December 31, 1994, 1993 and 1992 incorporated by reference in this prospectus, have been incorporated herein in reliance on the report of KPMG Peat Marwick LLP, independent accountants, given on the authority of that firm as experts in accounting and auditing.

PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

On May 24, 1996, Chadwick's of Boston, Ltd. ("Chadwick's"), a holding company formed to own the off-price catalog operation of The TJX Companies, Inc. (the "Company"), filed a Registration Statement with the Securities and Exchange Commission pursuant to which the Company intends to sell to the public 9,260,000 shares of common stock of Chadwick's. An additional 1,389,000 shares of common stock are subject to an over-allotment option granted to the underwriters. After the offering, the Company will own approximately 30%-39% (depending on the amount of the underwriters' over-allotment option exercised) of the outstanding shares of common stock of Chadwick's. It is currently anticipated that the initial offering price will be between $14.00 and $16.00 per share.

The pro forma condensed consolidated financial statements of the Company assume that the offering takes place at a price of $15.00 per share and that no underwriters' over-allotment option is exercised. The pro forma condensed consolidated balance sheet as of April 27, 1996 assumes the sale of 61% of the Company's investment in Chadwick's on that date and is based on the unaudited historical balance sheet of the Company as of April 27, 1996. The pro forma adjustments eliminate the assets and liabilities of Chadwick's included in the consolidated results of the Company, record a gain on the sale of the Company's 61% interest in Chadwick's, record the Company's remaining equity investment in Chadwick's, assume conversion of the Company's Series D preferred stock into common stock following a call for redemption and assume the net proceeds from the offering along with Chadwick's repayment of intercompany indebtedness are used to repay outstanding debt incurred to acquire Marshalls.

The pro forma condensed consolidated statement of income for the twelve months ended January 27, 1996 is based on the audited historical statement of income of the Company as reported on Form 10-K for the year ended January 27, 1996, which includes Marshalls operating results since its acquisition by the Company on November 17, 1995. (See the Company's filing on Form 8-K dated as of November 17, 1995 including subsequent amendment.) The historical results for the Company have first been adjusted to reflect the acquisition of Marshalls as if it had occurred on the first day of the fiscal year. The pro forma adjustments include the historical results of Marshalls from January 29, 1995 through the acquisition date as well as adjustments for the impact of the purchase accounting method and the impact of the preferred stock issued and debt incurred as a result of the acquisition. The pro forma results reflecting the acquisition of Marshalls are further adjusted to reflect the sale of Chadwick's stock by the Company as if it also occurred on the first day of the fiscal year. The pro forma adjustments eliminate the operating results for Chadwick's included in the Company's consolidated results, record 39% of Chadwick's net income and reflect a reduction in interest expense due to the repayment of debt. The pro forma statement of income excludes the non-recurring gain of approximately $65 million the Company will recognize upon the sale of its investment in Chadwick's and excludes a non-recurring charge of approximately $2 million the Company may incur for the prepayment of debt.

The pro forma condensed consolidated statement of income for the quarter ended April 27, 1996 is based on the unaudited historical statement of income of the Company as reported on Form 10-Q for the thirteen weeks ended April 27, 1996. The pro forma adjustments eliminate the operating results for Chadwick's included in the Company's consolidated results record 39% of Chadwick's net income and reflect a reduction in interest expense due to the repayment of debt. Pro forma adjustments to the statement of income for such quarter reflect the impact of the transaction as if it occurred at the beginning of the most recent fiscal year.

These pro forma condensed consolidated financial statements have been prepared for information purposes only and do not necessarily indicate what would have occurred had the acquisition of Marshalls and public offering taken place on the dates indicated or what results may occur in the future. Specifically, the pro forma condensed consolidated statement of income for the twelve months ended January 27, 1996 includes the historical results of Marshalls before its acquisition by the Company and of Chadwick's, which are not necessarily indicative of current results. Thus, the pro forma statement of income for the twelve months ended January 27, 1996 does not fully reflect the impact that Marshalls has had on the Company's results. In addition, the historical results are not necessarily indicative of the impact that Marshalls and Chadwick's may have on future results of the Company. The accompanying pro forma condensed consolidated financial statements should be read in conjunction with the historical financial statements of the Company, the Company's Form 8-K dated November 17, 1995 (and subsequent amendment) relating to the Marshalls acquisition and the Form S-1 Registration Statement filed by Chadwick's of Boston, Ltd.

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE FISCAL YEAR ENDED JANUARY 27, 1996
(UNAUDITED)

	BALANCE AS REPORTED	PRO FORMA ADJUSTMENTS FOR MARSHALLS ACQUISITION	PRO FORMA SUBTOTAL	PRO FORMA ADJUSTMENTS FOR CHADWICK'S STOCK SALE	PRO FORMA BALANCE
	(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)				
INCOME STATEMENT DATA:					
Net sales................	$4,447.5	$ 2,110.4(1a)	$6,557.9	$(472.4)(2a)	$6,085.5
Cost of sales, including buying and occupancy costs.................	3,429.4	(10.5)(1c) 1,768.6(1d)	5,187.5	(286.1)(2a)	4,901.4
Selling, general and administrative expenses..............	830.0	2.3(1d) 377.2(1a)	1,209.5	(160.2)(2a)	1,049.3
Store closing costs......	35.0	--	35.0	--	35.0
Interest expense, net....	44.2	6.3(1a) 22.1(1b)	72.6	(6.0)(2a) (11.5)(2b)	55.1
Income from continuing consolidated operations before income taxes..........	108.9		53.3		44.7
Provision for income taxes.................	45.3	(16.6)(1a) (5.6)(1e)	23.1	(8.1)(2a) 4.6(2b)	19.6
	63.6		30.2		25.1
Equity in net income of Chadwick's............	--		--	3.3(2c)	3.3
Income from continuing operations............	63.6		30.2		28.4
Preferred stock dividends.............	9.3	8.4(1f)	17.7		17.7
Income from continuing operations for earnings per share computations....	$ 54.3		$ 12.5		$ 10.7
Number of common shares for earnings per share computations..........	73.1	1.6(1g)	74.8		74.8
Income from continuing operations per common share.................	$ .74		$ .17		$ .14

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated Statement of Income.

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE QUARTER ENDED APRIL 27, 1996
(UNAUDITED)

	BALANCE AS REPORTED	PRO FORMA ADJUSTMENTS FOR CHADWICK'S STOCK SALE	PRO FORMA BALANCE
	(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)		
INCOME STATEMENT DATA:			
Net sales	$1,604.2	$(132.0)(2a)	$1,472.2
Cost of sales, including buying and occupancy costs	1,240.7	(73.3)(2a)	1,167.4
Selling, general and administrative expenses	297.0	(45.9)(2a)	251.1
Interest expense, net	15.1	(.5)(2a) (2.6)(2b)	12.0
Income from continuing operations before income taxes	51.4		41.8
Provision for income taxes	21.4	(5.1)(2a) 1.0 (2b)	17.2
	30.1		24.5
Equity in net income of Chadwick's	--	2.6 (2c	2.6
Income from continuing operations	30.1		27.1
Preferred stock dividend adjustment	1.8		1.8
Income from continuing operations for earnings per share computations	$ 28.3		$ 25.3
Number of common shares primary and fully diluted earnings per share computations	85.3		85.3
Income from continuing operations per common share	$ .33		$ .30

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated Statement of Income.

PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
AS OF APRIL 27, 1996
(UNAUDITED)

	BALANCE AS REPORTED	PRO FORMA ADJUSTMENTS FOR CHADWICK'S STOCK SALE	PRO FORMA BALANCE
		(IN MILLIONS)	
ASSETS			
Currents assets:			
Cash and cash equivalents	$ 191.4	$ 40.3 (3b)	$ 201.4
		125.7 (3c)	
		(156.0)(3e)	
Accounts receivable	140.9	(65.5)(3a)	75.4
Merchandise inventories	1,372.0	(71.8)(3a)	1,300.2
Prepaid expenses	32.6	(13.7)(3a)	18.9
Total current assets	1,736.9		1,595.9
Property, net	772.1	(51.2)(3a)	720.9
		126.9 (3a)	33.8
Investment in Chadwick's of Boston, Ltd	--	(40.3)(3b)	
		(52.8)(3c)	
Other assets	35.9		35.9
Goodwill and tradename, net of amortization	234.5		234.5
Total Assets	$2,779.4		$2,621.0
LIABILITIES			
Current liabilities:			
Short-term debt	$ 2.2		$ 2.2
Current installments of long-term debt	88.7	(25.0)(3e)	63.7
Accounts payable	498.5	(34.0)(3a)	464.5
Accounts expenses and other current liabilities	707.7	(39.3)(3a)	678.4
		10.0 (3c)	
Total current liabilities	1,297.1		1,208.8
Long-term debt, exclusive of current installments	679.7	(131.0)(3e)	548.7
Deferred income taxes	17.1	(2.0)(3a)	15.1
SHAREHOLDERS' EQUITY			
Preferred stock at face value	282.5	(25.0)(3d)	257.5
Common Stock	72.6	1.3 (3d)	73.9
Additional paid-in capital	269.4	23.7 (3d)	293.1
Retained earnings	161.0	62.9 (3c)	223.9
Total shareholders' equity	785.5		848.4
Total Liabilities and Shareholders' Equity	$2,779.4		$2,621.0

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated Balance Sheet.

NOTES TO PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1

The pro forma condensed consolidated statement of income reflects the following adjustments relating to the acquisition of Marshalls:

(a) To record Marshalls historical results for the period January 29, 1995 through November 17, 1995, the period prior to the Company's acquisition of Marshalls.

Net sales	$2,110.4
Cost of sales including buying and occupancy costs	1,768.6
Selling, general and administrative expenses	377.2
Interest expense, net	6.3
Provision (benefit) for income taxes	(16.6)

(b) To record additional interest expense and amortization of deferred financing costs for the period January 29, 1995 through November 17, 1995.

(c) To reflect a reduction in depreciation expense due to the net write-down of property to fair value for the period January 29, 1995 through November 17, 1995.

(d) To record amortization of "Marshalls" trade name, net of reduction in amortization due to elimination of goodwill from prior acquisitions, for period January 29, 1995 through November 17, 1995.

(e) To record the income tax (benefit) associated with pro forma adjustments b, c and d at a marginal tax rate of 40%.

(f) To adjust preferred stock dividends for dilutive effect of additional dividends on preferred stock issued for acquisition of Marshalls.

(g) To adjust weighted average shares outstanding for earnings per share calculations shares for dilutive effect of preferred stock issued for acquisition of Marshalls.

Note 2

The pro forma condensed consolidated statement of income for the fiscal year ended January 27, 1996 and the thirteen weeks ended April 27, 1996 reflects the following adjustments for the initial public offering of Chadwick's stock.

(a) To eliminate the net sales, expenses and tax provision relating to Chadwick's operating results as included in the consolidated results of the Company.

(b) To reflect a reduction in interest expense as a result of the repayment of a portion of the term loan incurred from the acquisition of Marshalls, along with the related impact on the income tax provision.

(c) To record 39% of Chadwick's net income as equity in the net earnings of minority owned subsidiary. Chadwick's net income for the fiscal year ended January 27, 1996 was $8.3 million which includes an after-tax extraordinary charge of $3.3 million for early retirement of debt, and was $6.7 million for the thirteen weeks ended April 27, 1996.

Note 3

The pro forma condensed consolidated balance sheet reflects the following adjustments:

(a) To eliminate the assets and liabilities of Chadwick's included in the consolidated results of the Company and reflect the net assets of Chadwick's as investment in Chadwick's of Boston, Ltd.

(b) To reflect payment to the Company by Chadwick's of the balance of its inter-company indebtedness, after a $20 million forgiveness of debt via capital contribution by the Company.

(c) To record net proceeds of $125.7 million (based on $15.00 per share) received from the Company's sale of 61% of its investment in Chadwick's, after the repayment of inter-company debt described above, and to record a gain of $62.9 million, after estimated taxes of $10 million.

(d) The Company is required to redeem its outstanding Series D Preferred Stock from the proceeds of certain asset sales. It is assumed the Company will call the Series D Preferred Stock for redemption and that based on current market prices, the holders of the Series D Preferred Stock elect their conversion rights and convert into common stock.

(e) To record repayment of long-term debt (including current installments) of $156.0 million. The net proceeds used to repay the debt include cash received from Chadwick's in repayment of its inter-company debt and the net proceeds from the stock offering, less taxes to be paid.

[LOGO] THE TJX COMPANIES, INC.