FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

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

For Quarter Ended October 26, 1996
Commission file number 1-4908

The TJX Companies, Inc.
(Exact name of registrant as specified in its charter)

DELAWARE	04-2207613
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

770 Cochituate Road Framingham, Massachusetts	01701
(Address of principal executive offices)	(Zip Code)

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

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

The number of shares of Registrant's Common Stock outstanding as of October 26, 1996: 77,724,715

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

	Thirteen Weeks Ended October 26, 1996	October 28, 1995
Net sales	$1,722,429	$ 861,214
Cost of sales, including buying and occupancy costs	1,305,271	661,618
Selling, general and administrative expenses	266,918	145,644
Interest expense, net	10,344	9,568
Income from continuing operations before income taxes and extraordinary item	139,896	44,384
Provision for income taxes	58,306	17,724
Income from continuing operations before extraordinary item	81,590	26,660
Income from discontinued operations, net of income taxes	8,805	7,217
Income before extraordinary item	90,395	33,877
Extraordinary (charge), net of income taxes	(2,885)	-
Net income	87,510	33,877
Preferred stock dividends	2,308	1,789

Net income attributable to common shareholders	$ 85,202	$ 32,088
Primary and fully diluted earnings per common share:		
Income from continuing operations	$ .90	$ .35
Income before extraordinary item	$1.00	$ .44
Net income	$ .97	$ .44
Cash dividends per common share	$ .07	$ .14

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

PART I FINANCIAL INFORMATION

THE TJX COMPANIES, INC. AND CONSOLIDATED SUBSIDIARIES

STATEMENTS OF INCOME

(UNAUDITED)

DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS

	Thirty-Nine Weeks Ended	
	October 26, 1996	October 28, 1995
Net sales	$4,742,935	$2,336,376
Cost of sales, including buying and occupancy costs	3,694,820	1,828,638
Selling, general and administrative expenses	775,983	407,571
Interest expense, net	35,674	24,430
Income from continuing operations before income taxes and extraordinary item	236,458	75,737
Provision for income taxes	98,154	32,130
Income from continuing operations before extraordinary item	138,304	43,607
Income from discontinued operations, net of income taxes	18,231	5,193
(Loss) on the disposal of discontinued operations, net of income taxes	-	(31,700)
Income before extraordinary item	156,535	17,100
Extraordinary (charge), net of income taxes	(2,885)	-
Net income	153,650	17,100
Preferred stock dividends	11,096	5,367
Net income attributable to common shareholders	$ 142,554	$ 11,733
Primary and fully diluted earnings per common share:		
Income from continuing operations	$1.53	$ .53
Income before extraordinary item	$1.73	$ .16
Net income	$1.70	$ .16
Cash dividends per common share	$ .21	$ .42

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

THE TJX COMPANIES, INC. AND CONSOLIDATED SUBSIDIARIES

BALANCE SHEETS

(UNAUDITED)

IN THOUSANDS

	October 26, 1996	January 27, 1996	October 28, 1995
ASSETS			
Current assets:			
Cash and cash equivalents	$ 236,035	$ 209,226	$ 26,902
Accounts receivable	90,695	55,144	47,492
Merchandise inventories	1,335,099	1,258,488	1,013,471
Prepaid expenses	19,054	16,406	15,732
Net current assets of discontinued operations	116,009	76,287	117,350
Total current assets	1,796,892	1,615,551	1,220,947
Property, at cost:			
Land and buildings	110,496	110,446	85,265
Leasehold costs and improvements	448,636	423,842	282,332

Furniture, fixtures and equipment	585,684	539,504	381,184
	1,144,816	1,073,792	748,781
Less accumulated depreciation and amortization	420,506	340,599	318,783
	724,310	733,193	429,998
Other assets	36,432	37,325	27,127
Goodwill and tradename, net of amortization	231,335	236,043	87,993
Net noncurrent assets of discontinued operations	48,627	52,299	9,840
TOTAL ASSETS	$2,837,596	$2,674,411	$1,775,905
LIABILITIES			
Current liabilities:			
Short-term debt	$ -	$ -	$ 97,699
Current installments of long-term debt	94,708	78,670	53,548
Accounts payable	616,200	436,634	375,701
Accrued expenses and other current liabilities	653,780	691,096	258,011
Total current liabilities	1,364,688	1,206,400	784,959
Long-term debt exclusive of current installments:			
Real estate mortgages	22,926	27,241	29,069
Equipment notes	2,556	3,272	3,801
General corporate debt	514,880	660,200	335,196
Deferred income taxes	25,885	12,664	34,780
SHAREHOLDERS' EQUITY			
Preferred stock at face value, authorized 5,000,000 shares, par value $1, issued and outstanding cumulative convertible stock of:			
250,000 shares of 8% Series A	-	25,000	25,000
1,650,000 shares of 6.25% Series C	-	82,500	82,500
250,000 shares of 1.81% Series D	25,000	25,000	-
1,500,000 shares of 7% Series E	150,000	150,000	-
Common stock, par value $1, authorized 150,000,000 shares, issued and outstanding 77,724,715; 72,485,776 and 72,418,517 shares	77,725	72,486	72,419
Additional paid-in capital	386,600	269,159	267,743
Retained earnings	267,336	140,489	140,438
Total shareholders' equity	906,661	764,634	588,100
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$2,837,596	$2,674,411	$1,775,905

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

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

	Thirty-Nine Weeks Ended	
	October 26, 1996	October 28, 1995

Cash flows from operating activities:		
Net income	$ 153,650	$ 17,100
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
(Income) from discontinued operations	(18,231)	(5,193)
Loss on disposal of discontinued operations	-	31,700
Extraordinary charge	2,885	-
Depreciation and amortization	94,228	51,987
Loss on property disposals	6,291	719
Other	(3,282)	(4,265)
Changes in assets and liabilities:		
(Increase) in accounts receivable	(35,551)	(15,960)
(Increase) in merchandise inventories	(76,611)	(226,900)
(Increase) in prepaid expenses	(2,648)	(2,350)
Increase in accounts payable	179,566	1,801
Increase in accrued expenses and other current liabilities	12,573	38,648
Increase in deferred income taxes	13,221	7,973
Net cash provided by (used in) operating activities	326,091	(104,740)
Cash flows from investing activities:		
Property additions	(83,025)	(82,914)
Proceeds from sale of discontinued operations	-	3,000
Contingent payment for acquisition of Marshalls	(49,327)	-
Net cash (used in) investing activities	(132,352)	(79,941)
Cash flows from financing activities:		
Proceeds from borrowings of short-term debt	-	77,699
Proceeds from borrowings long-term debt	-	199,861
Principal payments on long-term debt	(45,493)	(4,036)
Prepayment of long-term debt	(92,459)	-
Proceeds from sale and issuance of common stock, net	15,644	121
Cash dividends	(26,803)	(35,776)
Net cash provided by (used in) financing activities	(149,111)	237,869
Net cash provided by continuing operations	44,628	53,188
Net cash (used in) discontinued operations	(17,819)	(67,855)
Net increase (decrease) in cash and cash equivalents	26,809	(14,667)
Cash and cash equivalents at beginning of year	209,226	41,569
Cash and cash equivalents at end of period	$ 236,035	$ 26,902

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

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

Thirteen Weeks (Third Quarter) and Thirty-Nine Weeks Ended October 26, 1996 Versus Thirteen Weeks and Thirty-Nine Weeks Ended October 28, 1995

On October 18, 1996, the Company announced it had entered into an agreement with Brylane, L.P. to sell its Chadwick's of Boston catalog division. As a result of this transaction, the impact of Chadwick's on the consolidated financial statements for the current and all prior periods have been classified as discontinued operations. In addition, periods prior to October 28, 1995 reflect the Hit or Miss division as a discontinued operation as a result of the sale of that division on September 30, 1995.

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 are included in the Company's financial position and results of operations from the date of acquisition.

Net sales from continuing operations for the third quarter were $1,722.4 million, up 100% from $861.2 million last year. For the nine months, net sales from continuing operations were $4,742.9 million, up 103% from $2,336.4 million for the same period last year. The increase in sales is primarily attributable to the acquisition of Marshalls. Same store sales for the third quarter increased by 7% at T.J. Maxx, 9% at Marshalls and 22% at Winners and decreased by 5% at HomeGoods. Same store sales for the nine months increased by 6% at T.J. Maxx, 10% at Marshalls and 12% at Winners and were flat at HomeGoods.

Income from continuing operations for the third quarter was $81.6 million, or $.90 per common share, versus $26.7 million, or $.35 per common share in the prior year. For the nine months, income from continuing operations was $138.3 million, or $1.53 per common share, versus $43.6 million, or $.53 per common share, in the prior year. Including Chadwick's of Boston as a discontinued operation, net income before extraordinary item was $90.4 million, or $1.00 per common share, for the quarter ended October 26, 1996 and $156.5 million, or $1.73 per common share, for the nine months ended October 26, 1996. After the extraordinary charge of $2.9 million, or $.03 per common share, for the early retirement of $89 million of the Company's

9 1/2% sinking fund debentures, net income was $87.5 million, or $.97 per common share, for the quarter ended October 26, 1996 versus $33.9 million, or $.44 per common share, last year and $153.7 million, or $1.70 per common share, for nine months ended October 26, 1996 versus $17.1 million, or $.16 per common share, in the prior year.

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

	Percentage of Net Sales			
	13 Weeks Ended		39 Weeks Ended	
	10/26/96	10/28/95	10/26/96	10/28/95
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales, including buying and occupancy costs	75.8	76.8	77.9	78.3
Selling, general and administrative expenses	15.5	16.9	16.4	17.4
Interest expense, net	.6	1.1	.7	1.1
Income from continuing operations before income taxes and extraordinary item	8.1%	5.2%	5.0%	3.2%

Cost of sales, including buying and occupancy costs, as a percentage of net sales, decreased in both periods from the prior year. Both periods reflect the benefit of the Marshalls acquisition. Merchandise margin has improved, reflecting the enhanced purchasing power of the combined T.J. Maxx and Marshalls entity, as well as tight inventory controls.

Selling, general and administrative expenses, as a percentage of net sales, decreased from the prior year in both periods. This ratio reflects the benefit of the increased sales volume due to the Marshalls acquisition as well as cost savings due to the synergies of the combined T.J. Maxx and Marshalls entity.

The increase in interest expense for the third quarter ended October 1996 versus October 1995 is due to interest on the $375 million term loan incurred for the acquisition of Marshalls. The increase in interest expense for the nine months also includes the interest on the $200 million of notes issued in June 1995. Interest expense, as a percentage of net sales, has declined as a result of the increased sales volume from the Marshalls acquisition.

The decrease in the effective income tax rate for the nine months 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 after presenting Chadwick's as a discontinued operation: (unaudited)

	(In Thousands)			
	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 26, 1996	October 28, 1995	October 26, 1996	October 28, 1995
Net sales:				
Off-price family apparel stores	$1,702,818	$ 840,675	$4,683,859	$2,283,421
Off-price home fashion stores	19,611	20,539	59,076	52,955
	$1,722,429	$ 861,214	$4,742,935	$2,336,376
Operating income (loss):				
Off-price family apparel stores	$ 161,830	$ 65,899	$ 311,084	$ 136,039
Off-price home fashion stores	(2,908)	(2,211)	(8,534)	(6,067)

	158,922	63,688	302,550	129,972
General corporate expense(1)	8,029	9,083	28,458	27,845
Goodwill amortization	653	653	1,960	1,960
Interest expense, net	10,344	9,568	35,674	24,430
Income from continuing operations before income taxes and extraordinary item	$ 139,896	$ 44,384	$ 236,458	$ 75,737

(1) General corporate expense for the periods ended October 26, 1996 include the net operating results of T.K. Maxx. General corporate expense for the periods ended October 28, 1995 include 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 for the quarter and nine months primarily due to the benefits of the Marshalls acquisition. This segment's operating results reflect its strong sales performance, aided by its aggressive markdown policy, along with tight inventory control. HomeGoods results were slightly below the Company's expectations.

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

	October 26, 1996	October 28, 1995
T.J. Maxx	589	581
Marshalls	463	-
Winners	63	49
HomeGoods	23	24
T.K. Maxx	18	8

Financial Condition

Cash flows from operating and financing activities for the nine months reflect increases in inventories and accounts payable, which are largely due to normal seasonal requirements. The improvement in cash provided by operating activities for the nine months ended October 1996 versus October 1995 reflects stronger sales and earnings and the benefit of tight inventory controls. The decrease in short-term borrowings from last year 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, as well as the cash generated from operating activities this year. Future operating cash flows will be impacted by the T.J. Maxx store closing reserve and the reserves established (primarily for store closings) in the allocation of the purchase price of Marshalls. Reductions in the reserves for the nine months ended October 26, 1996 have been primarily non-cash items. The Company is in the process of evaluating the Marshalls store closing program and the allocation of the purchase price of Marshalls. Due to the improved operating performance of certain stores initially targeted for closing, the Company anticipates fewer Marshalls store closings than initially planned. Adjustments to the reserve and the initial allocation of the purchase price of Marshalls will be reflected by the end of the current fiscal year.

Cash flows from investing activities reflect a final payment made to Melville based on the closing balance sheet of Marshalls.

On October 18, 1996, the Company announced it had entered into an agreement with Brylane, L.P. to sell its Chadwick's of Boston catalog division. Total proceeds from the sale are estimated at $300 million and include cash, a $20 million Convertible Subordinated Note and Chadwick's consumer credit card receivables. The Company expects to report an estimated after-tax gain on the sale of Chadwick's of $125 million, or $1.39 per share, in its fourth quarter reporting period. The impact of Chadwick's on the consolidated financial statements for the current and all prior periods have been classified as discontinued operations.

On November 18, 1996, the Company, pursuant to its credit agreement, gave notification of its intention to exercise an early prepayment option and to prepay $200 million of the outstanding term loan from available cash balances of the Company. The remaining outstanding portion of the term loan ($160 million) will be repaid with proceeds from the sale of Chadwick's, pursuant to the terms of the credit agreement, if not prepaid prior to the closing of the Chadwick's sale. The Company expects to record a fourth quarter after-tax charge of $2.7 million, or $.03 per common share, relating to the early retirement of the term loan.

On September 16, 1996, pursuant to a call for redemption, the Company prepaid $88.83 million of its 9 1/2% sinking fund debentures. The Company recorded a $2.9 million after-tax extraordinary charge related to the early retirement of this debt. The principal payments on long-term debt for the nine months ended October 26, 1996 include $22 million of medium-term notes and $15 million of the $375 million term loan, paid pursuant to scheduled maturities. Proceeds from sale and issuance of common stock relate to the exercise of stock options under the Company's stock incentive plan.

As of September 12, 1996, pursuant to a call for redemption, the Series C Cumulative Convertible Preferred Stock was converted into 3,177,844 shares of common stock. As of June 18, 1996, pursuant to a call for redemption, the Series A Cumulative Convertible Preferred Stock was converted into 1,190,475 shares of common stock. As of November 17, 1996, the Series D Preferred Stock automatically converted into 1,349,527 shares of common stock.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

3. On October 18, 1996, the Company announced it had entered into an agreement with Brylane, L.P. to sell its Chadwick's of Boston catalog division. Total proceeds for the sale are estimated at $300 million and include cash, a $20 million Convertible Subordinated Note and Chadwick's consumer credit card receivables. The Company expects to report an estimated after-tax gain on the sale of Chadwick's of $125 million, or $1.39 per share, in its fourth quarter reporting period. The impact of Chadwick's on the consolidated financial statements for the current and all prior periods have been classified as discontinued operations. Under the Company's credit agreement, the Company is required to apply certain proceeds from specified asset sales towards the outstanding balance of the term loan. See Note 7 for further information.

4. The Company's cash payments for interest expense and income taxes are as follows: (in thousands)

	Thirty-Nine Weeks Ended	
	October 26, 1996	October 28, 1995
Cash paid for:		
Interest on debt, net	$35,284	$20,097
Income taxes	90,089	10,513

5. As of July 29, 1995, the Company reflected the loss on the sale of its Hit or Miss division (completed as of September 30, 1995); thus, Hit or Miss' operating results for all periods prior to the sale have been reclassified to discontinued operations.

6. On November 17, 1995, the Company completed its acquisition of the Marshalls off-price family apparel chain from Melville Corporation. The purchase price (before expenses) 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 junior convertible preferred stock of TJX. The acquisition has been accounted for under the purchase method of accounting.

As a result of the acquisition, the Company announced its intention to close a total of 170 Marshalls stores and 30 T.J. Maxx stores, in operation at the date of acquisition. The Company established a $244.1 million reserve in the allocation of the purchase price of Marshalls, primarily relating to the Marshalls store closings, and recorded a pre-tax charge of $35 million relating to the T.J. Maxx store closings. The Company's total store closing and restructuring reserve as of October 26, 1996 totalled $202.3 million. The reduction in the reserve to date is primarily due to inventory markdowns and fixed asset write-offs. The Company is in the process of evaluating its store closing program and the reserves established in the allocation of the Marshalls acquisition price. Due to the improved operating performance of certain stores initially targeted for closing, the Company anticipates fewer Marshalls store closings than initially planned.

In connection with the purchase of Marshalls, the Company entered into an unsecured $875 million credit agreement with a group of banks. The credit facility included a $375 million term loan used for the cash portion of the Marshalls purchase price, and a $500 million revolving credit facility under which the Company may borrow to meet the Company's ongoing working capital needs.

7. On November 18, 1996, the Company, pursuant to its credit agreement, gave notification of its intention to exercise an early prepayment option and to prepay $200 million of the outstanding term loan from available cash balances of the Company. The remaining outstanding portion of the term loan ($160 million) will be repaid with proceeds

from the sale of Chadwick's, pursuant to the terms of the credit agreement, if not prepaid prior to the closing of the Chadwick's sale. The Company expects to record a fourth quarter after-tax charge of $2.7 million, or $.03 per share, relating to the early retirement of the term loan.

8. In October 1988, the Company completed the sale of its former Zayre stores division to Ames Department Stores, Inc. ("Ames"). On April 25, 1990, Ames filed for protection under Chapter 11 of the Federal Bankruptcy Code and on December 30, 1992, Ames emerged from bankruptcy under a plan of reorganization. The Company is liable for certain amounts to be distributed under the plan for certain unassigned landlord claims under certain former Zayre store leases on which Zayre Corp. was liable as of the date of acquisition and which Ames has rejected.

   The Company remains contingently liable for the leases of most of the former Zayre stores still operated by Ames. In addition, the Company is contingently liable on a number of leases of Waban Inc., a division spun-off in fiscal 1990, and of the Hit or Miss division, the Company's former off-price women's specialty stores, sold on September 30, 1995. The Company believes that in view of the nature of the leases and the fact that Ames, Waban and Hit or Miss are primarily liable, the Company's contingent liability on these leases will not have a material effect on the Company's financial condition. Accordingly, the Company believes its available reserves of $19.7 million as of October 26, 1996 should be adequate to cover all reasonably expected liabilities associated with discontinued operations that it may incur.

9. On September 16, 1996, pursuant to a call for redemption, the Company prepaid $88.83 million of its 9 1/2% sinking fund debentures. The Company recorded an after-tax extraordinary charge of $2.9 million, or $.03 per common share, related to the early retirement of this debt.

10. As of September 12, 1996, pursuant to a call for redemption, the Series C Cumulative Convertible Preferred stock was converted into 3,177,844 shares of common stock. As of June 18, 1996, pursuant to a call for redemption, the Series A Cumulative Convertible Preferred stock was converted into 1,190,475 shares of common stock. As of November 17, 1996, the Series D Preferred Stock automatically converted into 1,349,527 shares of common stock.

PART II. Other Information

Item 1 Legal Proceedings

Reference is made to the action described in "Item 3. Legal Proceedings" of the Company's Annual Report on Form 10-K for the fiscal year ended January 27, 1996. On August 19, 1996, the court approved the settlement of the case. The amount of the Company's contribution to the settlement was not material.

Item 5 Other Information

On October 18, 1996, the Company announced it had entered into an agreement with Brylane, L.P. to sell its Chadwick's of Boston catalog operation. Pro forma financial statements of the Company giving effect to the proposed sale are included on pages F-1 through F-8 of this report.

Item 6(a) Exhibits

11 Statement re Computation of Per Share Earnings

Item 6(b) Reports on Form 8-K

On August 13, 1996, the Company filed a Current Report on Form 8-K relating to a Standby Agreement between the Company and Salomon Brothers Inc and the Company's call for redemption of its Series C Cumulative Convertible Preferred Stock.

The Company is filing a Form 8-K relating to the agreement to sell its Chadwick's division, a press release issued by the Company on November 12, 1996 and cautionary factors relating to forward-looking information.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934 the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE TJX COMPANIES, INC.
(Registrant)

Date: November 19, 1996

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

THE TJX COMPANIES, INC.
PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

On October 18, 1996, the Company announced that it had reached an agreement with Brylane, L.P. to sell its Chadwick's of Boston catalog operation (Chadwick's). The purchase price includes $222.8 million in cash and a $20 million convertible subordinated note. The cash purchase price is subject to adjustment based on the actual closing balance sheet of Chadwick's. In addition, the Company will retain Chadwick's consumer credit card receivables. The Company anticipates consummating the sale in late November or early December, 1996.

The pro forma condensed consolidated balance sheet as of October 26, 1996 is based on the unaudited historical balance sheet of the Company as of October 26, 1996, which reflects the Chadwick's division as a discontinued operation. The pro forma condensed consolidated balance sheet as of October 26, 1996 assumes the sale of the division took place on that date and includes the following pro forma adjustments: a) receipt of cash proceeds and note receivable from Brylane, L.P., elimination of the net assets of Chadwick's sold and recognition of the estimated net gain on the sale of the division; b) the conversion of the Company's Series D preferred stock into common stock following a required call for redemption as a result of the sale; and c) the impact of the prepayment of a portion of the $375 million term loan incurred to acquire Marshalls from the cash proceeds from the sale of Chadwick's. The remaining net assets from discontinued operations represents the consumer credit receivables retained by TJX that will be collected subsequent to the balance sheet date. The Company anticipates using available cash balances and/or proceeds from the Chadwick's sale to fully retire the term loan in the Company's fourth quarter period ending January 25, 1997, which is only partially reflected in these pro formas.

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 and subsequent amendment.) These historical results will be restated to present Chadwick's as a discontinued operation in future filings that include this period. The elimination of Chadwick's from continuing operations is presented here as a pro forma adjustment. The pro forma condensed consolidated statement of income for the nine months ended October

26, 1996 is based on the unaudited historical statement of income of the Company filed with the Company's Form 10-Q, which already reflects the operating results of Chadwick's as a discontinued operation.

The historical results of the Company for the twelve months ended January 27, 1996 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 for the twelve months ended January 27, 1996 and the historical results for the nine months ended October 26, 1996 are adjusted to reflect the sale of the Chadwick's division as if it also occurred on the first day of the fiscal year ended January 27, 1996. In addition to the pro forma adjustment to eliminate Chadwick's from continuing operations for the fiscal year ended January 27, 1996, the pro forma adjustments to both periods to reflect the sale of Chadwick's include a reduction in interest expense due to the prepayment of debt from the cash proceeds received, and the recognition of interest income on the convertible subordinated note receivable. The pro forma statements of income exclude the non-recurring gain of approximately $125 million the Company will recognize upon the sale of the division and exclude a non-recurring charge of approximately $1.6 million for the partial prepayment of debt.

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 the sale of Chadwick's taken place on the dates indicated. Specifically, the pro forma condensed consolidated statement of income for the twelve months ended January 27, 1996 includes the historical results of Marshalls which is 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, nor is it necessarily indicative of the impact that Marshalls may have on future results of the Company. In addition, the pro forma condensed consolidated financial statements do not reflect the final allocation of the purchase price for Marshalls and do not reflect benefit of the full prepayment of the $375 million term loan anticipated to take place in the Company's fourth quarter period ending January 25, 1997. 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 Company's Form 8-K dated October 18, 1996 relating to the agreement to sell the Chadwick's division.

THE TJX COMPANIES, INC.
PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
AS OF OCTOBER 26, 1996
(UNAUDITED)
(IN THOUSANDS)

	HISTORICAL	PRO FORMA ADJUSTMENTS	PRO FORMA
Assets			
Current assets:			
Cash and cash equivalents	$ 236,035	${ 207,300 (1a) {(207,300) (1c)	$ 236,035
Accounts receivable	90,695		90,695
Merchandise inventories	1,335,099		1,335,099
Prepaid expenses	19,054		19,054
Net current assets of discontinued operations	116,009	(26,009) (1a)	90,000
Total current assets	1,796,892		1,770,883
Property, net	724,310		724,310
Other assets	36,432	{20,000 (1a) {(2,700) (1c)	53,732
Goodwill and tradename, net of amortization	231,335		231,335
Net noncurrent assets of discontinued operations	48,627	(48,627) (1a)	-
Total Assets	$2,837,596		$2,780,260

Liabilities			
Current liabilities:			
Short-term debt	$ -		$ -
Current installments of long-term debt	94,708	(37,400) (1c)	57,308
Accounts payable	616,200		616,200
Accrued expenses and other		{27,664 (1a)	
current liabilities	653,780	{(1,100) (1c)	680,344
Total current liabilities	1,364,688		1,353,852
Long-term debt, exclusive of current installments	540,362	(169,900) (1c)	370,462
Deferred income taxes	25,885		25,885
Shareholders' Equity			
Preferred stock at face value	175,000	(25,000) (1b)	150,000
Common stock	77,725	1,349 (1b)	79,074
Additional paid-in capital	386,600	23,651 (1b)	410,251
		{125,000 (1a)	
Retained earnings	267,336	{ (1,600) (1c)	390,736
Total shareholders' equity	906,661		1,030,061
Total Liabilities and Shareholders' Equity	$2,837,596		$2,780,260

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated balance sheet.

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

Dollars In Thousands Except Per Share Amounts

(C>

	HISTORICAL	PRO FORMA ADJUSTMENTS FOR MARSHALLS ACQUISITION	PRO FORMA SUBTOTAL	PRO FORMA ADJUSTMENTS FOR SALE OF CHADWICK'S	PRO FORMA
Net sales	$4,447,549	$2,110,394 (2a)	$6,557,943	$(472,434) (3a)	$6,085,509
Cost of sales, including buying and occupancy costs	3,429,401	{ (10,500) (2c)	5,187,537	(286,144) (3a)	4,901,393
		{1,768,636 (2a)			
Selling, general and administrative expenses	830,019	{ 2,264 (2d)	1,209,488	(160,143) (3a)	1,049,345
		{ 377,205 (2a)			
Store closing costs	35,000	-	35,000		35,000
Interest expense, net	44,226	{ 6,258 (2a)	72,572	{ (6,040) (3a)	
		{22,088 (2b)		{(14,260) (3b)	
				{ (1,200) (3c)	51,072
Income from continuing operations before income taxes	108,903		53,346		48,699
Provision for income taxes	45,304	{(16,637) (2a)	23,126	{(8,110) (3a)	
		{ (5,541) (2e)		{ 6,184 (3d)	21,200
Income from continuing operations	63,599		30,220		27,499
Deduct dilutive preferred stock dividends	9,314	8,342 (2f)	17,656		17,656
Income from continuing operations for earnings per share computations	$ 54,285		$ 12,564		$ 9,843
Number of common shares for earnings per share computations	73,133,349	1,625,057 (2g)	74,758,406		74,758,406
Income from continuing operations per common share	$ .74		$ .17		$ .13

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated statement of income.

THE TJX COMPANIES, INC.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE NINE MONTHS ENDED OCTOBER 26, 1996
(UNAUDITED)

In Thousands Except Per Share Amounts

	HISTORICAL	PRO FORMA ADJUSTMENTS	PRO FORMA
Net sales	$4,742,935		$4,742,935
Cost of sales, including buying and occupancy costs	3,694,820		3,694,820
Selling, general and			

administrative expenses	775,983		775,983
Interest expense,, net	35,674	{(10,708) (3b) { (1,050) (3c)	23,916
Income from continuing operations before income taxes	236,458		248,216
Provision for income taxes	98,154	4,703 (3d)	102,857
Income from continuing operations	138,304		145,359
Deduct dilutive preferred stock dividends	0		0
Income from continuing operations for earnings per share computations	$ 138,304		$ 145,359
Number of common shares for primary and fully diluted earnings per share computations	90,574,029		90,574,029
Income from continuing operations per common share	$1.53		$1.60

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated statement of income.

THE TJX COMPANIES, INC.
NOTES TO PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
IN THOUSANDS

Note 1

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

(a) To record an estimated net gain of $125 million on the sale of Chadwick's by recording the consideration received, which includes a $20 million convertible subordinated note and cash of $207.3 million adjusted under the terms of the agreement for an assumed October 26, 1996 closing, recording the write-off of the net assets of discontinued operations sold, except for $90 million for net consumer credit card receivables retained by the Company and recording an estimated liability for expenses, taxes and other costs associated with the sale. The estimated net gain includes the benefit from full utilization of the Company's $139 million capital loss carryforward.

(b) The Company is required to redeem its outstanding Series D preferred stock from the proceeds of certain asset sales. It is assumed the Company calls the Series D for redemption and that the holders of the Series D preferred stock elect their conversion rights and convert into common stock.

(c) To record the prepayment of long-term debt (including current installments) of $207.3 million from cash proceeds received from the sale and an after-tax charge of $1.6 million for the write-off of deferred financing charges of $2.7 million associated with the debt. The Company anticipates full prepayment of this debt in its fourth quarter reporting period for the fiscal year ending January 25, 1997.

Note 2

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	$2,110,394
Cost of sales including buying and occupancy costs	1,768,636
Selling, general and administrative expenses	377,205
Interest expense, net	6,258

Provision (benefit) for income taxes	(16,637)

(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" tradename, 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 3

The pro forma condensed consolidated statement of income reflects the following adjustments for sale of the Chadwick's division.

(a) To restate continuing operations for the twelve months ended January 27, 1996 by eliminating the net sales, expenses and tax provision relating to Chadwick's operating results.

(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 for the periods indicated.

	Twelve Months Ended January 27, 1996	Nine Months Ended October 26, 1996
	(In Thousands)	
Interest expense, net	$(14,260)	$(10,708)

(c) To reduce interest expense for interest income on the $20 million note receivable received as partial consideration for the sale of Chadwick's. Interest income of 6% per annum assumed for the twelve months ended January 27, 1996 and 7% per annum for the nine months ended October 26, 1996.

	Twelve Months Ended January 27, 1996	Nine Months Ended October 26, 1996
	(In Thousands)	
Interest expense, net	$(1,200)	$(1,050)

(d) To record additional tax provision related to items (b) and (c) at a marginal tax rate of 40%.

	Twelve Months Ended January 27, 1996	Nine Months Ended October 26, 1996
	(In Thousands)	
Provision for income taxes	$6,184	$4,703

COMPUTATION OF NET INCOME PER COMMON SHARE
(UNAUDITED)
DOLLARS IN THOUSANDS

	Thirteen Weeks Ended October 26, 1996	Thirteen Weeks Ended October 28, 1995	Thirty-Nine Weeks Ended October 26, 1996	Thirty-Nine Weeks Ended October 28, 1995
The computation of net income available and adjusted shares outstanding follows:				
Net income	$87,510	$33,877	$153,650	$17,100
Less:				
Preferred stock dividends	-	-	-	(5,367)
Net income used for primary and fully diluted computation	$87,510	$33,877	$153,650	$11,733
Weighted average number of common shares outstanding	77,725,253	72,414,610	77,722,260	72,412,265
Add (where dilutive):				
Assumed exercise of those options that are common stock equivalents, net of treasury shares deemed to have been repurchased	1,163,362	72,373	1,110,878	72,270
Assumed exercise of convertible preferred stock	11,740,891	4,371,199	11,740,891	-
Adjusted shares outstanding, used for primary and fully diluted computation	90,629,506	76,858,182	90,574,029	72,484,535

This schedule contains summary financial information extracted from
the statements of income and balance sheets and is qualified in its entirety
by reference to such financial statements.

9-MOS
JAN-25-1997
OCT-26-1996
236,035,000
0
90,695,000
0
1,335,099,000
1,796,892,000
1,144,816,000
420,506,000
2,837,596,000
1,364,688,000
540,362,000
175,000,000
0
77,725,000
653,936,000
2,837,596,000
4,742,935,000
4,742,935,000
3,694,820,000
3,694,820,000
775,983,000
0
35,674,000
236,458,000
98,154,000
138,304,000
18,231,000
(2,885,000)
0
153,650,000
1.70
1.70

This schedule contains summary financial information extracted from the statements of income and balance sheets and is qualified in its entirety by reference to such financial statements.

6-MOS	3-MOS
JAN-25-1997	JAN-25-1997
JUL-27-1996	APR-27-1996
245,342,000	191,413,000
0	0
77,049,000	75,394,000
0	0
1,328,039,000	1,300,256,000
1,751,655,000	1,663,640,000
1,115,230,000	1,087,009,000
393,403,000	366,090,000
2,791,842,000	2,706,068,000
1,291,791,000	1,223,780,000
662,871,000	679,676,000
175,000,000	175,000,000
82,500,000	82,500,000
74,132,000	72,554,000
484,070,000	430,487,000
2,791,842,000	2,706,068,000
3,020,506,000	1,472,247,000
3,020,506,000	1,472,247,000
2,389,549,000	1,167,359,000
2,389,549,000	1,167,359,000
509,065,000	251,151,000
0	0
25,330,000	14,362,000
96,562,000	39,375,000
39,848,000	16,351,000
56,714,000	23,024,000
9,426,000	7,062,000
0	0
0	0
66,140,000	30,086,000
0.73	0.33
0.73	0.33

This schedule contains summary financial information extracted from the statements of income and balance sheets and is qualified in its entirety by reference to such financial statements.

12-MOS	9-MOS
JAN-27-1996	JAN-27-1996
JAN-27-1996	OCT-28-1995
209,226,000	26,902,000
0	0
55,144,000	47,492,000
0	0
1,258,488,000	1,013,471,000
1,615,551,000	1,220,947,000
1,073,792,000	748,781,000
340,599,000	318,783,000
2,674,411,000	1,775,905,000
1,206,400,000	784,959,000
690,713,000	368,066,000
175,000,000	0
107,500,000	107,500,000
72,486,000	72,419,000
409,648,000	408,181,000
2,674,411,000	1,775,905,000
3,975,115,000	2,336,376,000
3,975,115,000	2,336,376,000
3,143,257,000	1,828,638,000
3,143,257,000	1,828,638,000
704,876,000	407,571,000
0	0
38,186,000	24,430,000
88,796,000	75,737,000
37,207,000	32,130,000
51,589,000	43,607,000
(21,990,000)	(26,507,000)
(3,338,000)	0
0	0
26,261,000	17,100,000
0.23	0.16
0.23	0.16

This schedule contains summary financial information extracted from the statements of income and balance sheets and is qualified in its entirety by reference to such financial statements.

6-MOS	3-MOS
JAN-27-1996	JAN-27-1996
JUL-29-1995	APR-29-1995
19,752,000	21,159,000
0	0
34,259,000	39,589,000
0	0
962,486,000	909,366,000
1,124,139,000	1,084,859,000
725,059,000	698,723,000
306,430,000	292,677,000
1,690,671,000	1,636,841,000
718,013,000	806,116,000
391,052,000	193,497,000
0	0
107,500,000	107,500,000
72,407,000	72,401,000
385,983,000	422,829,000
1,690,671,000	1,636,841,000
1,475,162,000	713,819,000
1,475,162,000	713,819,000
1,167,020,000	565,293,000
1,167,020,000	565,293,000
261,927,000	127,869,000
0	0
14,862,000	6,939,000
31,353,000	13,718,000
14,406,000	6,346,000
16,947,000	7,372,000
(33,724,000)	693,000
0	0
0	0
(16,777,000)	8,065,000
(0.28)	0.09
(0.28)	0.09

This schedule contains summary financial information extracted from the statements of income and balance sheets and is qualified in its entirety by reference to such financial statements.

12-MOS
JAN-28-1995
JAN-28-1995
41,569,000
0
31,532,000
0
786,571,000
920,340,000
674,921,000
278,132,000
1,467,361,000
632,408,000
194,478,000
0
107,500,000
72,401,000
427,051,000
1,467,361,000
3,055,573,000
3,055,573,000
2,370,715,000
2,370,715,000
517,449,000
0
22,171,000
145,238,000
60,758,000
84,480,000
(1,861,000)
0
0
82,619,000
1.03
1.03

5

This schedule contains summary financial information extracted from the statements of income and balance sheets and is qualified in its entirety by reference to such financial statements.

9-MOS	6-MOS
JAN-28-1995	JAN-28-1995
OCT-29-1994	JUL-30-1994
26,247,000	20,605,000
0	0
44,852,000	28,099,000
0	0
900,067,000	816,513,000
1,041,228,000	927,147,000
659,566,000	628,684,000
274,031,000	262,626,000
1,619,794,000	1,484,781,000
764,486,000	647,711,000
221,770,000	202,152,000
0	0
107,500,000	107,500,000
72,409,000	73,460,000
425,636,000	423,973,000
1,619,794,000	1,484,781,000
2,146,930,000	1,343,277,000
2,146,930,000	1,343,277,000
1,639,707,000	1,029,705,000
1,639,707,000	1,029,705,000
371,853,000	240,774,000
0	0
16,065,000	9,631,000
119,305,000	63,167,000
50,302,000	26,711,000
69,003,000	36,456,000
1,950,000	1,709,000
0	0
0	0
70,953,000	38,165,000
0.89	0.47
0.89	0.47