

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

/X/Annual Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

or

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

For the fiscal year ended
January 27, 1996

Commission file number
1-4908

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

Delaware
(State or other jurisdiction of
incorporation or organization)

04-2207613
(IRS Employer
Identification No.)

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

01701
(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class -----	Name of each exchange on which registered -----
Common Stock, par value \$1.00	New York Stock Exchange
Series C Cumulative Convertible Preferred Stock, par value \$1.00	New York Stock Exchange
9-1/2% Sinking Fund Debentures due May 1, 2016	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

NONE

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.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of the voting stock held by non-affiliates of the Registrant on March 15, 1996 was \$1,872,333,736.

There were 72,517,328 shares of the Registrant's Common Stock, \$1 par value, outstanding as of March 15, 1996.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Annual Report to Stockholders for the fiscal year ended January 27, 1996 (certain parts as indicated herein) (Parts I and II).

Portions of the Proxy Statement for the Annual Meeting of Stockholders to be held on June 4, 1996 (Part III).

ITEM 1. Business

The TJX Companies, Inc., (together with its wholly-owned subsidiaries, hereinafter referred to as the "Company"), is the largest off-price apparel retailer in North America. The Company operates 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 operates the Chadwick's of Boston off-price women's fashion catalog.

The Company completed the acquisition of Marshalls, an off-price family apparel chain, from Melville Corporation on November 17, 1995 having paid \$375 million in cash before closing adjustments, plus \$175 million in TJX convertible preferred stock. The results of Marshalls are included in the Company's consolidated results from the date of acquisition.

The Company strives to provide value to its customers by delivering brand names, fashion, quality and price. During the fiscal year ended January 27, 1996 ("fiscal 1996"), the Company's stores derived 31.4% of its sales from the Northeast, 21.4% from the Midwest, 28.2% from the South, 1.5% from the Central States, 13.0% from the West and 4.5% from Canada.

As a result of the Marshalls acquisition, the Company added 496 Marshalls stores to its existing base of 587 T.J. Maxx 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 by the closure of underperforming stores. The Company expects to close approximately 30 T.J. Maxx stores during fiscal 1997 and 170 Marshalls stores over the next two years. The Company plans to retain the independent identities of the T.J. Maxx and Marshalls stores, including certain elements of merchandising, product assortment and store appearance.

The majority of the Company's sales volume is done through the Company's T.J. Maxx and Marshalls stores. T.J. Maxx operates 587 stores in 48 states, with an average store size of 28,000 gross square feet, while Marshalls operates 496 stores in 38 states and Puerto Rico, with an average store size of 32,000 gross square feet. T.J. Maxx and Marshalls sell 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. Winners Apparel Ltd., which was acquired by the Company in fiscal 1991, is a Canadian off-price family apparel retailer, which operates 52 stores in Canada. HomeGoods, an off-price business the Company began testing in fiscal 1993, sells domestics, giftware and other home fashions and operates a total of 22 stores. T.K. Maxx, the Company's newest venture, operates 9 off-price apparel stores in the United Kingdom. Unless otherwise indicated, all figures herein relating to numbers of stores are as of January 27, 1996. Chadwick's of Boston sells, through a mail-order catalog, women's career and casual fashion apparel priced significantly below department store regular prices.

In common with the business of apparel retailers generally, the Company's business is subject to seasonal influences, with higher levels of sales and income generally realized in the second half of the year.

In September 1995, the Company sold its Hit or Miss chain of off-price women's specialty apparel stores. The Company will continue to evaluate its existing operations and that of other retailers and review acquisition and divestment opportunities that would strengthen its position in the off-price apparel industry.

Set forth in the following table are the locations of stores operated by the Company's United States operations as of January 27, 1996:

	T.J. Maxx	Marshalls	HomeGoods
Alabama	9	2	-
Arizona	9	8	-
Arkansas	3	-	-
California	50	70	-
Colorado	8	5	-
Connecticut	24	20	2
Delaware	2	1	-
District of Columbia	1	-	-
Florida	42	43	-
Georgia	19	19	2
Hawaii	1	5	-
Idaho	1	-	-
Illinois	37	29	2
Indiana	8	4	-
Iowa	4	1	-
Kansas	4	1	-
Kentucky	4	1	1
Louisiana	4	5	-
Maine	5	1	-
Maryland	11	14	-
Massachusetts	40	34	6
Michigan	25	7	-
Minnesota	12	12	-
Mississippi	1	-	-
Missouri	9	8	-
Montana	1	-	-
Nebraska	2	1	-
Nevada	3	3	-
New Hampshire	9	7	2
New Jersey	15	26	-
New Mexico	2	-	-
New York	40	35	-
North Carolina	16	9	-
North Dakota	2	-	-
Ohio	32	14	3
Oklahoma	3	1	-
Oregon	3	2	-
Pennsylvania	28	18	-
Puerto Rico	-	12	-
Rhode Island	3	3	-
South Carolina	9	4	-
South Dakota	1	-	-
Tennessee	13	6	-
Texas	27	36	-
Utah	4	-	-
Vermont	2	-	-
Virginia	22	20	-
Washington	7	6	-
West Virginia	1	-	-
Wisconsin	9	3	4
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Total Stores	587	496	22
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Winners Apparel Ltd. operates 52 stores in Canada: 9 in Alberta, 3 in Manitoba, 29 in Ontario, 8 in Quebec, 2 in Nova Scotia and 1 in Saskatchewan. T.K. Maxx operates 9 stores in the United Kingdom.

T.J. MAXX

T.J. Maxx, the largest off-price family apparel chain in the United States, was founded by the Company in 1976 and operates 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 basic seasonal 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 storage and distribution systems track, allocate and deliver an average of 10,000 items per week to each store. T.J. Maxx's computerized warehouse storage, handling and shipping systems permit a continuous evaluation and replenishment of store inventory requirements and the breakdown of manufacturers' bulk shipments into computer-determined individual store allotments by style, size and quantity. Pricing and markdown decisions and store inventory replenishment requirements are determined centrally, using satellite-transmitted information provided by point-of-sale computer terminals; this ensures that substantially all merchandise is sold within targeted selling periods. 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 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 housewares 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 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, the second largest off-price family apparel retailer in the United States, operates 496 stores in 38 states and Puerto Rico. 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 and in fiscal 1997, approximately 12 new stores are planned. Each Marshalls store is currently

serviced by one of four main 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 deviated from some of its key strategies, such as everyday low prices, in favor of other marketing ideas, including frequent promotional pricing. By restoring Marshalls historical strategies and effecting other improvements, the Company believes that it can increase Marshalls level of profitability and performance.

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.

Winners' apparel merchandising concept is substantially similar to that of T.J. Maxx. Winners' stores average 24,000 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 the Company's off-price presence in the home fashions market. The 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' stores currently average approximately 38,000 square feet. HomeGoods has been moving to a smaller 35,000 square foot prototype for new openings and downsizing existing locations. HomeGoods opened 9 stores and closed 2 stores in fiscal 1996 and now operates a total of 22 stores. HomeGoods and T.J. Maxx are experimenting with a new format that combines T.J. Maxx and HomeGoods in one store and expect to open approximately four such stores in fiscal 1997.

T.K. MAXX

During fiscal 1995, the Company began testing the off-price family apparel concept in Europe by opening its first 5 T.K. Maxx stores in the United Kingdom. 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

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 20 to 50 year old women interested in

moderately to upper-moderately priced merchandise. Certain of Chadwick's catalogs also carry menswear.

Chadwick's buying and merchandising policies result in a changing selection of merchandise, which increases the freshness, fashion content and excitement of each catalog. Chadwick's also benefits from the ability to liquidate its inventory overstocks through the Company's other divisions.

EMPLOYEES

At January 27, 1996, the Company had approximately 58,000 employees, many of whom work less than 40 hours per week. In addition, temporary employees are hired during the peak back-to-school and holiday seasons. The Company has several collective bargaining agreements with the International Ladies Garment Workers Union ("ILGWU"), covering approximately 3,700 employees in its distribution facilities in West Bridgewater and Worcester, Massachusetts; Evansville, Indiana; Las Vegas, Nevada and Charlotte, North Carolina. New three-year agreements, effective January 1, 1995, were ratified by the union workers in the West Bridgewater, Worcester and Las Vegas facilities. The Company is currently negotiating a new agreement for the Evansville facility to replace the existing agreement which expires May 31, 1996. The current agreement for the Charlotte facility expires December 31, 1996, and it is expected that negotiations for a new agreement will commence in the fall. The Company considers its labor/management relations and overall employee relations to be good.

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.

CREDIT

The Company's stores operate primarily on a cash-and-carry basis. Each chain accepts credit sales through programs offered by banks and others.

BUYING AND DISTRIBUTION

The T.J. Maxx and Marshalls chains are serviced by a single centralized buying organization while each of the other chains has its own centralized buying organization. All of the Company's chains are serviced through their own distribution network. Each T.J. Maxx store is serviced by one of the chain's four distribution centers in Worcester,

Massachusetts, Evansville, Indiana, Las Vegas, Nevada and Charlotte, North Carolina. Shipments are made twice a week by contract carrier to each store. Each Marshalls store is serviced by one of the chain's four main distribution centers in Woburn, Massachusetts; Decatur, Georgia; Chatsworth, California; and Bridgewater, Virginia. Winners Apparel Ltd. stores are serviced from a distribution center in Mississauga, Ontario, HomeGoods stores are serviced from a distribution center in Mansfield, Massachusetts, and T.K. Maxx stores are serviced from a distribution center in Milton Keynes, England. Chadwick's of Boston's customers are serviced from its fulfillment center in West Bridgewater, Massachusetts.

ITEM 2. Properties

All of the Company's chains lease virtually all of their store locations. Leases are generally for 10 years with options to extend for one or more 5 year periods. The Company has the right to terminate certain leases before the expiration date under certain circumstances and for a specified payment.

The approximate average size of a T.J. Maxx store is 28,000 square feet, Marshalls stores average approximately 32,000 square feet, Winners stores are approximately 24,000 square feet on average and HomeGoods stores currently average approximately 38,000 square feet. The Company owns four T.J. Maxx distribution facilities - a 526,000 square foot facility in Worcester, Massachusetts; a 983,000 square foot facility in Evansville, Indiana; a 400,000 square foot facility in Las Vegas, Nevada; and a 600,000 square foot facility in Charlotte, North Carolina. The Company owns one of the Marshalls distribution facilities, a 856,000 square foot facility in Decatur, Georgia. In addition, Marshalls leases its other three main distribution facilities - a 837,000 square foot facility in Woburn, Massachusetts; a 183,000 square foot facility in Chatsworth, California; and a 700,000 square foot facility in Bridgewater, Virginia. The Company also leases 26,000 square feet of temporary space in California as well as a small regional facility, 47,000 square feet in Hawaii. Chadwick's owns a 579,000 square foot fulfillment center and office facility in West Bridgewater, Massachusetts. Chadwick's is also leasing a nearby 127,000 square foot warehouse and office facility. Winners leases 257,000 square feet of warehouse and office space in Mississauga, Ontario. HomeGoods leases a 205,000 square foot distribution center in Mansfield, Massachusetts. T.K. Maxx in the United Kingdom has leased a 108,000 square foot office and distribution facility in Milton Keynes, England and a 16,500 square foot office space in Watford, England. The Company's, T.J. Maxx's and HomeGoods' executive and administrative offices are located in a 517,000 square foot office facility, which the Company leases in Framingham, Massachusetts. The Company is currently leasing approximately 350,000 square feet of office space for Marshalls, most of which is located in Andover, Massachusetts. The Company plans to close much of this space during fiscal 1997 and move the Marshalls associates to Framingham, Massachusetts. In anticipation of this move, the Company has plans to lease approximately 100,000 additional square feet of office space in the Framingham area.

The table below indicates the approximate gross square footage of stores and distribution centers, by division, in operation as of January 27, 1996.

	Stores -----	(In Thousands)	
		Distribution Centers -----	
		Leased -----	Owned -----
T.J. Maxx	16,549	-	2,466
Marshalls	15,925	1,737	801
Winners	1,265	190	-
HomeGoods	832	205	-
T.K. Maxx	245	100	-
Chadwick's	-	85	447
	-----	-----	-----
Total	34,816	2,317	3,714
	=====	=====	=====

ITEM 3. Legal Proceedings

The Company is a defendant in a class action lawsuit, IN RE TJX COMPANIES, INC., Consolidated Civil Action No. 10514, in the Court of Chancery of the State of Delaware (the "Court"). The former The TJX Companies, Inc. ("old TJX"), formerly an 83%-owned subsidiary of the Company, and the directors of old TJX are also named as defendants in this lawsuit. The lawsuit alleges that certain actions of the defendants in respect of the merger in 1989 of old TJX into The TJX Operating Companies, Inc., a wholly-owned subsidiary subsequently merged into the Company, constituted self-dealing, deception, unfair dealing, overreaching and a breach of fiduciary duties owed by the defendants to the then public stockholders of old TJX. In particular, the amended complaint alleges that the terms of the merger were unfair and offered inadequate consideration to the then public stockholders of old TJX. The suit seeks to recover unspecified monetary damages. The defendants have filed answers denying any wrongdoing, and the case is in discovery phase. The parties have reached a settlement in principle which is subject to the approval of the Court. The Company believes that the substantive allegations of the case are without merit and that the case will not have a material effect on the Company's financial position.

ITEM 4. Submission of Matters to a Vote of Security Holders

There was no matter submitted to a vote of the Company's security holders during the fourth quarter of fiscal 1996.

ITEM 4A. Executive Officers of the Registrant

The following persons are the executive officers of the Company as of the date hereof:

Name -----	Age ---	Office and Employment During Last Five Years -----
Bernard Cammarata	56	President, Chief Executive Officer and Director since 1989, Chairman of the Company's T.J. Maxx Division from 1986 to 1995 and of the Company's T.J. Maxx and Marshalls Division ("The Marmaxx Group") since 1995. Executive Vice President of the Company from 1986 to 1989. President, Chief Executive Officer and Director of the Company's former TJX subsidiary from 1987 to 1989; President of T.J. Maxx, 1976 to 1986.
Donald G. Campbell	44	Executive Vice President - Finance since 1996. Senior Vice President - Finance, from 1989 to 1996. Senior Financial Executive of the Company, 1988 to 1989; Senior Vice President - Finance and Administration Zayre Stores Division 1987-1988; Vice President and Corporate Controller of the Company prior to 1987.
Richard Lesser	61	Executive Vice President of the Company since 1991 and Chief Operating Officer of the Company since 1994 and President of The Marmaxx Group since 1995. Senior Vice President of the Company 1989-1991 and President of the T.J. Maxx Division from 1986 to 1994. Senior Executive Vice President Merchandising and Distribution 1986. Executive Vice President - General Merchandise Manager 1984 to 1986; Senior Vice President - General Merchandise Manager 1981 to 1984.

The foregoing were elected to their current Company offices by the Board of Directors in June 1995, except for Donald G. Campbell who was elected to his current office in April 1996. All officers hold office until the next annual meeting of the Board in June 1996 and until their successors are elected and qualified.

PART II

ITEM 5. Market for the Registrant's Common
Stock and Related Security Holder Matters

The information required by this Item is incorporated herein by reference from page 38 of the Annual Report, under the caption "Price Range of Common Stock," and from inside the back cover of the Annual Report, under the caption "Shareholder Information."

ITEM 6. Selected Financial Data

The information required by this Item is incorporated herein by reference from page 33 of the Annual Report, under the caption "Selected Financial Data."

ITEM 7. Management's Discussion and Analysis of
Financial Condition and Results of Operations

The information required by this Item is incorporated herein by reference from pages 35 through 37 of the Annual Report, under the caption "Management's Discussion and Analysis of Results of Operations and Financial Condition."

ITEM 8. Financial Statements and Supplementary Data

The information required by this Item and not filed with this report as Financial Statement Schedules is incorporated herein by reference from pages 16 through 32 of the Annual Report, under the captions; "Consolidated Statements of Income," "Consolidated Balance Sheets," "Consolidated Statements of Cash Flows," "Consolidated Statements of Shareholders' Equity," "Selected Information by Major Business Segment" and "Notes to Consolidated Financial Statements."

ITEM 9. Disagreements on Accounting and
Financial Disclosure

Not applicable.

PART III

ITEM 10. Directors and Executive Officers of the Registrant

The Company will file with the Securities and Exchange Commission a definitive Proxy Statement no later than 120 days after the close of its fiscal year ended January 27, 1996 (the "Proxy Statement"). The information required by this Item and not given in Item 4A, Executive Officers of the Registrant, is incorporated by reference to the Proxy Statement. However, information under the captions "Executive Compensation Committee Report" and "Performance Graph" in the Proxy Statement is not so incorporated.

ITEM 11. Executive Compensation

The information required by this Item is incorporated by reference to the Proxy Statement.

ITEM 12. Security Ownership of Certain
Beneficial Owners and Management

The information required by this Item is incorporated by reference to the Proxy Statement.

ITEM 13. Certain Relationships and
Related Transactions

The information required by this Item is incorporated by reference to the Proxy Statement.

PART IV

ITEM 14. Exhibits, Financial Statement Schedules,
and Reports on Form 8-K

(a) Financial Statement Schedules

The Financial Statements and Financial Statement Schedules filed as part of this report are listed and indexed at Page F-1.

(b) Reports on Form 8-K

The Company filed a Current Report on Form 8-K dated as of October 14, 1995 regarding the Stock Purchase Agreement dated as of October 14, 1995 entered into by the Company and Melville Corporation (Melville) regarding the purchase of Marshalls by the Company from Melville.

The Company filed a Current Report on Form 8-K dated as of November 17, 1995 (and a related Form 8-KA) regarding the completion of the acquisition of Marshalls by the Company from Melville and a Credit Agreement entered into by the Company. Form 8-KA included the required Financial Statements of the Business Acquired and the required Pro Forma Financial Information.

(c) Exhibits

Listed below are all Exhibits filed as part of this report. Certain Exhibits are incorporated by reference to documents previously filed by the Registrant with the Securities and Exchange Commission pursuant to Rule 12b-32 under the Securities Exchange Act of 1934, as amended.

Exhibit

Exhibit No.	Description of Exhibit
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- | | |
|--------|---|
| 3(i).1 | Second Restated Certificate of Incorporation filed June 5, 1985 is incorporated herein by reference to Exhibit (3i)(a) to the Form 10-K filed for the fiscal year ended January 28, 1995. |
| 3(i).2 | Certificate of Amendment of Second Restated Certificate of Incorporation filed June 3, 1986 is incorporated herein by reference to Exhibit (3i)(b) to the Form 10-K filed for the fiscal year ended January 28, 1995. |
| 3(i).3 | Certificate of Amendment of Second Restated Certificate of Incorporation filed June 2, 1987 is incorporated herein by reference to Exhibit (3i)(c) to the Form 10-K filed for the fiscal year ended January 28, 1995. |
| 3(i).4 | Certificate of Amendment of Second Restated Certificate of Incorporation filed June 20, 1989 is incorporated herein by |

reference to Exhibit (3i)(d) to the Form 10-K filed for the fiscal year ended January 28, 1995.

- 3(i).5 Certificate of Designations, Preferences and Rights of New Series A Cumulative Convertible Preferred Stock of the Company is incorporated herein by reference to Exhibit (3i)(e) to the Form 10-K filed for the fiscal year ended January 28, 1995.
- 3(i).6 Certificate of Designations, Preferences and Rights of \$3.125 Series C Cumulative Convertible Preferred Stock of the Company is incorporated herein by reference to Exhibit (3i)(f) to the Form 10-K filed for the fiscal year ended January 28, 1995.
- 3(i).7 Certificate of Designations, Preferences and Rights of Series D Cumulative Convertible Preferred Stock is incorporated herein by reference to Exhibit 10.1 of the Form 8-K dated November 17, 1995.
- 3(i).8 Certificate of Designations, Preferences and Rights of Series E Cumulative Convertible Preferred Stock is incorporated herein by reference to Exhibit 10.2 of the Form 8-K dated November 17, 1995.
- 3(ii).1 The by-laws of the Company, as amended, are incorporated herein by reference to Exhibit (3ii)(a) to the Form 10-K filed for the fiscal year ended January 28, 1995.
- 4.1 A composite copy of the Share Purchase Agreements dated as of April 15, 1992 regarding Series A Cumulative Convertible Preferred Stock is incorporated by reference to Exhibit 4(c) to the Form 10-K filed for the fiscal year ended January 25, 1992.
- 4.2 Exchange Agreement dated as of August 6, 1992 between the Company and the holders of New Series A Cumulative Convertible Preferred Stock is incorporated by reference to Exhibit 19.1 to the Form 10-Q filed for the quarter ended July 25, 1992.
- 4.3 Credit Agreement dated as of November 17, 1995 among The First National Bank of Chicago, Bank of America Illinois, The Bank of New York, and Pearl Street L.P., as co-arrangers, the other financial institution parties thereto, and the Company is incorporated by reference to the Current Report on Form 8-K dated November 17, 1995.
- Each other instrument relates to securities the total amount of which does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis. The Company agrees to furnish to the Securities and Exchange Commission copies of each such instrument not otherwise filed herewith or incorporated herein by reference.
- 10.1 The Amended and Restated Employment Agreement dated as of April 26, 1988 with Stanley Feldberg is incorporated herein by reference to Exhibit 10(a) to the Form 10-K filed for the fiscal year ended January 30, 1988. The First Amendment to the 1988 Amended and Restated Employment Agreement of Stanley Feldberg dated June 8, 1993 is incorporated herein by reference to Exhibit 10(a) to the Form 10-K filed for the fiscal year ended January 29, 1994. *

- 10.2 The Employment Agreement dated as of January 30, 1994 with Bernard Cammarata is incorporated herein by reference to Exhibit (10)(d) to the Form 10-K filed for the fiscal year ended January 28, 1995. *
- 10.3 The Amended and Restated Employment Agreement dated as of February 1, 1995 with Richard Lesser is incorporated herein by reference to Exhibit (10)(e) to the Form 10-K for the fiscal year ended January 28, 1995. *
- 10.4 The Amended and Restated Employment Agreement dated as of February 1, 1995 with Donald G. Campbell is incorporated herein by reference to Exhibit (10)(f) to the Form 10-K filed for the fiscal year ended January 28, 1995. *
- 10.5 The Management Incentive Plan, as amended, is incorporated herein by reference to Exhibit 10(g) to the Form 10-K filed for the fiscal year ended January 29, 1994. *
- 10.6 The 1982 Long Range Management Incentive Plan, as amended, is incorporated herein by reference to Exhibit 10(h) to the Form 10-K filed for the fiscal year ended January 29, 1994. *
- 10.7 The 1986 Stock Incentive Plan, as amended, is incorporated herein by reference to Exhibit 10(i) to the Form 10-K filed for the fiscal year ended January 29, 1994. *
- 10.8 The TJX Companies, Inc. Long Range Performance Incentive Plan, as amended, is incorporated herein by reference to Exhibit 10(j) to the Form 10-K filed for the fiscal year ended January 29, 1994. *
- 10.9 The General Deferred Compensation Plan, as amended, is incorporated herein by reference to Exhibit 10(n) to the Form 10-K filed for the fiscal year ended January 27, 1990. *
- 10.10 The Supplemental Executive Retirement Plan, as amended, is incorporated herein by reference to Exhibit 10(l) to the Form 10-K filed for the fiscal year ended January 25, 1992. *
- 10.11 The 1993 Stock Option Plan for Non-Employee Directors is incorporated herein by reference to Exhibit 10.1 to the Form 10-Q filed for the quarter ended May 1, 1993. *
- 10.12 The Retirement Plan for Directors, as amended, is incorporated herein by reference to Exhibit 10.2 to the Form 10-Q filed for the quarter ended May 1, 1993. *
- 10.13 The form of Indemnification Agreement between the Company and each of its officers and directors is incorporated herein by reference to Exhibit 10(r) to the Form 10-K filed for the fiscal year ended January 27, 1990. *
- 10.14 The Trust Agreement dated as of April 8, 1988 between the Company and State Street Bank and Trust Company is incorporated herein by reference to Exhibit 10(y) to the Form 10-K filed for the fiscal year ended January 30, 1988.*
- 10.15 The Trust Agreement dated as of April 8, 1988 between the Company and Shawmut Bank of Boston, N.A. is incorporated herein by

reference to Exhibit 10(z) to the Form 10-K filed for the fiscal year ended January 30, 1988. *

- 10.16 Stock Purchase Agreement dated as of October 14, 1995 between the Company and Melville Corporation is incorporated herein by reference to the Current Report on Form 8-K dated October 14, 1995.
- 10.17 Amendment Number One dated as of November 17, 1995 to the Stock Purchase Agreement dated as of October 14, 1995 between the Company and Melville Corporation is incorporated herein by reference to the Current Report on Form 8-K dated November 17, 1995.
- 10.18 Transitional Services Agreement dated as of November 17, 1995 between the Company and Melville Corporation is incorporated herein by reference to the Current Report on Form 8-K dated November 17, 1995.
- 10.19 Amendment Number Two dated as of February 1, 1996 to Stock Purchase Agreement and Transitional Services Agreement between the Company and Melville Corporation is filed herewith.
- 10.20 Standstill and Registration Rights Agreement dated as of November 17, 1995 between the Company and Melville Corporation is filed herewith.

11 Statement re computation of per share earnings.

This statement is filed herewith.

13 Annual Report to security holders.

Portions of the Annual Report to Stockholders for the fiscal year ended January 27, 1996 are filed herewith.

21 Subsidiaries.

A list of the Registrant's subsidiaries is filed herewith.

23 Consents of experts and counsel.

The Consent of Coopers & Lybrand L.L.P. is contained on Page F-2 of the Financial Statements filed herewith.

24 Power of Attorney.

The Power of Attorney given by the Directors and certain Executive Officers of the Company is filed herewith.

* Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Dated: April 26, 1996

/s/ Donald G. Campbell

Donald G. Campbell
Executive Vice President - Finance

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

/s/ BERNARD CAMMARATA

Bernard Cammarata, President
and Principal Executive Officer
and Director

/s/ DONALD G. CAMPBELL

Donald G. Campbell, Executive
Vice President - Finance,
Principal Financial and
Accounting Officer

PHYLLIS B. DAVIS*

Phyllis B. Davis, Director

ROBERT F. SHAPIRO*

Robert F. Shapiro, Director

STANLEY H. FELDBERG*

Stanley H. Feldberg, Director

WILLOW B. SHIRE*

Willow B. Shire, Director

RICHARD LESSER*

Richard Lesser, Director

BURTON S. STERN*

Burton S. Stern, Director

ARTHUR F. LOEWY*

Arthur F. Loewy, Director

FLETCHER H. WILEY*

Fletcher H. Wiley, Director

JOHN M. NELSON*

John M. Nelson, Director

ABRAHAM ZALEZNIK*

Abraham Zaleznik, Director

Dated: April 26, 1996

* By /s/ DONALD G. CAMPBELL*

Donald G. Campbell
as attorney-in-fact

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

THE TJX COMPANIES, INC.

FORM 10-K
ANNUAL REPORT

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND
FINANCIAL STATEMENT SCHEDULES

For the Fiscal Years Ended
January 27, 1996, January 28, 1995
and January 29, 1994

THE TJX COMPANIES, INC. AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES

For Fiscal Years Ended January 27, 1996, January 28, 1995 and
January 29, 1994

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* Refers to page numbers in the Company's Annual Report to Stockholders for the fiscal year ended January 27, 1996, certain portions of which pages are incorporated by reference in Part II, Item 8 of this report as indicated.

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the Registration Statements of The TJX Companies, Inc. on Form S-3 (File No. 33-50259 and 33-60059) and on Forms S-8 (File Nos. 33-12220 and 33-49747) of our report dated March 12, 1996, on our audits of the consolidated financial statements of The TJX Companies, Inc. as of January 27, 1996 and January 28, 1995 and for the years ended January 27, 1996, January 28, 1995 and January 29, 1994 which report is incorporated by reference in this Annual Report on Form 10-K.

Boston, Massachusetts
April 22, 1996

Coopers & Lybrand L.L.P.

THE TJX COMPANIES, INC.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

Column A	Column B	Column C Additions		Column D	Column E
Description	Balance at Beginning of Period	(1) Charged to Costs and Expenses	(2) Charged to other Accounts	Deductions	Balance at End of Period
Reserves for Discontinued Operations:					
Fiscal year ended January 27, 1996	13,085,000	23,025,000 (A)	-	10,857,000 (D)	25,253,000
Fiscal year ended January 28, 1995	17,618,000	-	-	4,533,000 (D)	13,085,000
Fiscal year ended January 29, 1994	45,944,000	-	-	28,326,000 (D)	17,618,000
Store Closing and Restructuring Reserves:					
Fiscal year ended January 27, 1996	-	38,800,000 (B)	244,095,000 (C)	31,329,000 (E)	251,566,000

(A) Additions are primarily for the estimated costs associated with the sale of the Hit or Miss Division including costs to close 69 stores and to settle or otherwise dispose of related leases.

(B) Includes \$35 million for estimated cost of closing approximately 30 T.J. Maxx stores in connection with the acquisition of Marshalls and \$3.8 million for certain restructuring costs of HomeGoods operation.

(C) Represents the reserve established in the allocation of the purchase price of Marshalls relating primarily to the anticipated closing of approximately 170 Marshalls stores. The reserve also includes a reserve for markdowns on inventory acquired, legal and professional fees and the cost associated with the closing of other non-store facilities.

(D) Deductions relate primarily to ongoing lease obligations, net of sublease income, as well as settlement costs on certain leases.

(E) Deductions are primarily for inventory markdowns and for HomeGoods restructuring costs including one store closing and downsizing expenditures.

EXHIBIT INDEX

Exhibit No. -----	Description of Exhibit -----
3(i).1	Second Restated Certificate of Incorporation filed June 5, 1985 is incorporated herein by reference to Exhibit (3i)(a) to the Form 10-K filed for the fiscal year ended January 28, 1995.
3(i).2	Certificate of Amendment of Second Restated Certificate of Incorporation filed June 3, 1986 is incorporated herein by reference to Exhibit (3i)(b) to the Form 10-K filed for the fiscal year ended January 28, 1995.
3(i).3	Certificate of Amendment of Second Restated Certificate of Incorporation filed June 2, 1987 is incorporated herein by reference to Exhibit (3i)(c) to the Form 10-K filed for the fiscal year ended January 28, 1995.
3(i).4	Certificate of Amendment of Second Restated Certificate of Incorporation filed June 20, 1989 is incorporated herein by reference to Exhibit (3i)(d) to the Form 10-K filed for the fiscal year ended January 28, 1995.
3(i).5	Certificate of Designations, Preferences and Rights of New Series A Cumulative Convertible Preferred Stock of the Company is incorporated herein by reference to Exhibit (3i)(e) to the Form 10-K filed for the fiscal year ended January 28, 1995.
3(i).6	Certificate of Designations, Preferences and Rights of \$3.125 Series C Cumulative Convertible Preferred Stock of the Company is incorporated herein by reference to Exhibit (3i)(f) to the Form 10-K filed for the fiscal year ended January 28, 1995.
3(i).7	Certificate of Designations, Preferences and Rights of Series D Cumulative Convertible Preferred Stock is incorporated herein by reference to Exhibit 10.1 of the Form 8-K dated November 17, 1995.
3(i).8	Certificate of Designations, Preferences and Rights of Series E Cumulative Convertible Preferred Stock is incorporated herein by reference to Exhibit 10.2 of the Form 8-K dated November 17, 1995.
3(ii).1	The by-laws of the Company, as amended, are incorporated herein by reference to Exhibit (3ii)(a)

to the Form 10-K filed for the fiscal year ended January 28, 1995.

- 4.1 A composite copy of the Share Purchase Agreements dated as of April 15, 1992 regarding Series A Cumulative Convertible Preferred Stock is incorporated by reference to Exhibit 4(c) to the Form 10-K filed for the fiscal year ended January 25, 1992.
- 4.2 Exchange Agreement dated as of August 6, 1992 between the Company and the holders of New Series A Cumulative Convertible Preferred Stock is incorporated by reference to Exhibit 19.1 to the Form 10-Q filed for the quarter ended July 25, 1992.
- 4.3 Credit Agreement dated as of November 17, 1995 among The First National Bank of Chicago, Bank of America Illinois, The Bank of New York, and Pearl Street L.P., as co-arrangers, the other financial institution parties thereto, and the Company is incorporated by reference to the Current Report on Form 8-K dated November 17, 1995.

Each other instrument relates to securities the total amount of which does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis. The Company agrees to furnish to the Securities and Exchange Commission copies of each such instrument not otherwise filed herewith or incorporated herein by reference.

- 10.1 The Amended and Restated Employment Agreement dated as of April 26, 1988 with Stanley Feldberg is incorporated herein by reference to Exhibit 10(a) to the Form 10-K filed for the fiscal year ended January 30, 1988. The First Amendment to the 1988 Amended and Restated Employment Agreement of Stanley Feldberg dated June 8, 1993 is incorporated herein by reference to Exhibit 10(a) to the Form 10-K filed for the fiscal year ended January 29, 1994. *
- 10.2 The Employment Agreement dated as of January 30, 1994 with Bernard Cammarata is incorporated herein by reference to Exhibit (10)(d) to the Form 10-K filed for the fiscal year ended January 28, 1995. *
- 10.3 The Amended and Restated Employment Agreement dated as of February 1, 1995 with Richard Lesser is incorporated herein by reference to Exhibit (10)(e) to the Form 10-K for the fiscal year ended January 28, 1995. *

- 10.4 The Amended and Restated Employment Agreement dated as of February 1, 1995 with Donald G. Campbell is incorporated herein by reference to Exhibit (10)(f) to the Form 10-K filed for the fiscal year ended January 28, 1995. *
- 10.5 The Management Incentive Plan, as amended, is incorporated herein by reference to Exhibit 10(g) to the Form 10-K filed for the fiscal year ended January 29, 1994. *
- 10.6 The 1982 Long Range Management Incentive Plan, as amended, is incorporated herein by reference to Exhibit 10(h) to the Form 10-K filed for the fiscal year ended January 29, 1994. *
- 10.7 The 1986 Stock Incentive Plan, as amended, is incorporated herein by reference to Exhibit 10(i) to the Form 10-K filed for the fiscal year ended January 29, 1994. *
- 10.8 The TJX Companies, Inc. Long Range Performance Incentive Plan, as amended, is incorporated herein by reference to Exhibit 10(j) to the Form 10-K filed for the fiscal year ended January 29, 1994. *
- 10.9 The General Deferred Compensation Plan, as amended, is incorporated herein by reference to Exhibit 10(n) to the Form 10-K filed for the fiscal year ended January 27, 1990. *
- 10.10 The Supplemental Executive Retirement Plan, as amended, is incorporated herein by reference to Exhibit 10(l) to the Form 10-K filed for the fiscal year ended January 25, 1992. *
- 10.11 The 1993 Stock Option Plan for Non-Employee Directors is incorporated herein by reference to Exhibit 10.1 to the Form 10-Q filed for the quarter ended May 1, 1993. *
- 10.12 The Retirement Plan for Directors, as amended, is incorporated herein by reference to Exhibit 10.2 to the Form 10-Q filed for the quarter ended May 1, 1993. *
- 10.13 The form of Indemnification Agreement between the Company and each of its officers and directors is incorporated herein by reference to Exhibit 10(r) to the Form 10-K filed for the fiscal year ended January 27, 1990. *
- 10.14 The Trust Agreement dated as of April 8, 1988 between the Company and State Street Bank and Trust

Company is incorporated herein by reference to Exhibit 10(y) to the Form 10-K filed for the fiscal year ended January 30, 1988. *

- 10.15 The Trust Agreement dated as of April 8, 1988 between the Company and Shawmut Bank of Boston, N.A. is incorporated herein by reference to Exhibit 10(z) to the Form 10-K filed for the fiscal year ended January 30, 1988. *
- 10.16 Stock Purchase Agreement dated as of October 14, 1995 between the Company and Melville Corporation is incorporated herein by reference to the Current Report on Form 8-K dated October 14, 1995.
- 10.17 Amendment Number One dated as of November 17, 1995 to the Stock Purchase Agreement dated as of October 14, 1995 between the Company and Melville Corporation is incorporated herein by reference to the Current Report on Form 8-K dated November 17, 1995.
- 10.18 Transitional Services Agreement dated as of November 17, 1995 between the Company and Melville Corporation is incorporated herein by reference to the Current Report on Form 8-K dated November 17, 1995.
- 10.19 Amendment Number Two dated as of February 1, 1996 to Stock Purchase Agreement and Transitional Services Agreement between the Company and Melville Corporation is filed herewith.
- 10.20 Standstill and Registration Rights Agreement dated as of November 17, 1995 between the Company and Melville Corporation is filed herewith.
- 11 Statement re computation of per share earnings.

This statement is filed herewith.
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Portions of the Annual Report to Stockholders for the fiscal year ended January 27, 1996 are filed herewith.
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A list of the Registrant's subsidiaries is filed herewith.
- 23 Consents of experts and counsel.

The Consent of Coopers & Lybrand L.L.P. is contained on Page F-2 of the Financial Statements filed herewith.

24 Power of Attorney.

The Power of Attorney given by the Directors and certain Executive Officers of the Company is filed herewith.

* Management contract or compensatory plan or arrangement.

AMENDMENT NUMBER TWO
TO
STOCK PURCHASE AGREEMENT
AND
TRANSITIONAL SERVICES AGREEMENT

THIS AMENDMENT NUMBER TWO (this "AMENDMENT"), is made as of this 1st day of February, 1996, by and among THE TJX COMPANIES, INC., a Delaware corporation ("BUYER"), MELVILLE CORPORATION, a New York corporation ("SELLER"), and MARSHALLS, INC., a Massachusetts corporation ("COMPANY").

RECITALS

1. Seller and Buyer entered into that certain Stock Purchase Agreement, dated as of October 14, 1995, as amended pursuant to that certain Amendment Number One to Stock Purchase Agreement, dated as of November 17, 1995 (as amended, the "PURCHASE AGREEMENT").

2. Seller, Buyer and Company entered into that certain Transitional Services Agreement, dated as of November 17, 1995 (the "SERVICES AGREEMENT").

3. Seller, Buyer and Company are desirous of making certain amendments and modifications to the Purchase Agreement and the Services Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements and covenants contained herein, together with other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. PURCHASE AGREEMENT AMENDMENT. Section 9.2 of the Purchase Agreement is hereby amended by deleting the date "April 30, 1996" therein and substituting the date "July 31, 1996" therefore.

2. SERVICES AGREEMENT AMENDMENTS. (a) Exhibit A-4 of the Services Agreement is hereby amended by deleting the date "April 30, 1996" in the first (1st) paragraph of the subsection captioned "Health, Medical and Other Employee Benefit Services" and substituting the date "July 31, 1996" therefore.

3. EFFECT ON PURCHASE AGREEMENT AND SERVICES AGREEMENT. Except to the extent of the amendments set forth specifically herein, all provisions of the Purchase Agreement and the Services Agreement are and shall remain in full force and effect and are hereby ratified and confirmed in all respects, and the execution,

delivery and effectiveness of this Amendment shall not operate as a waiver or amendment of any provision of the Purchase Agreement or Services Agreement not specifically amended herein.

4. EXECUTION IN COUNTERPARTS: EFFECTIVENESS. This Amendment may be executed via facsimile transmissions in any number of counterparts, each of which shall be deemed for all purposes to be an original, but all of which together shall constitute one and the same Amendment. This Amendment shall become effective immediately upon execution.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have caused this Amendment to be executed as of the date first above written by their respective officer thereunto duly authorized.

BUYER:

THE TJX COMPANIES, INC.

By: /s/ Donald G. Campbell

Name:
Title:

SELLER:

MELVILLE CORPORATION

COMPANY:

MARSHALLS, INC.

By: /s/ Jerald L. Maurer

Name:
Title: Senior Vice Pres.

By: /s/ Donald G. Campbell

Name:
Title:

STANDSTILL AND REGISTRATION RIGHTS AGREEMENT

This Standstill Agreement (the "Agreement"), dated as of November 17, 1995, is between Melville Corporation, a New York corporation ("Subscriber"), and The TJX Companies, Inc., a Delaware corporation ("Issuer").

WHEREAS, simultaneously with the execution of this Agreement, Subscriber is acquiring shares of Issuer's Series D Cumulative Convertible Preferred Stock, par value \$1.00 per share (the "Series D Preferred Stock") and shares of Issuer's Series E Cumulative Convertible Preferred Stock, par value \$1.00 per share (the "Series E Preferred Stock" and together with the Series D Preferred Stock, the "Preferred Stock"), pursuant to a Preferred Stock Subscription Agreement dated as of the date hereof (the "Subscription Agreement") between Subscriber and Issuer;

WHEREAS, Subscriber and Issuer entered into the Subscription Agreement pursuant to, and in connection with the transactions contemplated by, the Stock Purchase Agreement dated as of October 14, 1995 (as amended, the "Purchase Agreement") between Subscriber and Issuer; and

WHEREAS, Issuer and Subscriber desire to establish in this Agreement certain conditions of Subscriber's relationship with Issuer;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and in the Subscription Agreement and the Purchase Agreement, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS; REPRESENTATIONS AND WARRANTIES

SECTION 1.01 Definitions. Except as otherwise specified herein, defined terms used in this Agreement shall have the respective meanings assigned to such terms in the Purchase Agreement. Unless otherwise specified all references to "days" shall be deemed to be references to calendar days.

SECTION 1.02 Representations and Warranties of Issuer. Issuer represents and warrants to Subscriber as follows:

(a) The execution, delivery and performance by Issuer of this Agreement and the consummation by Issuer of the transactions contemplated by this Agreement are within its corporate powers and have been duly authorized by all necessary corporate action on its part. This Agreement constitutes a legal, valid and binding agreement of Issuer enforceable against Issuer in accordance with its terms (i) except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of statutory and other laws regarding fraudulent conveyances and preferential transfers, and (ii) subject to the limitations imposed by general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity); and

(b) The execution, delivery and performance of this Agreement by Issuer does not and will not contravene or conflict with or constitute a default under Issuer's Charter or By-laws.

SECTION 1.03 Representations and Warranties of Subscriber. Subscriber represents and warrants to Issuer as follows:

(a) The execution, delivery and performance by Subscriber of this Agreement and the consummation by Subscriber of the transactions contemplated by this Agreement are within its corporate powers and have been duly authorized by all necessary corporate action on its part. This Agreement constitutes a legal, valid and binding agreement of Subscriber enforceable against Subscriber in accordance with its terms (i) except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of statutory and other laws regarding fraudulent conveyances and preferential transfers, and (ii) subject to the limitations imposed by general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity);

(b) The execution, delivery and performance of this Agreement by Subscriber does not and will not contravene or conflict with or constitute a default under Subscriber's Charter or By-laws; and

(c) Subscriber "beneficially owns" (as such term is defined in Rule 13d-3 under the Exchange Act) the shares of the Preferred Stock issued to it pursuant to the Subscription Agreement and neither Subscriber nor any "affiliate" or "associate" (such terms being used in this Agreement as such terms are defined in Rule 12b-2 under the Exchange Act), owns any other Voting Securities (as defined in Section 2.01 herein).

ARTICLE II

TERM

SECTION 2.01 Term. The term (the "Term") of this Agreement shall commence on the date hereof and shall continue until the date on which the Voting Power of the Voting Securities, on a fully diluted basis, beneficially owned by Subscriber shall represent less than three percent (3%) of the Total Voting Power. For the purposes of this Agreement (i) the term "Voting Securities" shall mean any securities entitled to vote generally in the election of directors of Issuer, or any direct or indirect rights or options to acquire any such securities or any securities (including without limitation the Preferred Stock) convertible or exercisable into or exchangeable for such securities, whether or not such securities are so convertible, exercisable or exchangeable at the time of determination, (ii) the term "Voting Power" shall mean the voting power in the general election of directors of Issuer, and (iii) the term "Total Voting Power" shall mean the total combined Voting Power of all the Voting Securities then outstanding and entitled to vote; provided, however, that for purposes of this Agreement, the Voting Power of the Preferred Stock on any date shall mean the voting power of the shares of the Issuer's common stock, par value \$1.00 per share ("Common Stock"), into which the shares of Preferred Stock would be convertible on such date, assuming for this purpose only that the Automatic Conversion Date (as defined in the Series D Preferred Stock and the Series E Preferred Stock, respectively) were such date, at the Exchange Rate (as so defined) then in effect.

ARTICLE III

STANDSTILL AND VOTING PROVISIONS

SECTION 3.01 Restrictions of Certain Actions by Subscriber. During the Term, Subscriber will not, and will cause each of its affiliates and associates not to, singly or as part of a partnership, limited partnership, syndicate or other group (as those terms are used in Section 13(d)(3) of the Exchange Act), directly or indirectly:

(a) acquire, offer to acquire, or agree to acquire, by purchase, gift or otherwise, any Voting Securities, except pursuant to a stock split, stock dividend, rights offering, recapitalization, reclassification or similar transaction;

(b) make or in any way participate in any "solicitation" of "proxies" to vote (as such terms are defined in Rule 14a-1 under the Exchange Act), solicit any consent or communicate with or seek to advise or influence any person or entity with respect to the voting of any Voting Securities or become a "participant" in any "election contest" (as such terms are defined or used in Rule 14a-11 under the Exchange Act) with respect to Issuer;

(c) form, join or encourage the formation of, any "person" within the meaning of Section 13(d)(3) of the Exchange Act with respect to any Voting Securities; provided that this Section 3.01(c) shall not prohibit any such arrangement solely among Subscriber and any of its wholly-owned Subsidiaries;

(d) deposit any Voting Securities into a voting trust or subject any such Voting Securities to any arrangement or agreement with respect to the voting thereof; provided that this Section 3.01(d) shall not prohibit any such arrangement solely among Subscriber and any of its wholly-owned Subsidiaries;

(e) initiate, propose or otherwise solicit stockholders of the Issuer for the approval of any stockholder proposal with respect to Issuer as described in Rule 14a-8 under the Exchange Act, or induce or attempt to induce any other person to initiate any such stockholder proposal;

(f) seek election to or seek to place a representative on the Board of Directors of Issuer or seek the removal of any member of the Board of Directors of Issuer;

(g) call or seek to have called any meeting of the stockholders of Issuer;

(h) otherwise act to seek to control, direct or influence the management, policies or affairs of Issuer;

(i) except as otherwise provided in Section 4.02 or Article V, sell or otherwise transfer in any manner any Voting Securities to any "person" (within the meaning of Section 13(d)(3) of the Exchange Act) who to the knowledge of Subscriber beneficially owns or who as a result of such sale or transfer will beneficially own at least three percent (3%) of the Total Voting Power or who, without the approval of the Board of Directors of Issuer, has proposed a business combination or similar transaction with, or a change of control of, Issuer or who has proposed a tender offer for Voting Securities or who has discussed with Subscriber the possibility of proposing a business combination or similar transaction with, or a change in control of, Issuer or a tender offer for Voting Securities; provided, however, that insofar as this clause (i) has application to a sale or other transfer by Subscriber to an institutional investor pursuant to Section 4.01, the reference to the words "three percent (3%)" shall be deemed to be deleted from this clause (i) and replaced with the words "five percent (5%)";

(j) solicit, seek to effect, negotiate with or provide any information to any other party with respect to, or make any statement or proposal, whether written or oral, to the Board of Directors of Issuer or any director or officer of Issuer or otherwise

make any public announcement or proposal whatsoever with respect to, any form of business combination transaction involving Issuer, including, without limitation, a merger, exchange offer or liquidation of Issuer's assets, or any acquisition, disposition, restructuring, recapitalization or similar transaction with respect to Issuer; or

(k) instigate or encourage any third party to do any of the foregoing.

If Subscriber or any of its affiliates or associates owns or acquires any Voting Securities in violation of this Agreement, such Voting Securities shall immediately be disposed of to persons who are not affiliates or associates thereof but only in compliance with the provisions of this Section 3.01; provided, however, that Issuer may also pursue any other available remedy to which it may be entitled as a result of such violation.

SECTION 3.02 Voting. (a) During the Term, whenever Subscriber (or any of its affiliates or associates) shall have the right to vote their Voting Securities, Subscriber (and any such affiliates or associates) shall (i) be present, in person or represented by proxy, at all stockholder meetings of Issuer so that all Voting Securities beneficially owned by it and its affiliates and associates shall be counted for the purpose of determining the presence of a quorum at such meetings, and (ii) subject to Section 3.02(b) below, vote or cause to be voted, or consent with respect to, all Voting Securities beneficially owned by it and its affiliates and associates in the manner recommended by Issuer's Board of Directors, except that during any period or at any time when there shall be in full force and effect a valid order or judgment of a court of competent jurisdiction or a ruling, pronouncement or requirement of the New York Stock Exchange, Inc. ("NYSE") to the effect that the foregoing provisions of this Section 3.02 are invalid, void, enforceable or not in accordance with NYSE policy, then Subscriber will, if so requested by the Board of Directors of Issuer, vote or cause to be voted all of its Voting Securities beneficially owned by it and its affiliates and associates in the same proportion as the votes cast by or on behalf of the other holders of Issuer's Voting Securities.

(b) Notwithstanding anything to the contrary contained in Section 3.02(a) above, Subscriber shall have the right to vote freely, without regard to any request or recommendation of the Board of Directors of Issuer, with respect to the matters specified in Section 7 of the Certificate of Designations establishing the terms of the Series D Preferred Stock and Section 7 of the Certificate of Designations establishing the terms of the Series E Preferred Stock.

ARTICLE IV

TRANSFER RESTRICTIONS

SECTION 4.01 Right of First Offer. (a) If Subscriber desires to transfer any Voting Securities, it shall in each case comply with the provisions of Section 3.01 and give written notice ("Subscriber's Notice") to Issuer (i) stating that it desires to make such transfer, and

(ii) setting forth the number of shares of Voting Securities proposed to be transferred (the "Offered Shares"), the cash price per share that Subscriber proposes to be paid for such Offered Shares (the "Offer Price"), and the other material terms and conditions of such transfer. Subscriber's Notice shall constitute an irrevocable offer by Subscriber to sell to Issuer the Offered Shares at the Offer Price in cash.

(b) Within 5 Business Days after receipt of Subscriber's Notice, Issuer may elect to purchase all (but not less than all) of the Offered Shares at the Offer Price in cash by delivery of a notice ("Issuer's Notice") to Subscriber stating Issuer's irrevocable acceptance of the Offer.

(c) If Issuer fails to elect to purchase all of the Offered Shares within the time period specified in Section 4.01(b), then Subscriber may, subject to compliance with the provisions of Section 3.01, within a period of 120 days following the expiration of the time period specified in Section 4.01(b), transfer (or enter into an agreement to transfer) all or any Offered Shares for cash; provided, that if the purchase price per share to be paid by any purchaser of the Offered Shares is less than 90% of the Offer Price (the "Reduced Transfer Price"), Subscriber shall promptly provide written notice (the "Reduced Transfer Price Notice") to Issuer of such intended transfer (including the material terms and conditions thereof) and Issuer shall have the right, exercisable by delivery of a written election notice to Subscriber within five Business Days of receipt of such notice, to purchase such Offered Shares at the Reduced Transfer Price.

(d) If Issuer fails to elect to purchase the Offered Shares at the Offer Price (or, if applicable, the Reduced Transfer Price) within the relevant time period specified in Section 4.01(b) (or, if applicable, Section 4.01(c)) and Subscriber shall not have transferred or entered into an agreement to transfer the Offered Shares prior to the expiration of the 120-day period specified in Section 4.01(c), the right of the first offer under this Section 4.01 shall again apply in connection with any subsequent transfer of such Offered Shares.

(e) Any purchase of Voting Securities by Issuer pursuant to this Section 4.01 shall be on a mutually determined closing date which shall be not less than 30 days nor more than 45 days after the last notice is given with respect to such purchase. The closing shall be held at 10:00 A.M., local time, at the principal office of Issuer, or at such other time or place as the parties mutually agree.

(f) On the closing date, Subscriber shall deliver (i) certificates representing the shares of Voting Securities being sold, free and clear of any Lien, and (ii) such other documents, including evidence of ownership and authority, as Issuer may reasonably request. The purchase price shall be paid by wire transfer of immediately available funds no later than 2:00 P.M. on the closing date.

(g) This Section 4.01 shall not apply to Subscriber's sale of Voting Securities in an underwritten public offering registered under the Securities Act pursuant to Article V.

SECTION 4.02 Rights Pursuant to a Tender Offer. Subscriber shall have the right to sell or exchange all its Voting Securities pursuant to a tender or exchange offer for at least a majority of the Voting Securities (an "Offer"). However, prior to such sale or exchange, Subscriber shall give Issuer the opportunity to purchase such Voting Securities in the following manner:

(i) Subscriber shall give notice (the "Tender Notice") to Issuer in writing of its intention to sell or exchange Voting Securities in response to an Offer no later than three calendar days prior to the latest time (including any extensions) by which Voting Securities must be tendered in order to be accepted pursuant to such Offer, specifying the amount of Voting Securities proposed to be tendered by Subscriber (the "Tendered Shares") and the purchase price per share specified in the Offer at the time of the Tender Notice.

(ii) Issuer shall have the right to purchase all, but not part, of the Tendered Shares exercisable by giving written notice (an "Exercise Notice") to Subscriber at least two calendar days prior to the latest time after delivery of the Tender Notice by which Voting Securities must be tendered in order to be accepted pursuant to the Offer (including any extensions thereof) and depositing in escrow (or similar arrangement) a sum in cash sufficient to purchase all Tendered Shares at the price then being offered in the Offer, without regard to any provision thereof with respect to proration or conditions to the offeror's obligation to purchase. The delivery by Issuer of an Exercise Notice and deposit of funds as provided above in response to a Tender Notice will, except as provided below, constitute an irrevocable agreement by Issuer to purchase, and Subscriber to sell, the Tendered Shares in accordance with the terms of this Section 4.02, whether or not the Offer or any other tender or exchange offer (a "Competing Tender Offer") for Voting Securities that was outstanding during the Offer is consummated.

(iii) The purchase price to be paid by Issuer for any Voting Securities purchased by it pursuant to this Section 4.02 shall be the highest price offered or paid in the Offer or in any Competing Tender Offer. For purposes hereof, the price offered or paid in a tender or exchange offer for Voting Securities shall be deemed to be the price offered or paid pursuant thereto, without regard to any provisions thereof with respect to proration or conditions to the offeror's obligation to purchase. If the purchase price per share specified in the Offer includes any property other than cash (the "Offer Noncash Property"), the purchase price per share at which Issuer shall be entitled to purchase all, but not part, of the Tendered Shares shall be (y) the amount of cash per share, if any, specified in such Offer (the "Cash Portion"), plus (z) an amount

of cash per share equal to the value of the Offer Noncash Property per share (the "Cash Value of Offer Noncash Property"), as determined in good faith by the mutual agreement of the parties hereto, or if the parties cannot agree, by a nationally recognized investment banking firm selected by mutual agreement of the parties. If Issuer exercises its right of first refusal by giving an Exercise Notice, the closing of the purchase of the Voting Securities with respect to such right (the "Closing") shall take place at 3:00 p.m., local time (or, if earlier, two hours before the latest time by which Voting Securities must be tendered in order to be accepted pursuant to the Offer), on the last day on which Voting Securities must be tendered in order to be accepted pursuant to the Offer (including any extensions thereof) (the "Latest Tender Date"), and Issuer shall pay the purchase price for the Voting Securities specified above. Subscriber shall be entitled to rescind its Tender Notice at any time prior to the Latest Tender Date by Notice in writing to Issuer; provided, however, that if on or before the Latest Tender Date, Issuer publicly announces that Issuer has approved, proposed or entered into an agreement with respect to (either individually or together with any other persons) a recapitalization, reorganization or business combination with respect to Issuer or all or substantially all of its assets, Subscriber shall be entitled to rescind its Tender Notice by notice in writing to Issuer at any time prior to the Closing on the Latest Tender Date. If Subscriber rescinds its Tender Notice pursuant to the immediately preceding sentence, Issuer's Exercise Notice with respect to such Offer shall be deemed to be immediately rescinded and Subscriber's disposition of its Voting Securities in response to the Offer with respect to which the Tender Notice is rescinded or any other Offer shall again be subject to all of the provisions of this Section 4.02.

(iv) If Issuer does not exercise its right of first refusal set forth in this Section 4.02 within the time specified for such exercise by giving an Exercise Notice, then Subscriber shall be free to accept, for all its Voting Securities, the Offer with respect to which the Tender Notice was given (including any increases and extensions thereof).

SECTION 4.03 Assignment of Rights. Issuer may assign any of its rights of first refusal under this Article IV to any Subsidiary or Affiliate of Issuer without the consent of Subscriber, provided, however, that no such assignment shall relieve Issuer of any of its obligations pursuant to this Article IV. In the event that Issuer elects to exercise a right of first refusal under this Article IV, Issuer may specify in its Exercise Notice (or thereafter prior to purchase) another such Person as its designee to purchase the Voting Securities to which such notice relates.

ARTICLE V

REGISTRATION RIGHTS

SECTION 5.01 Registration Upon Request. At any time commencing on the date hereof and continuing thereafter, Subscriber shall have the right to make written demand upon Issuer, on not more than two separate occasions (subject to the provisions of this Section 5.01), to register under the Securities Act, shares of Series E Preferred Stock or shares of Common Stock received by Subscriber upon conversion or redemption of shares of Preferred Stock (such shares of Series E Preferred Stock and Common Stock being referred to as the "Subject Stock"), and Issuer shall use its best efforts to cause such shares to be registered under the Securities Act as soon as reasonably practicable so as to permit the sale thereof promptly; provided, however, that each such demand shall cover at least \$40 million liquidation preference of Series E Preferred Stock (or any balance thereof exceeding \$15 million) or 2 million shares of Common Stock (subject to adjustment for stock splits, reverse stock splits, stock dividends and similar events after the date hereof). In connection therewith, Issuer shall prepare, and within 120 days of the receipt of the request, file, on Form S-3 if permitted or otherwise on the appropriate form, a registration statement under the Securities Act to effect such registration. Subscriber agrees to provide all such information and materials and to take all such action as may be reasonably required in order to permit Issuer to comply with all applicable requirements of the Securities Act, the rules and regulations thereunder and the Securities and Exchange Commission (the "SEC") and to obtain any desired acceleration of the effective date of such registration statement. If the offering to be registered is to be underwritten, the managing underwriter shall be selected by Subscriber and shall be reasonably satisfactory to Issuer and Subscriber shall enter into an underwriting agreement containing customary terms and conditions. Notwithstanding the foregoing, Issuer (i) shall not be obligated to prepare or file more than one registration statement other than for purposes of a stock option or other employee benefit or similar plan during any twelve-month period and (ii) shall be entitled to postpone for a reasonable period of time, the filing of any registration statement otherwise required to be prepared and filed by Issuer if (A) Issuer is, at such time, conducting or about to conduct an underwritten public offering of securities and is advised by its managing underwriter or underwriters in writing (with a copy to Subscriber), that such offering would, in its or their opinion, be materially adversely affected by the registration so requested, or (B) Issuer determines in its reasonable judgment and in good faith that the registration and distribution of the shares of Subject Stock would interfere with any announced or imminent material financing, acquisition, disposition, corporate reorganization or other material transaction of a similar type involving Issuer. In the event of such postponement, Subscriber shall have the right to withdraw the request for registration by giving written notice to Issuer within 20 days after receipt of the notice of postponement (and, in the event of such withdrawal, such request shall not be counted for purposes of determining the number of registrations to which Subscriber is entitled pursuant to this Section 5.01). Issuer shall not grant to any other holder of its securities, whether currently outstanding or issued in the future (other than as provided in the Share Purchase Agreement dated as of

April 15, 1992 among Issuer and the other parties thereto and the Exchange Agreement dated as of August 20, 1992 among the same parties, as presently in effect, relating to Issuer's former Series A Cumulative Convertible Preferred Stock and its New Series A Cumulative Convertible Preferred Stock (collectively, the "Series A Agreements")), any incidental or piggyback registration rights with respect to any registration statement filed pursuant to a demand registration under this Section 5.01. Without the prior consent of Subscriber (other than as provided in the Series A Agreements), Issuer will not permit any other holder of its securities to participate in any offering made pursuant to a demand registration under this Section 5.01.

In the event that Issuer does not redeem all of the then outstanding shares of Series D Preferred Stock pursuant to Section 4(b) of the Certificate of Designation of the Series D Preferred Stock (unless Subscriber shall have elected to convert any such shares following receipt of notice of redemption pursuant to Section 4(a) of such Certificate), (i) Subscriber shall be entitled to an additional demand right under the first sentence of this Section 5.01, subject to the minimum offering amounts requirement referred to above and (ii) Issuer shall, from time to time, at Subscriber's reasonable request, provide an opportunity for senior officers of Subscriber to meet with senior officers of Issuer to discuss the business and affairs of Issuer.

SECTION 5.02 Incidental Registration Rights. If Issuer proposes to register any of its Common Stock under the Securities Act (other than (i) pursuant to Section 5.01 hereof, (ii) securities to be issued pursuant to a stock option or other employee benefit or similar plan, and (iii) securities proposed to be issued in exchange for other securities or assets (other than cash) or in connection with a merger or consolidation with another corporation), Issuer shall, as promptly as practicable, give written notice to Subscriber of Issuer's intention to effect such registration. If, within 15 days after receipt of such notice, Subscriber submits a written request to Issuer specifying not less than one million shares of Common Stock constituting Subject Stock that are then beneficially owned by Subscriber and that Subscriber proposes to sell or otherwise dispose of in accordance with this Section 5.02, Issuer shall use its best efforts to include the shares specified in Subscriber's request in such registration. Subscriber may exercise its rights under this Section 5.02 on no more than three separate occasions; provided that if the number of securities that Subscriber had initially requested be included in a registration under this Section 5.02 is reduced pursuant to clause (C) below and Subscriber withdraws from such registration, then Subscriber's request shall not be counted as one of such three requests. If the offering pursuant to such registration statement is to be made by or through underwriters, the Subscriber and such underwriter shall execute an underwriting agreement in customary form. If the managing underwriter reasonably determines in good faith and advises Subscriber that the inclusion in the registration statement of all the Common Stock proposed to be included by all holders of Common Stock entitled to participate (other than on a demand basis) would interfere with the successful marketing of the securities proposed to be registered, then Issuer will include in such registration that number of such shares of Common Stock which does not exceed the number which such managing underwriter

reasonably determines in good faith can be sold without interfering with the successful marketing of the securities proposed to be registered based upon the following order of priority: (A) first, the securities Issuer proposes to sell, (B) second, the securities any participant exercising demand registration rights proposes to sell and (C) third, the securities of each other Person who is entitled to participate (other than on a demand basis) in such registration (including Subscriber) on a pro rata basis based on the number of shares of Common Stock owned by each such Person; provided that if the number of securities that Subscriber had initially requested be included in a registration under this Section 5.02 is reduced pursuant to clause (C), Subscriber may withdraw all securities from such registration. No registration effected under this Section 5.02 shall relieve Issuer of its obligation to effect any registration upon request under Section 5.01. If Subscriber has been permitted to participate in a proposed offering pursuant to this Section 5.02, Issuer thereafter may determine either not to file a registration statement relating thereto, or to withdraw such registration statement, or otherwise not to consummate such offering, without any liability hereunder. Any underwriters participating in a distribution of Subject Stock pursuant to Sections 5.01 and 5.02 hereof shall use all reasonable efforts to effect as wide a distribution as is reasonably practicable, and in no event shall any sale (other than a sale to underwriters making such a distribution) of shares of Subject Stock be made knowingly to any person (including its affiliates or associates and any group in which that person or its affiliates or associates shall be a member if Subscriber or underwriters know of the existence of such a group or affiliate or associate) that, after giving effect to such sale, would beneficially own at least three percent (3%) of the Total Voting Power. Subscriber shall use all reasonable efforts to secure the agreement of the underwriters, in connection with any underwritten offering of its Subject Stock, to comply with the foregoing.

SECTION 5.03 Registration Mechanics. In connection with any offering of shares of Subject Stock registered pursuant to Section 5.01 and 5.02 herein, Issuer shall (i) furnish to Subscriber such number of copies of any prospectus (including preliminary and summary prospectuses) and conformed copies of the registration statement (including amendments or supplements thereto and, in each case, all exhibits) and such other documents as it may reasonably request, but only while Issuer shall be required under the provisions hereof to cause the registration statement to remain current; (ii)(A) use its best efforts to register or qualify the Subject Stock covered by such registration statement under such blue sky or other state securities laws for offer and sale as Subscriber shall reasonably request and (B) keep such registration or qualification in effect for so long as the registration statement remains in effect; provided, however, that Issuer shall not be obligated to qualify to do business as a foreign corporation under the laws of any jurisdiction in which it shall not then be qualified or to file any general consent to service of process in any jurisdiction in which such a consent has not been previously filed or subject itself to taxation in any jurisdiction wherein it would not otherwise be subject to tax but for the requirements of this Section 5.03; (iii) use its best efforts to cause all shares of Subject Stock covered by such registration statement to be registered with or approved by such other federal or state government agencies or authorities as may be necessary in the opinion of counsel to Issuer to enable Subscriber to consummate

the disposition of such shares of Subject Stock; (iv) at any time when a prospectus relating thereto is required to be delivered under the Securities Act notify Subscriber upon discovery that, or upon the happening of any event as a result of which, the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading, in the light of the circumstances under which they were made, and (subject to the good faith determination of Issuer's Board of Directors as to whether to permit sales under such registration statement), at the request of Subscriber promptly prepare and furnish to it a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, in the light of the circumstances under which they were made; (v) otherwise use its best efforts to comply with all applicable rules and regulations of the SEC; (vi) use its best efforts to list, if required by the rules of the applicable securities exchange or, if securities of the same class are then so listed, the Subject Stock covered by such registration statement on the New York Stock Exchange or on any other securities exchange on which Subject Stock is then listed; and (vii) before filing any registration statement or any amendment or supplement thereto, and as far in advance as is reasonably practicable, furnish to Subscriber and its counsel copies of such documents. In connection with the closing of any offering of Subject Stock registered pursuant to Section 5.01 or 5.02, Issuer shall (x) furnish to the underwriter, if any, unlegended certificates representing ownership of the Subject Stock being sold in such denominations as requested and (y) instruct any transfer agent and registrar of the Subject Stock to release any stop transfer orders with respect to such Subject Stock. Upon any registration becoming effective pursuant to Section 5.01 or 5.02, Issuer shall use its best efforts to keep such registration statement effective for a period of 60 days (or 90 days, if Issuer is eligible to use a Form S-3, or successor form) or such shorter period as shall be necessary to effect the distribution of the Subject Stock.

Subscriber agrees that upon receipt of any notice from Issuer of the happening of any event of the kind described in subdivision (iv) of this Section 5.03, it will forthwith discontinue its disposition of Subject Stock pursuant to the registration statement relating to such Subject Stock until its receipt of the copies of the supplemented or amended prospectus contemplated by subdivision (iv) of this Section 5.03 and, if so directed by Issuer, will deliver to Issuer all copies then in its possession of the prospectus relating to such Subject Stock current at the time of receipt of such notice. If Subscriber's disposition of Subject Stock is discontinued pursuant to the foregoing sentence, unless Issuer thereafter extends the effectiveness of the registration statement to permit dispositions of Subject Stock by Subscriber for an aggregate of 60 days (or 90 days, if Issuer is eligible to use a Form S-3, or successor form), whether or not consecutive, the registration statement shall not be counted for purposes of determining the number of registrations to which Subscriber is entitled pursuant to Section 5.01.

SECTION 5.04 Expenses. Subscriber shall pay all agent fees and commissions and underwriting discounts and commissions related to shares of Subject Stock being sold by Subscriber and the fees and disbursements of its counsel and accountants and Issuer shall pay all fees and disbursements of its counsel and accountants in connection with any registration pursuant to this Article V. All other fees and expenses in connection with any registration statement (including, without limitation, all registration and filing fees, all printing costs, all fees and expenses of complying with securities or blue sky laws) shall (i) in the case of a registration pursuant to Section 5.01, be borne by Issuer and (ii) in the case of a registration pursuant to Section 5.02, be shared pro rata based upon the respective market values of the securities to be sold by Issuer, Subscriber and any other holders participating in such offering provided, that Subscriber shall not pay any expenses relating to work that would otherwise be incurred by Issuer including, but not limited to, the preparation and filing of periodic reports with the SEC.

SECTION 5.05 Indemnification and Contribution. In the case of any offering registered pursuant to this Article V, Issuer agrees to indemnify and hold Subscriber, each underwriter, if any, of the Subject Stock under such registration and each person who controls any of the foregoing within the meaning of Section 15 of the Securities Act, and any officer, employee or partner of the foregoing, harmless against any and all losses, claims, damages or liabilities (including reasonable legal fees and other reasonable expenses incurred in the investigation and defense thereof) to which they or any of them may become subject under the Securities Act or otherwise (collectively "Losses"), insofar as any such Losses shall arise out of or shall be based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the registration statement relating to the sale of such Subject Stock (as amended if Issuer shall have filed with the SEC any amendment thereof), or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading or (ii) any untrue statement or alleged untrue statement of a material fact contained in the prospectus relating to the sale of such Subject Stock (as amended or supplemented if Issuer shall have filed with the SEC any amendment thereof or supplement thereto), or the omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, provided, however, that the indemnification contained in this Section 5.05 shall not apply to such Losses which shall arise out of or shall be based upon any such untrue statement or alleged untrue statement, or any such omission or alleged omission, which shall have been made in reliance upon and in conformity with information furnished in writing to Issuer by Subscriber or any such underwriter, as the case may be, specifically for use in connection with the preparation of the registration statement or prospectus contained in the registration statement or any such amendment thereof or supplement therein.

In the case of each offering registered pursuant to this Article V, Subscriber agrees and each underwriter, if any, participating therein shall severally agree, substantially in the same manner and to the same extent as set forth in the preceding paragraph, to indemnify and hold harmless Issuer and each person, if any, who controls Issuer within the meaning of Section 15

of the Securities Act, and the directors and officers of Issuer, with respect to any statement in or omission from such registration statement or prospectus contained in such registration statement (as amended or as supplemented, if amended or supplemented as aforesaid) if such statement or omission shall have been made in reliance upon and in conformity with information furnished in writing to Issuer by Subscriber or such underwriter, as the case may be, specifically for use in connection with the preparation of such registration statement or prospectus contained in such registration statement or any such amendment thereof or supplement thereto.

Notwithstanding the provisions of this Section 5.05, no underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and the Subscriber registering shares pursuant to Section 5.01 or Section 5.02 shall not be required to contribute any amount in excess of the amount by which the total price at which the securities of the Subscriber were offered to the public (less underwriters' discounts and commissions) exceeds the amount of any damages which the Subscriber has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

Each party indemnified under this Section 5.05 shall, promptly after receipt of notice of the commencement of any claim against such indemnified party in respect of which indemnity may be sought hereunder, notify the indemnifying party in writing of the commencement thereof. The failure of any indemnified party to so notify an indemnifying party shall not relieve the indemnifying party from any liability in respect of such action which it may have to such indemnified party on account of the indemnity contained in this Section 5.05, unless (and only to the extent) the indemnifying party was prejudiced by such failure, and in no event shall such failure relieve the indemnifying party from any other liability which it may have to such indemnified party. In case any action in respect of which indemnification may be sought hereunder shall be brought against any indemnified party and it shall notify an indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it may desire, jointly with any other indemnifying party similarly notified, to assume the defense thereof through counsel reasonably satisfactory to the indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under this Section 5.05 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof, other than reasonable costs of investigation (unless such indemnified party reasonably objects to such assumption on the grounds that there may be defenses available to it which are different from or in addition to those available to such indemnifying party in which event such indemnified party, and any other indemnified party to which any different or additional defenses apply, shall be reimbursed by the indemnifying party for the reasonable expenses incurred in connection with retaining one separate legal counsel for all such indemnified

parties). No indemnifying party shall, without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld), effect any settlement of any claim or pending or threatened proceeding in respect of which the indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability arising out of such claim or proceeding.

If the indemnification provided for in this Section 5.05 is unavailable to an indemnified party or is insufficient to hold such indemnified party harmless from any Losses in respect of which this Section 5.05 would otherwise apply by its terms (other than by reason of exceptions provided herein), then each applicable indemnifying party, in lieu of indemnifying such an indemnified party, shall have a joint and several obligation to contribute to the amount paid or payable by such indemnified party as a result of such Losses, in such proportion as is appropriate to reflect the relative benefits received by and fault of the indemnifying party, on the one hand, and such indemnified party, on the other hand, in connection with the offering to which such contribution relates as well as any other relevant equitable considerations. The relative benefit shall be determined by reference to, among other things, the amount of proceeds received by each party from the offering to which such contribution relates. The relative fault shall be determined by reference to, among other things, each party's relative knowledge and access to information concerning the matter with respect to which the claim was asserted, and the opportunity to correct and prevent any statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include any legal or other fees or expenses incurred by such party in connection with any investigation or proceeding, to the extent such party would have been indemnified for such expenses if the indemnification provided for in this Section 5.05 was available to such party.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5.05 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1993 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

SECTION 5.06 Limitations on Registration Rights. Notwithstanding anything to the contrary in this Article V, all rights of Subscriber under this Article V shall be subject to the provisions of the Series A Agreements. To the extent that any of the provisions of this Article V conflict with any provisions of the Series A Agreements, the provisions of the Series A Agreements shall control and there shall be no breach of or default under Article V of this Agreement to the extent the performance of any term of Article V of this Agreement would cause a breach of or default under either of the Series A Agreements.

SECTION 5.07 Holdback Agreements. If and to the extent requested by the managing underwriter or underwriters, in the case of any underwritten public offering, Subscriber agrees

not to effect, except as part of such registration, any sale of shares of Common Stock or Preferred Stock during the 14 days prior to, and during the 90-day period beginning on, the effective date of such registration statement.

ARTICLE VI

MISCELLANEOUS

SECTION 6.01 Enforcement. Subscriber, on the one hand, and Issuer, on the other, acknowledge and agree that irreparable damage would occur if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, the parties will be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically its provisions in any court having jurisdiction, this being in addition to any other remedy to which they may be entitled at law or in equity.

SECTION 6.02 Entire Agreement; Waivers. This Agreement, the other Closing Agreements, the Confidentiality Agreement and the Purchase Agreement constitute the entire agreement among the parties hereto pertaining to the subject matter hereof and thereof and supersede all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties with respect to such subject matter. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), shall constitute a continuing waiver unless otherwise expressly provided nor shall be effective unless in writing and executed (i) in the case of a waiver by Issuer, by Issuer and (ii) in the case of a waiver by Subscriber, by Subscriber.

SECTION 6.03 Amendment or Modification. The parties hereto may not amend or modify this Agreement except in such manner as may be agreed upon by a written instrument executed by Issuer and Subscriber.

SECTION 6.04 Survival. All representations, warranties, covenants and agreements made by or on behalf of any party hereto in this Agreement shall survive the execution and delivery of this Agreement and the Closing.

SECTION 6.05 Successors and Assigns. All the terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective transferees, successors and assigns (each of which such transferees, successors and assigns shall be deemed to be a party hereto for all purposes hereof); provided, however, that (i) neither Issuer nor Subscriber may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other (except as set forth in Section 4.03) and (iii) no transfer or assignment by any party shall relieve such party of any of its obligations hereunder.

SECTION 6.06 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable, the remaining provisions shall remain in full force and effect. It is declared to be the intention of the parties that they would have executed the remaining provisions without including any that may be declared unenforceable.

SECTION 6.07 Headings. Descriptive headings are for convenience only and will not control or affect the meaning or construction of any provision of this Agreement.

SECTION 6.08 Counterparts. For the convenience of the parties, any number of counterparts of this Agreement may be executed by the parties, and each such executed counterpart will be an original instrument.

SECTION 6.09 Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if in writing (including telecopy or similar teletransmission), addressed as follows:

If to Seller, to it at: Melville Corporation
One Theall Road
Rye, New York 10580
Telecopier: 914-925-4052
Attention: Chief Executive Officer, Chief Financial Officer and General Counsel

With a copy to: Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Telecopier: 212-450-5744
Attention: Dennis S. Hersch

If to Issuer to it at: The TJX Companies, Inc.

770 Cochituate Road
Framingham, MA 01701
Telecopier: 508-390-2457
Attn: President and General Counsel

With a copy to: Ropes & Gray
One International Place
Boston, MA 02110
Telecopier: 617-951-7050
Attention: Arthur G. Siler, Esq.

Unless otherwise specified herein, such notices or other communications shall be deemed received (a) in the case of any notice or communication sent other than by mail, on the date actually delivered to such address (evidenced, in the case of delivery by overnight courier, by confirmation of delivery from the overnight courier service making such delivery, and in the case of a telecopy, by receipt of a transmission confirmation form or the addressee's confirmation of receipt), or (b) in the case of any notice or communication sent by mail, three Business Days after being sent, if sent by registered or certified mail, with first-class postage prepaid. Each of the parties hereto shall be entitled to specify a different address by giving notice as aforesaid to each of the other parties hereto.

SECTION 6.10 Governing Law. This Agreement shall be governed by and construed in accordance with the domestic substantive law of the State of Delaware, without giving effect to any choice or conflict of law provision or rule that would cause the application of the law of any other jurisdiction.

SECTION 6.11 Termination. This Agreement may be terminated by Issuer and Subscriber by mutual written consent at any time prior to the Closing, and this Agreement shall automatically terminate immediately upon the termination of the Purchase Agreement in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have caused this Standstill and Registration Rights Agreement to be executed as of the date first referred to above.

THE TJX COMPANIES, INC.

By: /s/ Donald G. Campbell

Name:
Title:

MELVILLE CORPORATION

By: /s/ Gary L. Crittenden

Name:
Title:

THE TJX COMPANIES, INC.
 DETAILED COMPUTATIONS OF NET INCOME PER COMMON SHARE
 PRIMARY AND FULLY DILUTED
 (\$000's)

	Fiscal Year Ended				
	January 27, 1996 -----	January 28, 1995 -----	January 29, 1994 -----	January 30, 1993 -----	January 25, 1992 -----
The computation of net income available and adjusted shares outstanding follows:					
Net income	\$ 26,261	\$ 82,619	\$ 124,379	\$ 102,846	\$ 20,114
Add (where dilutive):					
Tax effected interest and amortization of debt expense on convertible debt	-	-	-	3,069	-
Less:					
Preferred stock dividends	(9,314)	(7,156)	(7,156)	(3,939)	-
	-----	-----	-----	-----	-----
Net income used for primary and fully diluted earnings per share computation	\$ 16,947	\$ 75,463	\$ 117,223	\$ 101,976	\$ 20,114
	=====	=====	=====	=====	=====
Weighted average number of common shares outstanding	72,480,593	73,150,681	73,458,973	70,234,156	69,801,734
Add:					
Actual and assumed exercise of options that are common stock equivalents, net of treasury shares deemed to have been repurchased	253,521	316,322	733,385	659,896	249,101
Assumed exercise of convertible preferred stock for the period outstanding	399,235	-	-	-	-
Assumed exercise of convertible subordinated debentures for the period outstanding	-	-	-	2,979,224	-
	-----	-----	-----	-----	-----
Weighted average number of common and common equivalent shares outstanding, used for primary and fully diluted earnings per share calculation	73,133,349	73,467,003	74,192,358	73,873,276	70,050,835
	=====	=====	=====	=====	=====

EXHIBIT 13

CONSOLIDATED STATEMENTS OF INCOME

The TJX Companies, Inc.

Fiscal Year Ended	January 27, 1996	January 28, 1995	January 29, 1994
	Dollars in Thousands	Except Per Share	Amounts
Net sales	\$4,447,549	\$3,489,146	\$3,253,471
Cost of sales, including buying and occupancy costs	3,429,401	2,643,323	2,430,990
Selling, general and administrative expenses	830,019	673,187	597,397
Store closing costs	35,000	-	-
Interest expense, net	44,226	24,484	17,899
Income from continuing operations before income taxes, extraordinary item and cumulative effect of accounting changes	108,903	148,152	207,185
Provision for income taxes	45,304	61,573	82,568
Income from continuing operations before extraordinary item and cumulative effect of accounting changes	63,599	86,579	124,617
Income (loss) from discontinued operations, net of income taxes	(2,300)	(3,960)	2,429
(Loss) on disposal of discontinued operations, net of income taxes	(31,700)	-	-
Extraordinary (charge), net of income taxes	(3,338)	-	-
Cumulative effect of accounting changes, net of income taxes	-	-	(2,667)
Net income	26,261	82,619	124,379
Preferred stock dividends	9,407	7,156	7,156
Net income available to common shareholders	\$ 16,854	\$ 75,463	\$ 117,223
Number of common shares for primary and fully diluted earnings per share computations	73,133,349	73,467,003	74,192,358
Primary and fully diluted earnings per common share:			
Continuing operations	\$.74	\$ 1.08	\$ 1.58
Discontinued operations	(.46)	(.05)	.04
Extraordinary (charge)	(.05)	-	-
Cumulative effect of accounting changes	-	-	(.04)
Net income	\$.23	\$ 1.03	\$ 1.58
Cash dividends per common share	\$.49	\$.56	\$.50

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

CONSOLIDATED BALANCE SHEETS

The TJX Companies, Inc.

January 27, 1996 January 28,
1995 1995

ASSETS	In Thousands	
Current assets:		
Cash and cash equivalents	\$ 209,226	\$ 41,569
Accounts receivable	98,409	41,749
Merchandise inventories	1,343,852	890,593
Prepaid expenses	35,235	22,881
Net current assets of discontinued operations	-	10,731
	-----	-----
Total current assets	1,686,722	1,007,523
	-----	-----
Property at cost:		
Land and buildings	141,009	114,736
Leasehold costs and improvements	429,715	251,387
Furniture, fixtures and equipment	580,959	380,806
	-----	-----
	1,151,683	746,929
Less accumulated depreciation and amortization	366,191	297,019
	-----	-----
	785,492	449,910
Other assets		
Goodwill and tradename, net of amortization	37,325	14,244
Net noncurrent assets of discontinued operations	236,043	89,877
	-	37,990
	-----	-----
Total Assets	\$2,745,582	\$1,599,544
	=====	=====
LIABILITIES		
Current liabilities:		
Short-term debt	\$ -	\$ 20,000
Current installments of long-term debt	78,670	31,306
Accounts payable	473,523	415,861
Accrued expenses and other current liabilities	725,378	252,424
	-----	-----
Total current liabilities	1,277,571	719,591
	-----	-----
Long-term debt, exclusive of current installments	690,713	239,478
Deferred income taxes	12,664	33,523
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	-
1,500,000 shares of 7% Series E	150,000	-
Common stock, authorized 150,000,000 shares, par value \$1, issued and outstanding 72,485,776 and 72,401,254 shares	72,486	72,401
Additional paid-in capital	269,159	267,937
Retained earnings	140,489	159,114
	-----	-----
Total shareholders' equity	764,634	606,952
	-----	-----
Total Liabilities and Shareholders' Equity	\$2,745,582	\$1,599,544
	=====	=====

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

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

The TJX Companies, Inc.

	Preferred Stock, Face Value	Common Stock, Par Value \$1	Additional Paid-in Capital	Retained Earnings	Total
----- In Thousands -----					
Balance, January 30, 1993	\$107,500	\$ 73,222	\$279,800	\$ 44,662	\$505,184
Net income	-	-	-	124,379	124,379
Cash dividends:					
Preferred stock	-	-	-	(7,156)	(7,156)
Common stock	-	-	-	(36,660)	(36,660)
Sale and issuance of common stock, net of shares repurchased, under stock incentive plans	-	209	4,563	-	4,772
Other	-	-	381	-	381
	-----	-----	-----	-----	-----
Balance, January 29, 1994	107,500	73,431	284,744	125,225	590,900
Net income	-	-	-	82,619	82,619
Cash dividends:					
Preferred stock	-	-	-	(7,156)	(7,156)
Common stock	-	-	-	(41,574)	(41,574)
Sale and issuance of common stock, net of shares repurchased, under stock incentive plans	-	29	807	-	836
Common stock repurchased	-	(1,059)	(18,202)	-	(19,261)
Other	-	-	588	-	588
	-----	-----	-----	-----	-----
Balance, January 28, 1995	107,500	72,401	267,937	159,114	606,952
Net income	-	-	-	26,261	26,261
Cash dividends:					
Preferred stock	-	-	-	(9,407)	(9,407)
Common stock	-	-	-	(35,479)	(35,479)
Issuance of cumulative convertible preferred stock					
Series D	25,000	-	-	-	25,000
Series E	150,000	-	-	-	150,000
Sale and issuance of common stock, net of shares repurchased, under stock incentive plans	-	85	754	-	839
Other	-	-	468	-	468
	-----	-----	-----	-----	-----
Balance, January 27, 1996	\$282,500	\$ 72,486	\$269,159	\$140,489	\$764,634
	=====	=====	=====	=====	=====

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

The TJX Companies, Inc.

Fiscal Year Ended	January 27, 1996	January 28, 1995	January 29, 1994
	In Thousands		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 26,261	\$ 82,619	\$124,379
Adjustments to reconcile net income to net cash provided by operating activities:			
Loss (income) from discontinued operations	2,300	3,960	(2,429)
Loss on disposal of discontinued operations	31,700	-	-
Extraordinary charge	3,338	-	-
Cumulative effect of accounting changes	-	-	2,667
Depreciation and amortization	85,945	66,281	57,153
Loss on property disposals	3,561	5,157	883
Other, net	(382)	1,151	259
Changes in assets and liabilities, net of effect from acquisition of Marshalls:			
(Increase) in accounts receivable	(33,281)	(13,110)	(5,819)
(Increase) decrease in merchandise inventories	229,826	(170,351)	(93,647)
(Increase) in prepaid expenses	(2,458)	(2,919)	(5,658)
Increase (decrease) in accounts payable	(152,085)	107,196	12,482
Increase (decrease) in accrued expenses and other current liabilities	53,035	23,870	(12,267)
(Decrease) in deferred income taxes	(14,143)	(440)	(3,000)
Net cash provided by operating activities	233,617	103,414	75,003
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property additions	(111,827)	(120,022)	(118,482)
Acquisition of Marshalls, net of cash acquired	(378,733)	-	-
Proceeds from sale of discontinued operations	3,000	-	-
Net cash (used in) investing activities	(487,560)	(120,022)	(118,482)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from (payments on) short-term debt	(20,000)	20,000	-
Proceeds from borrowings of long-term debt	574,861	65,500	37,000
Principal payments on long-term debt	(31,271)	(6,057)	(4,201)
Prepayment of long-term debt	(50,534)	(5,449)	-
Payment of debt issue expenses	(14,776)	(239)	(496)
Proceeds from sale and issuance of common stock, net	1,040	741	3,828
Common stock repurchased	-	(19,261)	-
Cash dividends paid	(44,886)	(48,730)	(43,816)
Net cash provided by (used in) financing activities	414,434	6,505	(7,685)

Net cash provided by (used in) continuing operations	160,491	(10,103)	(51,164)
Net cash provided by (used in) discontinued operations	7,166	(6,430)	2,575
	-----	-----	-----
Net increase (decrease) in cash and cash equivalents	167,657	(16,533)	(48,589)
Cash and cash equivalents at beginning of year	41,569	58,102	106,691
	-----	-----	-----
Cash and cash equivalents at end of year	<u>\$ 209,226</u>	<u>\$ 41,569</u>	<u>\$ 58,102</u>
	=====	=====	=====

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

The following selected information by major business segment reflects the results of Marshalls in the off-price family apparel segment for the period following its acquisition on November 17, 1995. Prior year data has been restated to reflect Hit or Miss as a discontinued operation.

Fiscal Year Ended	January 27, 1996	January 28, 1995	January 29, 1994
	----- In Thousands -----		
Net sales:			
Off-price family apparel stores	\$3,896,710	\$3,055,573	\$2,832,070
Off-price catalog operation	472,434	433,573	421,401
Off-price home fashion stores	78,405	-	-
	\$4,447,549	\$3,489,146	\$3,253,471
	=====	=====	=====
Operating income (loss):			
Off-price family apparel stores (1)	\$ 187,974	\$ 208,648	\$ 236,988
Off-price catalog operation	26,608	6,056	24,651
Off-price home fashion stores (2)	(13,375)	-	-
	201,207	214,704	261,639
General corporate expense (3)	45,464	39,454	33,938
Goodwill amortization	2,614	2,614	2,617
Interest expense, net	44,226	24,484	17,899
	-----	-----	-----
Income from continuing operations before income taxes, extraordinary item and cumulative effect of accounting changes	\$ 108,903	\$ 148,152	\$ 207,185
	=====	=====	=====
Identifiable assets:			
Off-price family apparel stores	\$2,116,127	\$1,154,258	\$ 963,750
Off-price catalog operation	202,046	179,752	162,424
Off-price home fashion stores	46,861	-	-
Corporate, primarily cash and goodwill	380,548	216,813	204,790
	\$2,745,582	\$1,550,823	\$1,330,964
	=====	=====	=====
Capital expenditures:			
Off-price family apparel stores	\$ 87,037	\$ 91,801	\$ 91,723
Off-price catalog operation	6,183	11,311	16,676
Off-price home fashion stores	7,932	-	-
Corporate	10,675	16,910	10,083
	\$ 111,827	\$ 120,022	\$ 118,482
	=====	=====	=====
Depreciation and amortization:			
Off-price family apparel stores	\$ 69,596	\$ 53,601	\$ 47,369
Off-price catalog operation	7,130	6,280	5,055
Off-price home fashion stores	1,777	-	-
Corporate, including goodwill	7,442	6,400	4,729
	\$ 85,945	\$ 66,281	\$ 57,153
	=====	=====	=====

(1) The period ended January 27, 1996 includes a charge of \$35 million relating to the closing of approximately 30 T.J. Maxx stores.

(2) The period ended January 27, 1996 includes a charge of \$3.8 million for certain restructuring costs of the HomeGoods operation. Prior years results for HomeGoods are classified in general corporate expense.

- (3) The fiscal year ended January 27, 1996 includes the net operating results of T.K. Maxx as well as the Cosmopolitan catalog, which ceased catalog operations in the fourth quarter of fiscal 1996. The fiscal years ended January 28, 1995 and January 29, 1994 include the net operating results of HomeGoods and T.K. Maxx.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS The TJX Companies, Inc.

SUMMARY OF ACCOUNTING POLICIES

FISCAL YEAR: The Company's fiscal year ends on the last Saturday in January.

BASIS OF PRESENTATION: The consolidated financial statements of The TJX Companies, Inc. include the financial statements of all the Company's wholly-owned subsidiaries, including its foreign subsidiaries. The financial statements for the applicable periods present the Company's former Hit or Miss division as discontinued operations. The notes pertain to continuing operations except where otherwise noted. Estimates are used, where necessary, in the preparation of the consolidated financial statements.

CASH EQUIVALENTS: The Company generally considers highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Company's investments are primarily high grade commercial paper or time deposits with major banks. Fair value of cash equivalents approximates carrying value.

MERCHANDISE INVENTORIES: Inventories are stated at the lower of cost or market. The Company primarily uses the retail method for valuing inventories on the first-in first-out basis.

DEPRECIATION AND AMORTIZATION: For financial reporting purposes, the Company provides for depreciation and amortization of property principally by the use of the straight-line method over the estimated useful lives of the assets. Leasehold costs and improvements are generally amortized over the lease term or their estimated useful life, whichever is shorter. Maintenance and repairs are charged to expense as incurred. Upon retirement or sale, the cost of disposed assets and the related depreciation are eliminated and any gain or loss is included in net income. Debt discount and related issue expenses are amortized over the lives of the related debt issues. Pre-opening costs are charged to operations within the fiscal year that a new store or facility opens.

GOODWILL AND TRADENAME: Goodwill is primarily the excess of the purchase price incurred over the carrying value of the minority interest in the Company's former 83%-owned subsidiary. The minority interest was acquired pursuant to the Company's fiscal 1990 restructuring. In addition, goodwill includes the excess of cost over the estimated fair market value of the net assets of Winners Apparel Ltd., acquired by the Company effective May 31, 1990. Goodwill totalled \$87.3 million, net of amortization, as of January 27, 1996 and is being amortized over 40 years. Annual amortization of goodwill was \$2.6 million in fiscal years 1996, 1995 and 1994. Cumulative amortization as of January 27, 1996 and January 28, 1995 was \$17.3 million and \$14.7 million, respectively.

Tradename is the value assigned to the name "Marshalls" as a result of the Company's acquisition of the Marshalls chain on November 17, 1995. Under the purchase accounting method, \$149.4 million of the purchase price was allocated to tradename which is deemed to have an indefinite life and

accordingly is being amortized over 40 years. Amortization expense for the fiscal year ended January 27, 1996 totalled \$0.7 million.

The Company periodically reviews the value of these intangible assets in relation to the current and expected operating results of the related business segments in order to assess whether there has been a permanent impairment of their carrying values.

ADVERTISING COSTS: The Company expenses advertising costs as incurred except for the costs associated with catalogs for the Chadwick's division. The cost of a catalog is expensed pro rata over the period that the catalog generates revenue.

NET INCOME PER COMMON SHARE: Primary and fully diluted net income per common share is based upon the weighted average number of common and common equivalent shares and other dilutive securities outstanding in each year after adjusting net income for preferred stock dividends of \$9.3 million in fiscal 1996 and \$7.2 million in fiscal years 1995 and 1994.

FOREIGN CURRENCY TRANSLATION: The Company's foreign assets and liabilities are translated at the year-end exchange rate and the income statement items are translated at the average exchange rates prevailing during the year. Cumulative foreign currency translation losses amounted to \$1.7 million as of January 27, 1996 and \$1.6 million as of January 28, 1995 and are recorded as a component of additional paid-in capital.

NEW ACCOUNTING STANDARDS: During 1995, the Financial Accounting Standards Board (FASB) issued FASB Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" and FASB Statement No. 123, "Accounting for Stock-Based Compensation." The Company will implement the new standards in its fiscal year ending January 25, 1997 and it expects that the impact of implementation will be immaterial.

OTHER: Certain amounts in prior years' financial statements have been reclassified for comparative purposes.

A. DISPOSITIONS AND ACQUISITIONS

SALE OF HIT OR MISS DIVISION: Effective September 30, 1995, the Company sold its Hit or Miss division to members of Hit or Miss management and outside investors. The Company received \$3 million in cash and a 7-year, \$10 million note with interest at 10%. Prior to October 2, 1997, interest may be paid-in-kind at the election of Hit or Miss.

The Hit or Miss division had net sales of \$165.4 million and recorded an operating loss of \$2.3 million, after taxes, for the fiscal year end January 27, 1996, which represents results through July 29, 1995, the measurement date of the transaction. Hit or Miss' operating results for all prior periods have been reclassified to discontinued operations. The sale of the division resulted in a loss on disposal of \$31.7 million, (net of tax benefits of \$19.8 million) and includes the operating results from July 30, 1995 through the closing date, as well as the cost to the Company of closing 69 Hit or Miss stores. Interest expense was allocated to discontinued operations based on their respective proportion of assets to total assets.

ACQUISITION OF MARSHALLS: On November 17, 1995, the Company acquired the Marshalls family apparel chain from Melville Corporation. The Company paid \$375 million in cash and \$175 million in junior convertible preferred stock on the closing date. An additional amount, up to \$50 million, may be payable to Melville if the final net assets, as of the closing date, exceed amounts specified in the agreement. The estimated purchase price of Marshalls, reflected in these financials, including acquisition costs, totals \$606 million. The Company has assumed the maximum additional amount is payable to Melville, but the final purchase price is still subject to change.

The acquisition has been accounted for using the purchase method of accounting and accordingly, the purchase price has been allocated to the assets purchased and the liabilities assumed based upon their fair values at the date of acquisition. The fair value of the net assets acquired exceeded the estimated purchase price, resulting in negative goodwill of \$10.8 million. The negative goodwill was allocated to the long-term assets acquired. The net estimated purchase price was allocated as follows:

	In Thousands
Current assets	\$ 718,627
Property, plant and equipment	307,795
Tradenname	149,431
Current liabilities	(569,853)

	\$ 606,000
	=====

The operating results of Marshalls have been included in the consolidated results of the Company from the date of acquisition on November 17, 1995. Unaudited pro forma consolidated financial results, for the last two fiscal years, are presented below as if the acquisition had taken place at the beginning of the periods presented:

Fiscal Year Ended January	1996	1995

	Dollars In Thousands Except Per Share Amounts	
Net sales	\$6,557,943	\$6,269,077
Income from continuing operations	\$30,220	\$154,782
Average shares outstanding for per common share calculations	74,758,406	89,579,093
Income from continuing operations per common share	\$.17	\$1.73

The foregoing unaudited pro forma consolidated financial results give effect to, among other pro forma adjustments, the following:

- (i) Interest expense, and amortization of the related debt expenses, on debt incurred to finance the acquisition .
- (ii) Depreciation and amortization adjustments related to fair market value of assets acquired.
- (iii) Amortization of tradenname acquired over 40 years.
- (iv) Adjustments to income tax expense related to the above.

- (v) Impact of preferred stock issued on earnings per common share calculations.

The foregoing unaudited pro forma consolidated financial information is provided for illustrative purposes only and does not purport to be indicative of results that actually would have been achieved had the acquisition taken place on the first day of the period presented or of future results.

B. LONG-TERM DEBT AND CREDIT LINES

At January 27, 1996 and January 28, 1995, long-term debt, exclusive of current installments, consisted of the following (information as to interest rates and maturity dates as of January 27, 1996 only):

	January 27, 1996	January 28, 1995
----- In Thousands -----		
Real estate mortgages, interest at 8.25% to 10.4% maturing February 1, 1997 to December 30, 2004	\$ 27,241 -----	\$ 77,550 -----
Equipment notes, interest at 11% to 11.25% maturing December 12, 2000 to December 30, 2001	3,272 -----	4,598 -----
General corporate debt:		
9 1/2% sinking fund debentures, maturing May 1, 2016 with \$4,400,000 annual sinking fund requirement beginning May 1, 1997	99,830	99,830
Medium term notes, interest at 5.87% to 7.97%, maturing September 19, 1997 to September 20, 2004	35,500	57,500
6 5/8% unsecured notes, maturing June 15, 2000	100,000	-
7% unsecured notes, maturing June 15, 2005 (effective interest rate of 7.02% after reduction of the unamortized debt discount of \$130,000)	99,870	-
Term loan, variable interest rate, 6.87% at January 27, 1996, maturing November 17, 2000	325,000 -----	- -----
Total general corporate debt	660,200 -----	157,330 -----
Long-term debt, exclusive of current installments	\$690,713 =====	\$239,478 =====

The aggregate maturities of long-term debt, exclusive of current installments, outstanding at January 27, 1996 are as follows:

Fiscal Year	Real Estate Mortgages and Equipment Notes	General Corporate Debt	Total
----- In Thousands			
1998	\$ 6,032	\$ 94,730	\$100,762
1999	23,354	79,400	102,754
2000	697	79,400	80,097
2001	430	200,000	200,430
Later years	-	206,670	206,670
	-----	-----	-----
Aggregate maturities of long-term debt	\$30,513 =====	\$660,200 =====	\$690,713 =====

Real estate mortgages are collateralized by land and buildings. While the parent company is not directly obligated with respect to the real estate mortgages, it or a wholly-owned subsidiary has either guaranteed the debt or has guaranteed a lease, if applicable, which has been assigned as collateral for such debt.

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. This shelf registration statement replaced the Company's former \$75 million shelf registration statement under which the Company issued Medium Term Notes (MTN) as discussed below. In June 1995, the Company issued \$200 million of long-term notes under the registration statement; \$100 million of 6 5/8% Notes due June 15, 2000 and \$100 million of 7% Notes due June 15, 2005. The proceeds were used in part to repay short-term borrowings and for general corporate purposes including the repayment of scheduled maturities of other outstanding long-term debt and for new store and other capital expenditures.

On November 17, 1995, 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 and may borrow up to an additional \$500 million on a revolving loan basis to fund the working capital needs of the Company. Interest is payable on borrowings at rates equal to or less than prime. The term loan matures on November 17, 2000, and the revolving loan facility expires on November 17, 1998. The Company cancelled its former committed U.S. short-term credit lines, effective November 17, 1995. The new agreement has certain financial covenants which include a minimum net worth requirement, and certain leverage and fixed charge covenants.

On December 30, 1994, the Company secured a \$45 million real estate mortgage on its Chadwick's fulfillment center. The proceeds were used to prepay the \$5.4 million outstanding mortgage on the Chadwick's facility, with the balance of the proceeds used for general corporate purposes. Costs for the early retirement of the \$5.4 million mortgage were immaterial. In connection with the \$875 million bank credit agreement, the Company prepaid its \$45 million real estate mortgage on the Chadwick's

fulfillment center and incurred an extraordinary after-tax charge of \$3.3 million, on the early retirement of this debt.

Under the Company's former shelf registration statement which provided for the issuance of up to \$75 million of Medium Term Notes (MTN), the Company issued an aggregate of \$57.5 million Series A Notes during fiscal 1995 and fiscal 1994 under five separate pricing supplements. The borrowings under this program are to support the Company's international and domestic new business development and capital expenditures. The interest rate and maturity information of the Series A notes issued are as follows:

Series A Notes:	Issue Date	Principal	Interest Rate	Maturity Date

In Thousands				
Supplement No. 1	10/21/93	\$15,000	5.87%	10/21/03
Supplement No. 2	10/21/93	12,000	4.53%	10/21/96
Supplement No. 3	10/21/93	10,000	4.55%	10/21/96
Supplement No. 4	09/19/94	15,500	6.97%	09/19/97
Supplement No. 5	09/19/94	5,000	7.97%	09/20/04

The aggregate borrowings of \$57.5 million have been used entirely to fund the Company's investment in its Canadian and United Kingdom operations. To hedge the Company's investment in its foreign subsidiaries, it entered into foreign currency swap agreements in both Canadian dollars and British pounds sterling, in amounts equivalent to the MTN borrowings. The interest rate payable on the foreign currency is slightly higher than the interest received on the currency exchanged, resulting in deferred interest costs, which are being amortized to interest expense over the related terms of the swap agreements. See Note C for further information on these transactions. The unamortized balance of deferred interest costs as of January 27, 1996 and January 28, 1995 amounted to \$3.4 million and \$4.4 million, respectively.

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. Interest is payable at rates equal to or less than prime. Actual short-term borrowings during the fiscal year ended January 27, 1996 were at rates below prime. The revolving loan capability is used as backup to the Company's commercial paper program. The weighted average interest rate on the Company's short-term borrowings was 6.25%, 4.98% and 3.36% in fiscal 1996, 1995 and 1994, respectively. The Company does not have any compensating balance requirements under these arrangements. The Company also has C\$20 million of committed lines for its Canadian operation, all of which were available as of January 27, 1996.

C. FINANCIAL INSTRUMENTS

The Company periodically enters into forward foreign exchange contracts to hedge firm U.S. dollar merchandise purchase commitments made by its Canadian subsidiary. Any gain or loss on the contracts is ultimately reflected in the cost of the merchandise. As of January 27, 1996, there were no contracts outstanding.

The Company also has entered into foreign currency swap agreements in both Canadian dollars and British pounds sterling in amounts equivalent to borrowings under the Company's MTN program. The aggregate borrowings of \$57.5 million under the MTN program approximated the Company's combined investment in its United Kingdom and Canadian operations at the time of the borrowings. As of January 27, 1996, the Company had swap agreements whereby it exchanged \$20.0 million for Canadian dollars and \$37.5 million for British pounds sterling. The swap agreements are accounted for as a hedge against the Company's investment in foreign subsidiaries; thus foreign exchange gains and losses on the agreements are recognized in shareholders' equity, offsetting translation adjustments associated with the Company's investment in foreign operations. The swap agreements contain rights of offset which minimize the Company's exposure to credit loss in the event of nonperformance by one of the counterparties.

Subsequent to year-end, the Company entered into two interest rate swap agreements on an aggregate notional amount of \$200 million (\$100 million for one year and \$100 million for two years). Under the agreements, the Company pays a fixed rate of 4.9% on the \$200 million and in exchange receives variable interest income indexed to the 3 month LIBOR. The agreement is intended to provide a fixed rate of approximately 5.9% on \$200 million of the \$375 million variable rate term loan.

The counterparties to the exchange contracts and swap agreements are major international financial institutions. The Company periodically monitors its position and the credit ratings of the counterparties and does not anticipate losses resulting from the nonperformance of these institutions.

Pursuant to SFAS No. 107 "Disclosures About Fair Value of Financial Instruments," the Company has estimated the fair value of its long-term debt, including current installments. The fair value of the Company's long-term debt was estimated by using the quoted market price, if available, or by using discounted cash flow analysis based upon the Company's current incremental borrowing rates for similar types of borrowing arrangements. The fair value of long-term debt, including current installments at January 27, 1996 is estimated to be \$784.0 million versus a carrying value of \$769.4 million. These estimates do not necessarily reflect certain provisions or restrictions in the various debt agreements which might affect the Company's ability to settle these obligations. The fair value of all other financial instruments of the Company, including cash equivalents and the swap agreements, approximate carrying value.

D. COMMITMENTS

The Company is committed under long-term leases related to its continuing operations for the rental of real estate and fixtures and equipment. T.J. Maxx leases are generally for a 10 year initial term with options to extend for one or more 5 year periods. Marshalls leases acquired have remaining terms ranging up to 25 years. In addition, the Company is generally required to pay insurance, real estate taxes and other operating expenses and in some cases rentals based on a percentage of sales.

The following schedule of future minimum lease payments for continuing operations as of January 27, 1996 includes the lease commitments for the

estimated 30 T.J. Maxx stores and the 170 Marshalls stores that the Company anticipates closing and for which reserves have been established as discussed in Note H.

Fiscal Years	Operating Leases

In Thousands	
1997	\$ 272,224
1998	260,875
1999	241,562
2000	224,637
2001	199,238
Later years	1,006,519

Total minimum lease payments	\$2,205,055 =====

The rental expense under operating leases for continuing operations amounted to \$163.7 million, \$118.3 million and \$96.5 million for fiscal years 1996, 1995 and 1994, respectively. The present value of the Company's operating lease obligations approximates \$1,372.7 million as of January 27, 1996, including \$144.8 million payable in fiscal 1997.

The Company had outstanding letters of credit in the amount of \$54.0 million as of January 27, 1996. The letters of credit are issued for the purchase of inventory.

E. STOCK OPTIONS, STOCK PURCHASE PLANS AND CAPITAL STOCK

Under its stock option plan, the Company has granted certain officers and key employees options for the purchase of common stock, generally within ten years from the grant date at option prices of 100% of market price on the grant date. Most options outstanding are exercisable at various percentages starting one year after the grant, while certain options are exercisable in their entirety three years after the grant date. There were approximately 1,748,000 shares exercisable under the option plans as of January 27, 1996.

During June 1993, the Company amended its 1986 Stock Incentive Plan to increase shares issuable under the plan by 3,000,000 and to extend the period during which awards may be made under the plan through April 7, 2003.

On April 8, 1993, the Company adopted a stock option plan for non-employee directors. Pursuant to the plan, each continuing or newly elected director who is not a present or former employee of the Company will receive an option to purchase 1,000 shares of common stock. On the date of each subsequent annual meeting, each continuing non-employee director will be granted an option to acquire an additional 500 shares of common stock and newly elected directors will each receive an option to purchase 1,000 shares of common stock. The exercise price of the options will be the fair market value of the common stock on the date of grant. The option will expire ten years after the date of grant and will become fully exercisable one year after the date of grant. The plan will expire after five years, but options outstanding will continue in effect according to their terms.

A total of 50,000 shares have been reserved for issuance under this plan subject to adjustment for stock splits and similar events. Option activity during the past three fiscal years was as follows:

	Option Prices	Shares Reserved for Options Granted	Future Grants
Outstanding at January 30, 1993	\$10.250-\$29.00	1,912,465	407,192
Additional options authorized under 1986 plan		-	3,000,000
Authorized under 1993 stock option plan for non-employee directors		-	50,000
Options or other stock awards granted	25.250- 32.875	566,790	(569,290)
Options exercised	10.250- 24.500	(249,719)	-
Cancellations	10.250- 28.000	(46,568)	3,300
Outstanding at January 29, 1994	10.250- 32.875	2,182,968	2,891,202
Options or other stock awards granted	13.250- 26.875	631,940	(631,940)
Options exercised	10.250- 21.250	(50,498)	-
Cancellations	10.250- 25.250	(69,955)	29,000
Outstanding at January 28, 1995	10.250- 32.875	2,694,455	2,288,262
Options or other stock awards granted	12.875- 13.125	596,400	(606,400)
Options exercised	10.250- 18.875	(81,653)	-
Cancellations	10.250- 29.000	(396,785)	238,380
Outstanding at January 27, 1996	10.250- 32.875	2,812,417	1,920,242
		=====	=====

The shares reserved for future grants have been reduced by restricted stock awards issued under the 1986 Stock Incentive Plan, net of certain shares forfeited, which are returned to the Company. Through fiscal 1996, there have been a total of 496,001 shares issued and 80,625 shares forfeited. The shares were issued at par value, or at no cost, and have restrictions which generally lapse over three to five years from date of grant, with the exception of performance accelerated shares. These shares have restrictions which generally lapse equally over four to eight years, with a provision for accelerated vesting depending upon the Company's earnings, or other specified criteria. The market price in excess of cost is charged to income ratably over the period during which the restrictions lapse. Such pre-tax charges amounted to \$0.4 million, \$0.6 million, and \$1.7 million in fiscal years 1996, 1995 and 1994, respectively.

On August 16, 1994, the Company authorized the repurchase of up to \$100 million of TJX common stock. During fiscal 1995, the Company repurchased 1.1 million of its common shares, totalling \$19.3 million, representing approximately 1.5% of the Company's outstanding common shares. In connection with the Marshalls acquisition, the Company terminated the share repurchase program.

In April 1992, the Company issued 250,000 shares of Series A cumulative convertible preferred stock in a private offering. The shares have a face value of \$100 per share and are convertible into common stock at a price per common share of \$21. There are 1,190,476 common shares reserved for the conversion of the Series A preferred stock. The Company may redeem the Series A stock for a price of \$104.80 per share, as of January 27, 1996, declining by \$.80 per share each April 1 thereafter to \$100 per share on April 1, 2001. The liquidation preference for Series A preferred stock as of January 27, 1996 is \$104.80 per share and also declines \$.80 per share each April 1 to \$100 per share on April 1, 2001.

In August 1992, the Company issued 1,650,000 shares of Series C cumulative convertible preferred stock in a public offering. The shares have a face value of \$50 per share and are convertible into common stock at a price per common share of \$25.9375. There are 3,180,723 common shares reserved for the conversion of the Series C preferred stock. The Company may redeem the stock for \$52.1875 per share, as of January 27, 1996 declining by \$.3125 per share each September 1 thereafter to \$50 per share on September 1, 2002. The liquidation preference for the Series C preferred stock is \$50 per share.

On November 17, 1995, the Company issued preferred stock to Melville Corporation in two separate series, both of which are convertible into shares of common stock. The common shares issuable on conversion will vary depending on the market price of common stock at time of conversion. A summary of certain provisions of these preferred issues follows:

	Preferred Shares Issued -----	Face Value -----	Annual Dividend -----	Common Shares Issuable at Conversion -----
Series D	250,000	\$ 25 Million	\$1.81/Share	1.3-2.0 Million
Series E	1,500,000	\$150 Million	\$7.00/Share	8.1-9.7 Million

The Series D preferred stock is mandatorily converted into common stock on November 17, 1996 unless redeemed for cash or converted earlier. The Series E preferred stock is mandatorily converted into common shares on November 17, 1998 unless converted earlier. The Series D and Series E have an aggregate liquidation preference of \$175 million. There is an aggregate of 11,740,825 common shares reserved for the conversion of Series D and Series E preferred stock, the maximum number of shares that may be issued.

Dividends on all of the preferred stock issued are payable quarterly on the first business day of each calendar quarter and accrue from date of issuance. The Company accrues the dividends evenly throughout the year. The Company recorded aggregate dividends on its preferred stock of \$9.4 million in fiscal 1996 and \$7.2 million in fiscal 1995 and in fiscal 1994. The preferred dividends reduce net income in computing net income available to common shareholders.

The Series A and Series C preferred stock rank in parity with each other, the Series D and Series E are junior to the Series A and Series C and all are senior to all other capital stock of the Company with respect to payment of dividends and upon liquidation. There are no voting rights for

preferred stock unless dividends are in arrears for a specified number of periods.

During fiscal 1995, the Company's shareholder rights plan was redeemed at a price of \$.01 per common share. This redemption cost of \$0.7 million is included with common stock dividends as a direct reduction to shareholders' equity.

F. INCOME TAXES

The provision for income taxes includes the following:

Fiscal Year Ended January	1996	1995	1994
----- In Thousands			
Current:			
Federal	\$54,434	\$52,094	\$68,729
State	13,237	8,174	16,359
Foreign	2,843	1,425	90
Deferred:			
Federal	(21,521)	(1,755)	(1,859)
State	(4,097)	98	(751)
Foreign	408	1,537	-
Provision for income taxes	----- \$45,304 =====	----- \$61,573 =====	----- \$82,568 =====

The fiscal 1994 deferred provision above reflects a \$1.1 million benefit from a Canadian net operating loss carryforward as well as a charge of \$0.4 million for the adjustment of the Company's net deferred tax liability due to the increase in the statutory federal income tax rate enacted during the year.

The Company had a net deferred tax liability as follows:

	January 27, 1996	January 28, 1995
----- In Thousands		
Deferred tax assets:		
Capital loss carryforward	\$ 48,629	\$ 49,107
Foreign net operating loss carryforward	34,011	4,191
Reserves for discontinued operations	10,652	6,054
Reserve for closed stores and restructuring costs	95,020	-
Insurance costs not currently deductible for tax purposes	18,743	14,782
Pension, postretirement and employee benefits	17,535	15,950
Leases	3,827	4,961
Other	14,344	11,906
Valuation allowance	(82,727)	(53,968)
	-----	-----
Total deferred tax assets	160,034	52,983
	-----	-----
Deferred tax liabilities:		
Property, plant and equipment	47,229	26,072
Safe harbor leases	48,818	51,386
Tradenname	59,179	-
Other	17,472	9,048
	-----	-----
Total deferred tax liabilities	172,698	86,506
	-----	-----
Net deferred tax liability	\$ 12,664	\$ 33,523
	=====	=====

The capital loss carryforward tax asset, which expires in fiscal 1998, relates to the surrendering of the Ames preferred stock upon consummation of the Ames reorganization plan. Utilization of this pre-tax capital loss of \$138.9 million is only available to the extent of future capital gains and thus this deferred tax asset is fully reserved for in the valuation allowance.

The change in the valuation allowance during the year is the result of changes in foreign net operating loss carryforwards including the foreign net operating loss carryforward acquired as part of the Marshalls acquisition, and utilization of a portion of the capital loss carryforward.

The Company does not provide for U.S. deferred income taxes on the undistributed earnings of its foreign subsidiaries, as the earnings are considered to be permanently reinvested. The undistributed earnings of its foreign subsidiaries as of January 27, 1996 were immaterial.

The Company has a United Kingdom net operating loss carryforward of approximately \$27 million for tax purposes and \$22 million for financial reporting purposes. The United Kingdom operating loss does not expire under current United Kingdom tax law. The Company also has a Puerto Rico net operating loss carryforward of approximately \$64 million for tax and financial reporting purposes which was acquired in the Marshalls acquisition and expires in fiscal 1997 through fiscal 2003. Future utilization of these operating loss carryforwards is dependent upon future

earnings of the Company's foreign subsidiaries. Future recognition of the net operating loss in Puerto Rico will result in an adjustment to the allocation of the purchase price for Marshalls.

The Company's worldwide effective tax rate was 42% for the fiscal years ended January 27, 1996 and January 28, 1995 and 40% for the fiscal year ended January 29, 1994. The difference between the U.S. federal statutory income tax rate and the Company's worldwide effective income tax rate is summarized as follows:

Fiscal Year Ended January	1996	1995	1994
U.S. federal statutory income tax rate	35%	35%	35%
Effective state income tax rate	5	5	5
Impact of foreign operations	3	3	-
All other	(1)	(1)	-
Worldwide effective income tax rate	42%	42%	40%

In fiscal 1994, the benefit of the Canadian net operating loss carryforward was offset by the impact of the Company's entry into the United Kingdom.

G. PENSION PLANS AND OTHER RETIREMENT BENEFITS

The Company has a non-contributory defined benefit retirement plan covering the majority of full-time employees, excluding Marshalls associates. Employees who have attained twenty-one years of age and have completed one year of service are covered under the plan. Benefits are based on compensation earned in each year of service. The Company also has an unfunded supplemental retirement plan which covers certain key employees of the Company and provides additional retirement benefits based on average compensation.

Net periodic pension cost for all operations of the Company's plans includes the following components:

Fiscal Year Ended January	1996	1995	1994
----- In Thousands			
Service cost	\$ 3,920	\$ 4,554	\$ 3,375
Interest cost on projected benefit obligation	6,915	6,526	5,995
Actual return on assets	(15,215)	4,545	(12,188)
Net amortization and deferrals	9,384	(11,600)	5,760
Net periodic pension cost	\$ 5,004	\$ 4,025	\$ 2,942
	=====	=====	=====

Net pension cost includes \$0.3 million in fiscal years 1996 and 1995 and \$0.2 million in fiscal year 1994 allocated to discontinued operations.

The following table sets forth the funded status of the Company's pension plans and the amounts recognized in the Company's statements of financial position:

	January 27, 1996	January 28, 1995
----- In Thousands		
Accumulated benefit obligation, including vested benefits of \$81,296 and \$71,592	\$91,606	\$77,256
	-----	-----
Projected benefit obligation	\$97,891	\$82,297
Plan assets at fair market value	71,792	66,454
	-----	-----
Projected benefit obligation in excess of plan assets	26,099	15,843
Unrecognized net gain (loss) from past experience different from that assumed and effects of changes in assumptions	(7,563)	(1,897)
Prior service cost not yet recognized in net periodic pension cost	(1,035)	(1,127)
Unrecognized net asset (obligation) as of initial date of application of SFAS No.87	(745)	(568)
	-----	-----
Accrued pension cost included in accrued expenses	\$16,756	\$12,251
	=====	=====

The projected benefit obligation in excess of plan assets includes the Company's unfunded supplemental retirement plan.

The weighted average discount rate used in determining the actuarial present value of the projected benefit obligation was 7.00% and 8.25% for fiscal years 1996 and 1995, respectively. The rate of increase on future compensation levels was 4.0% and 4.5% in fiscal years 1996 and 1995, respectively, and the expected long-term rate of return on assets was 9.0% and 9.5% in fiscal years 1996 and 1995, respectively. The Company's funding policy is to contribute annually an amount allowable for federal income tax purposes. Pension plan assets consist primarily of fixed income and equity securities.

In fiscal 1994, the Company adopted the Statement of Financial Accounting Standards No. 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions." This standard requires accrual for the cost of postretirement health care and life insurance benefits during the years that an employee provides services to the Company. The Company elected to recognize the transition obligation in full as of January 31, 1993, and accordingly recorded a one-time implementation charge of \$6,145,000, net of a tax benefit of \$3,937,000, as a cumulative effect of an accounting change.

The Company's postretirement benefit plan is unfunded and provides limited postretirement medical and life insurance benefits to associates who participate in the Company's retirement plan and who retire at age 55 or older with 10 years or more of service.

Net periodic postretirement benefit cost of the Company's plan includes the following components:

Fiscal Year Ended January	1996	1995	1994
In Thousands			
Service cost	\$ 757	\$ 952	\$ 476
Interest cost on accumulated benefit obligation	1,046	963	820
Net amortization	-	88	-
	-----	-----	-----
Net periodic postretirement benefit cost	\$1,803	\$2,003	\$1,296
	=====	=====	=====

Net periodic postretirement benefit costs includes \$0.2 million in fiscal years 1996 and 1995 and \$0.1 million in fiscal year 1994 allocated to discontinued operations.

The components of the accumulated postretirement benefit obligation and the amount recognized in the Company's statements of financial position are as follows:

	January 27, 1996	January 28, 1995
In Thousands		
Accumulated postretirement obligation:		
Retired associates	\$ 6,731	\$ 6,394
Fully eligible active associates	1,146	712
Other active associates	7,861	5,168
	-----	-----
Accumulated postretirement obligation	15,738	12,274
Unrecognized net gain (loss) due to change in assumptions	(2,676)	(149)
	-----	-----
Accrued postretirement benefits included in accrued expenses	\$13,062	\$12,125
	=====	=====

Assumptions used in determining the actuarial present value of the accumulated postretirement obligation include a discount rate of 7.00% and 8.25% in fiscal years 1996 and 1995, respectively. A medical inflation rate of 5% was assumed in both periods for all future years. Due to the nature of the plan, the Company's exposure to medical inflation is primarily limited to increases in the Medicare deductible. A 1% increase in the medical inflation assumption would increase the postretirement benefit cost for fiscal 1996 by \$0.2 million and the accumulated postretirement obligation as of January 27, 1996 by approximately \$1.2 million.

Marshalls associates are not currently eligible for the retirement plan or the postretirement medical plan. Marshalls associates participate in a Section 401(k) savings plan under which employees may contribute up to 10% of eligible pay. The Company matches employee contributions up to 4% at a minimum rate of 25% or 50%, depending on length of service.

The Company also sponsors employee savings plans under Section 401(k) of the Internal Revenue Code for all other eligible employees. Employees may contribute up to 15% of eligible pay. The Company matches employee contributions up to 5% of eligible pay at rates ranging from 25% to 50% based upon Company performance. The Company contributed for all 401(k) plans \$2.2 million in fiscal 1996, \$2.0 million in fiscal year 1995 and \$1.9 million for fiscal year 1994.

H. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

The major components of accrued expenses and other current liabilities are as follows:

	January 27, 1996	January 28, 1995
----- In Thousands		
Employee compensation and benefits	\$ 86,904	\$ 61,427
Reserves for discontinued operations	25,253	13,085
Store closing and restructuring reserves, continuing operations	251,566	-
Insurance, rent, utilities, advertising and other	361,655	177,912
	-----	-----
Accrued expenses and other current liabilities	\$725,378	\$252,424
	=====	=====

The reserves for discontinued operations relate primarily to lease obligations associated with the Company's former Zayre and Hit or Miss divisions. The change in the reserve balance is due to additions of \$23.0 million primarily due to costs associated with the sale of Hit or Miss, offset by deductions of \$10.8 million primarily for payments of lease obligations, net of sublease income, as well as settlement costs on certain leases.

The Company established a \$244.1 million reserve in the allocation of the purchase price of Marshalls relating primarily to the anticipated closing of approximately 170 Marshalls stores. In addition, the Company recorded a charge of \$35 million for the closing of approximately 30 T.J. Maxx stores and \$3.8 million for certain restructuring costs for the HomeGoods operation. The total reserve consists primarily of the estimated cost to settle lease obligations. Other items included in the reserve are the estimated book value of fixed assets to be disposed of, a reserve for markdowns on inventory acquired, legal and professional fees, and the cost associated with closing of other non-store facilities. The reduction in the reserve as of January 27, 1996 is primarily due to inventory markdowns. The Company anticipates the T.J. Maxx store closings will take place during fiscal 1997, while the Marshalls store closings will occur over the next two years.

I. SUPPLEMENTAL CASH FLOW INFORMATION

The Company's cash payments for interest expense and income taxes, including discontinued operations, and its non-cash investing and financing activities for the past three years are as follows:

Fiscal Year Ended	January 27, 1996	January 28, 1995	January 29, 1994
----- In Thousands			
Cash paid for:			
Interest expense	\$ 41,924	\$25,051	\$18,573
Income taxes	17,275	68,940	94,580
Non-cash investing and financing activities:			
Issuance of preferred stock for acquisition of Marshalls	\$175,000	-	-
Note receivable from sale of Hit or Miss division	10,000	-	-

J. DISCONTINUED OPERATIONS AND RELATED CONTINGENT LIABILITIES

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 \$25.3 million as of January 27, 1996 should be adequate to cover all reasonably expected liabilities associated with discontinued operations that it may incur.

K. SEGMENT INFORMATION

For data on business segments for fiscal 1996, 1995 and 1994, see page 20.

SELECTED FINANCIAL DATA (CONTINUING OPERATIONS)

The following selected financial data includes the results of Marshalls for the period following its acquisition on November 17, 1995. All prior year data has been restated to reflect Hit or Miss as a discontinued operation.

Fiscal Year Ended January	1996	1995	1994	1993	1992
----- Dollars in Thousands Except Per Share Amounts					
Income statement and per common share data:					
Net sales	\$4,447,549	\$3,489,146	\$3,253,471	\$2,879,261	\$2,380,606
Income from continuing operations before extra-ordinary item and cumulative effect of accounting changes	63,599(1)	86,579	124,617	110,708	89,997
Number of common shares for primary and fully diluted earnings per common share computations	73,133,349	73,467,003	74,192,358	73,873,276	70,050,835
Earnings per common share from continuing operations	\$.74(1)	\$ 1.08	\$ 1.58	\$ 1.49	\$ 1.28
Dividends per common share	.49	.56	.50	.46	.46
Balance sheet data:					
Working capital	\$ 409,151	\$ 277,201	\$ 285,447	\$ 244,226	\$ 158,914
Total assets	2,745,582	1,550,823	1,330,964	1,209,136	1,003,951
Capital expenditures	111,827	120,022	118,482	102,062	78,028
Long-term debt	690,713	239,478	210,854	179,787	307,385
Shareholders' equity	764,634	606,952	590,900	505,184	260,517
Stores in operation end of year:					
T.J. Maxx	587	551	512	479	437
Marshalls	496	-	-	-	-
Winners	52	37	27	15	9
HomeGoods	22	15	10	6	-
T.K. Maxx	9	5	-	-	-

(1) Includes an after-tax charge of \$21.0 million, or \$.29 per share, for the estimated cost of closing approximately 30 T.J. Maxx stores in connection with the acquisition of Marshalls.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors of The TJX Companies, Inc.:

We have audited the accompanying consolidated balance sheets of The TJX Companies, Inc. and subsidiaries as of January 27, 1996 and January 28, 1995 and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three fiscal years in the period ended January 27, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The TJX Companies, Inc. and subsidiaries as of January 27, 1996 and January 28, 1995 and the consolidated results of their operations and their cash flows for each of the three fiscal years in the period ended January 27, 1996 in conformity with generally accepted accounting principles.

Coopers & Lybrand, L.L.P.

Boston, Massachusetts
March 12, 1996

REPORT OF MANAGEMENT

The financial statements and related financial information in this annual report have been prepared by management which is responsible for their integrity, objectivity and consistency. The financial statements were prepared in accordance with generally accepted accounting principles and necessarily include amounts which are based upon judgments and estimates made by management.

The Company maintains a system of internal controls designed to provide, at appropriate cost, reasonable assurance that assets are safeguarded, transactions are executed in accordance with management's authorization and the accounting records may be relied upon for the preparation of financial statements. The system of controls includes the careful selection and training of associates, and the communication and application of formal policies and procedures that are consistent with high standards of accounting and administrative practices. The accounting and control systems are continually reviewed, evaluated and where appropriate, modified to accommodate changing business conditions and the recommendations of the Company's internal auditors and the independent public accountants.

An Audit Committee, comprised of members of the Board of Directors who are neither officers nor employees of the Company, meets periodically with management, internal auditors and the independent public accountants to review matters relating to the Company's financial reporting, the adequacy of internal accounting controls and the scope and results of audit work. The Committee is responsible for reporting the results of its activities and for recommending the selection of independent auditors to the full Board of Directors. The internal auditors and the independent public accountants have free access to the Committee and the Board of Directors.

The financial statements have been examined by Coopers & Lybrand L.L.P., whose report appears separately. Their report expresses an opinion as to the fair presentation of the consolidated financial statements and is based on an independent examination performed in accordance with generally accepted auditing standards.

Bernard Cammarata
President and Chief Executive Officer

Donald G. Campbell
Senior Vice President - Finance and
Chief Financial Officer

March 12, 1996

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 period ending, January 27, 1996, are not directly comparable to the financial position and results of operations of the Company for prior fiscal years, 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.

RESULTS OF OPERATIONS

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 (\$21.0 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 store 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 (see Notes A and B to the consolidated financial statements), 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 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. See Note H to the consolidated financial statements for further information.

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 (see Note A to the consolidated financial statements), 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 for 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 an estimated contingent payment, totals \$606 million. See Note A to the consolidated financial statements for further information on the acquisition of Marshalls.

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. See Notes B and C of the consolidated financial statements for further information regarding these transactions.

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 cancelled 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 totalled \$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 totalled \$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 the Company's 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 \$133.0 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. See Notes B and E to the consolidated financial statements for further information regarding the Company's long-term debt and capital stock transactions.

SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

The TJX Companies, Inc.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
----- In Thousands Except Per Share Amounts				
Fiscal year ended January 27, 1996				
Net sales	\$830,430	\$848,945	\$1,012,672	\$1,755,502
Gross earnings*	195,993	191,263	264,667	366,225
Income from continuing operations before extraordinary item and cumulative effect of accounting changes	9,510	7,713	33,877	12,499
Per common share, fully diluted	.11	.08	.44	.11
Net income (loss)	8,065	(24,842)	33,877	9,161
Per common share, fully diluted	.09	(.37)	.44	.07
Fiscal year ended January 28, 1995				
Net sales	\$762,260	\$775,240	\$ 924,606	\$1,027,040
Gross earnings*	196,212	191,854	244,241	213,516
Income from continuing operations before extraordinary item and cumulative effect of accounting changes	19,468	19,795	34,596	12,720
Per common share, fully diluted	.24	.24	.44	.15
Net income	19,369	18,796	32,788	11,666
Per common share, fully diluted	.24	.23	.42	.14

* Gross earnings equal net sales less cost of sales, including buying and occupancy costs.

The financial data for the fourth quarter of fiscal 1996 includes the results of Marshalls since the date of acquisition on November 17, 1995. Income from continuing operations and net income for the fourth quarter of fiscal 1996 includes an after-tax charge of \$21.0 million, or \$.29 per common share, for the estimated cost of closing approximately 30 T.J. Maxx stores in connection with the acquisition of Marshalls. Net income for the fourth quarter of fiscal 1996 includes an after-tax extraordinary charge of \$3.3 million for the early retirement of debt.

Net income for the second quarter of fiscal 1996 includes an after-tax loss on the sale of the discontinued Hit or Miss operation of \$31.7 million, or \$.43 per common share. The operating results for Hit or Miss for all prior periods have been reflected as a discontinued operation.

PRICE RANGE OF COMMON STOCK

The common stock of the Company is listed on the New York Stock Exchange (Symbol:TJX). The quarterly high and low stock prices for fiscal 1996 and fiscal 1995 are as follows:

Quarter	Fiscal 1996		Fiscal 1995	
	High	Low	High	Low
First	\$14	\$11 1/8	\$29 3/8	\$22 7/8
Second	15 1/2	11 3/8	24 7/8	18 1/8

Third	15 3/4	11 1/2	23 1/4	15 5/8
Fourth	19 7/8	13 1/2	16 1/4	13 3/16

The approximate number of common shareholders at January 27, 1996 was 22,700.

The Company declared quarterly dividends of \$.14 per share for the first three quarters of fiscal 1996 and a quarterly dividend of \$.07 per share for the fourth quarter of fiscal 1996. The Company declared four quarterly dividends of \$.14 per share for fiscal 1995.

SHAREHOLDER INFORMATION

TRANSFER AGENT AND REGISTRAR,
COMMON AND SERIES C PREFERRED STOCK
State Street Bank and Trust Company
Boston, Massachusetts
1-800-426-5523

TRUSTEES

PUBLIC DEBENTURES

9 1/2% Sinking Fund Debentures
Chase Manhattan Bank
New York, New York

6 5/8% Promissory Notes

7% Promissory Notes

The First National Bank of Chicago
Chicago, Illinois

AUDITORS

Coopers & Lybrand L.L.P.

INDEPENDENT COUNSEL

Ropes & Gray

FORM 10-K

Information concerning the Company's operations and financial position is provided in this report and in the Form 10-K filed with the Securities and Exchange Commission. A copy of the 10-K may be obtained without charge by writing or calling:

The TJX Companies, Inc.
Investor Relations
770 Cochituate Road
Framingham, Massachusetts 01701
(508)390-2323

INVESTOR RELATIONS

Analysts and investors seeking financial data about the Company are asked to contact:

Sherry Lang, Investor and Public
Relations Director
(508)390-2323

ANNUAL MEETING

The 1996 annual meeting will be held at 11:00
a.m. on Tuesday, June 4, 1996 in the
Enterprise Room, 5th Floor at State Street
Bank, 225 Franklin Street, Boston,
Massachusetts.

EXECUTIVE OFFICES

Framingham, Massachusetts 01701

SUBSIDIARIES

Operating Subsidiaries -----	State or Jurisdiction of Incorporation or organization -----	Name Under Which Does Business (if Different) -----
Chadwick's of Boston, Ltd.	Massachusetts	
Commonwealth Direct Marketing, Inc.	Massachusetts	
Newton Buying Corp.	Delaware	
NBC Distributors Inc.	Massachusetts	
NBC Merchants, Inc.	Indiana	
NBC Charlotte Merchants, Inc.	North Carolina	
NBC Nevada Merchants, Inc.	Nevada	
T.J. Maxx of Illinois, Inc.	Illinois	T.J. Maxx
T.J. Maxx of PA, Inc.	Delaware	T.J. Maxx
T.J. Maxx of Texas, Inc.	Delaware	T.J. Maxx
Marshalls of Roseville, MN., Inc.	Minnesota	Marshalls
Marshalls, Inc.	Massachusetts	Marshalls
New York Department Stores de Puerto Rico	Puerto Rico	Marshalls
Marshalls of Richfield, MN., Inc. (Owner of 481 subsidiaries operating Marshalls stores in the United States)	Minnesota	Marshalls
Marshalls of Nevada, Inc.	Nevada	
Winners Apparel Ltd.	Ontario, Canada	
Winners Investments Limited	Ontario, Canada	
Winners Merchants Ltd.	Ontario, Canada	
Strathmex Corp.	Delaware	
HomeGoods, Inc.	Delaware	
H.G. Merchants, Inc.	Massachusetts	
CDM Corp.	Nevada	
NBC Apparel, Inc.	Delaware	
TKM Holding Corp.	Delaware	
NBC Apparel	United Kingdom	T.K. Maxx
NBC Apparel Group	United Kingdom	
T.K. Maxx	United Kingdom	T.K. Maxx
NBC Apparel Management Limited	United Kingdom	T.K. Maxx
Leasing Subsidiaries -----		
Cochituate Realty, Inc.	Massachusetts	
NBC First Realty Corp.	Indiana	
NBC Second Realty Corp.	Massachusetts	
NBC Fourth Realty Corp.	Nevada	
NBC Fifth Realty Corp.	Illinois	
NBC Sixth Realty Corp.	North Carolina	
NBC 195 Realty Corp.	New York	

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Bernard Cammarata and Donald G. Campbell and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign the form 10-K to be filed by The TJX Companies, Inc. for the fiscal year ended January 27, 1996 and any or all amendments thereto and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ Bernard Cammarata

Bernard Cammarata, President,
Principal Executive Officer and
Director

/s/ Donald G. Campbell

Donald G. Campbell, Senior
Vice President-Finance,
Principal Financial and
Accounting Officer

/s/ Phyllis B. Davis

Phyllis B. Davis, Director

/s/ Robert F. Shapiro

Robert F. Shapiro, Director

/s/ Stanley H. Feldberg

Stanley H. Feldberg, Director

/s/ Willow B. Shire

Willow B. Shire, Director

/s/ Richard Lesser

Richard Lesser, Director

/s/ Burton S. Stern

Burton S. Stern, Director

/s/ Arthur F. Loewy

Arthur F. Loewy, Director

/s/ Fletcher H. Wiley

Fletcher H. Wiley, Director

/s/ John M. Nelson

John M. Nelson, Director

/s/ Abraham Zaleznik

Abraham Zaleznik, Director

Dated: April 10, 1996

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-27-1996
	JAN-27-1996
	209,226,000
	0
	98,409,000
	0
	1,343,852,000
	1,686,722,000
	1,151,683,000
	366,191,000
	2,745,582,000
	1,277,571,000
	690,713,000
	72,486,000
	175,000,000
	107,500,000
	409,648,000
2,745,582,000	
	4,447,549,000
	4,447,549,000
	3,429,401,000
	3,429,401,000
	865,019,000
	0
	44,226,000
	108,903,000
	45,304,000
	63,599,000
	(34,000,000)
	(3,338,000)
	0
	26,261,000
	0.23
	0.23