

# The TJX Companies, Inc.

## CONSOLIDATED STATEMENTS OF INCOME

Amounts in thousands except per share amounts	Fiscal Year Ended		
	January 28, 2017	January 30, 2016	January 31, 2015
Net sales	<b>\$33,183,744</b>	\$30,944,938	\$29,078,407
Cost of sales, including buying and occupancy costs	<b>23,565,754</b>	22,034,523	20,776,522
Selling, general and administrative expenses	<b>5,768,467</b>	5,205,715	4,695,384
Loss on early extinguishment of debt	<b>51,773</b>	—	16,830
Pension settlement charge	<b>31,173</b>	—	—
Interest expense, net	<b>43,534</b>	46,400	39,787
Income before provision for income taxes	<b>3,723,043</b>	3,658,300	3,549,884
Provision for income taxes	<b>1,424,809</b>	1,380,642	1,334,756
Net income	<b>\$ 2,298,234</b>	\$ 2,277,658	\$ 2,215,128
Basic earnings per share:			
Net income	<b>\$ 3.51</b>	\$ 3.38	\$ 3.20
Weighted average common shares – basic	<b>655,647</b>	673,484	692,691
Diluted earnings per share:			
Net income	<b>\$ 3.46</b>	\$ 3.33	\$ 3.15
Weighted average common shares – diluted	<b>664,432</b>	683,251	703,545
Cash dividends declared per share	<b>\$ 1.04</b>	\$ 0.84	\$ 0.70

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

# The TJX Companies, Inc.

## CONSOLIDATED BALANCE SHEETS

Amounts in thousands except share amounts	Fiscal Year Ended	
	January 28, 2017	January 30, 2016
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,929,849	\$ 2,095,473
Short-term investments	543,242	352,313
Accounts receivable, net	258,831	238,072
Merchandise inventories	3,644,959	3,695,113
Prepaid expenses and other current assets	373,893	391,589
Total current assets	7,750,774	6,772,560
Net property at cost	4,532,894	4,137,575
Non-current deferred income taxes, net	6,193	13,831
Goodwill	195,871	193,911
Other assets	398,076	372,554
<b>TOTAL ASSETS</b>	<b>\$12,883,808</b>	<b>\$11,490,431</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 2,230,904	\$ 2,203,050
Accrued expenses and other current liabilities	2,320,464	2,069,659
Federal, state and foreign income taxes payable	206,288	129,521
Total current liabilities	4,757,656	4,402,230
Other long-term liabilities	1,073,954	881,021
Non-current deferred income taxes, net	314,000	285,102
Long-term debt	2,227,599	1,615,003
Commitments and contingencies (See Note M and Note O)		
<b>SHAREHOLDERS' EQUITY</b>		
Preferred stock, authorized 5,000,000 shares, par value \$1, no shares issued	—	—
Common stock, authorized 1,200,000,000 shares, par value \$1, issued and outstanding 646,319,046 and 663,495,715, respectively	646,319	663,496
Additional paid-in capital	—	—
Accumulated other comprehensive income (loss)	(694,226)	(667,472)
Retained earnings	4,558,506	4,311,051
Total shareholders' equity	4,510,599	4,307,075
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$12,883,808</b>	<b>\$11,490,431</b>

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

# The TJX Companies, Inc.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Amounts in thousands	Fiscal Year Ended		
	January 28, 2017	January 30, 2016	January 31, 2015
Cash flows from operating activities:			
Net income	<b>\$ 2,298,234</b>	\$ 2,277,658	\$ 2,215,128
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	<b>658,796</b>	616,696	588,975
Loss on property disposals and impairment charges	<b>5,207</b>	3,383	3,897
Deferred income tax (benefit) provision	<b>(5,503)</b>	31,204	102,070
Share-based compensation	<b>102,251</b>	94,107	88,014
Loss on early extinguishment of debt	<b>51,773</b>	—	16,830
Pension settlement charge	<b>31,173</b>	—	—
Excess tax benefits from share-based compensation	<b>(70,999)</b>	(64,680)	(95,063)
Changes in assets and liabilities:			
(Increase) in accounts receivable	<b>(23,235)</b>	(27,357)	(9,052)
Decrease (increase) in merchandise inventories	<b>11,862</b>	(506,633)	(332,271)
(Increase) in prepaid expenses and other current assets	<b>(9,600)</b>	(40,103)	(8,756)
Increase in accounts payable	<b>48,253</b>	216,265	285,223
Increase in accrued expenses and other liabilities	<b>389,399</b>	284,929	20,800
Increase in income taxes payable	<b>146,766</b>	68,014	144,977
Other	<b>(32,483)</b>	(16,140)	(12,403)
Net cash provided by operating activities	<b>3,601,894</b>	2,937,343	3,008,369
Cash flows from investing activities:			
Property additions	<b>(1,024,747)</b>	(889,380)	(911,522)
Purchases of investments	<b>(716,953)</b>	(798,008)	(431,152)
Sales and maturities of investments	<b>529,146</b>	681,377	388,037
Acquisition of Trade Secret	<b>(2,324)</b>	(57,104)	—
Net cash (used in) investing activities	<b>(1,214,878)</b>	(1,063,115)	(954,637)
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	<b>992,540</b>	—	749,475
Cash payments for extinguishment of debt	<b>(425,584)</b>	—	(416,357)
Cash payments for debt issuance expenses	<b>(9,921)</b>	—	(6,185)
Cash payments for rate lock agreement	<b>(3,150)</b>	—	(7,937)
Cash payments for repurchase of common stock	<b>(1,699,998)</b>	(1,828,297)	(1,650,704)
Proceeds from issuance of common stock	<b>164,190</b>	132,033	143,005
Excess tax benefits from share-based compensation	<b>70,999</b>	64,680	95,063
Cash dividends paid	<b>(650,988)</b>	(544,271)	(465,902)
Net cash (used in) financing activities	<b>(1,561,912)</b>	(2,175,855)	(1,559,542)
Effect of exchange rate changes on cash	<b>9,272</b>	(96,675)	(150,161)
Net increase (decrease) in cash and cash equivalents	<b>834,376</b>	(398,302)	344,029
Cash and cash equivalents at beginning of year	<b>2,095,473</b>	2,493,775	2,149,746
Cash and cash equivalents at end of year	<b>\$ 2,929,849</b>	\$ 2,095,473	\$ 2,493,775

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