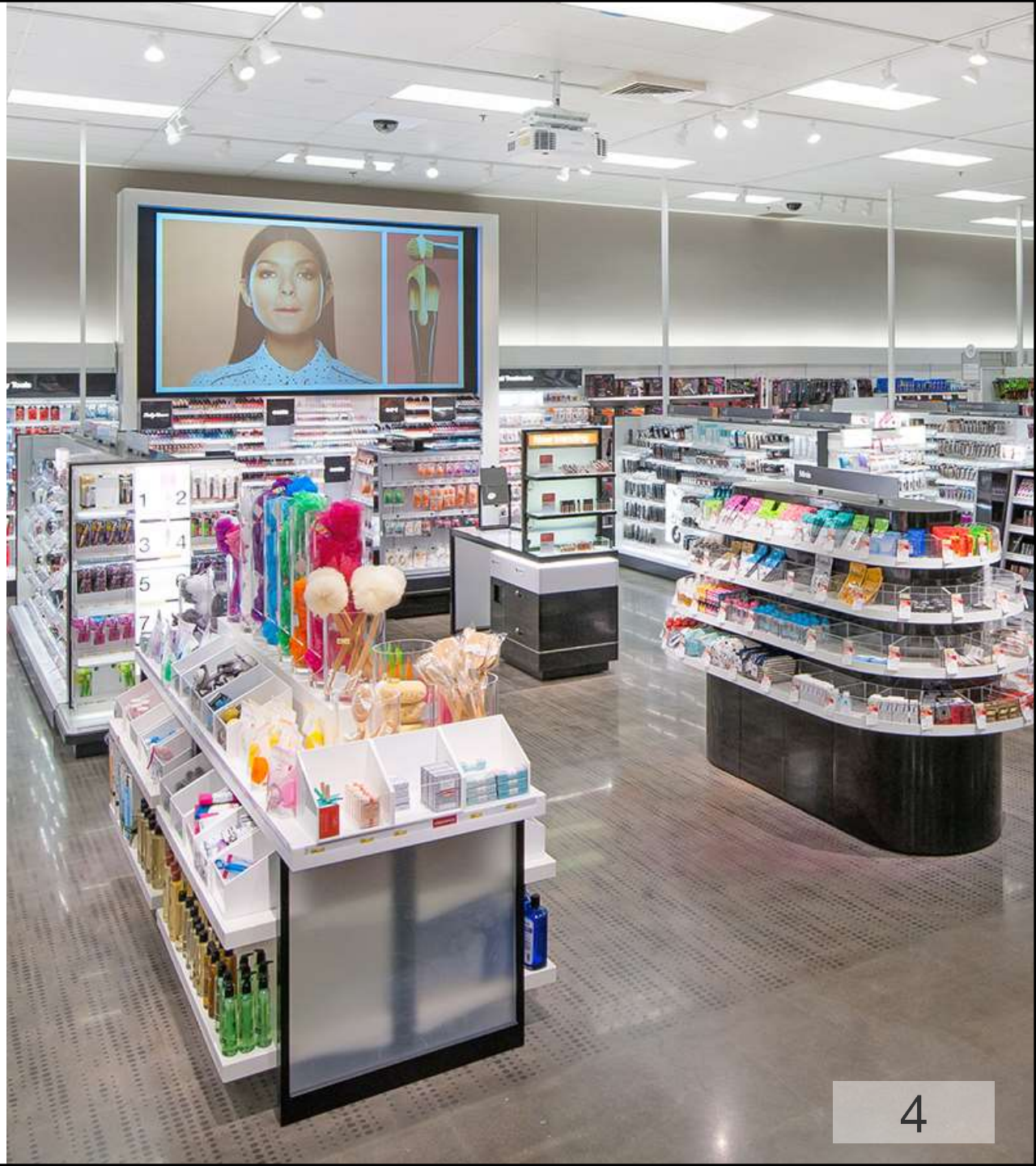


Brian Cornell

Board Chairman and Chief Executive Officer















The retail apocalypse has officially descended on America

Hayley Peterson
 © Mar. 21, 2017, 5:25 PM 1,248,830

Thousands of mall-based stores are shutting down in what's fast becoming one of the biggest waves of retail closures in decades.

More than 3,500 stores are expected to close in the next couple of months.

Department stores like JCPenney, Macy's, Sears, and Kmart are among the companies shutting down stores, along with middle-of-the-mall chains like Crocs, BCBG, Abercrombie & Fitch, and Guess.



Woodbridge Center in New Jersey. Business Insider/Sarah Jacobs

Macy's reports slowing sales, CEO to step aside

Alexander Cavallaro, acavall@postcreek.com Published 9:21 a.m. ET Feb. 21, 2017 | Updated 5 months ago



(Photo: Pinterest)

Macy's reported on Tuesday its 2016 profit dropped 42 percent to \$619 million, while sales for the year declined 4.5 percent to \$25.8 billion at the struggling department store retailer.

In the latest quarter ended Jan. 28, the Downtown Cincinnati-based company posted a \$475 million

profit, down 12.7 percent from the same period a year earlier. Sales also slid 4 percent to \$8.5 billion.

Earnings per diluted share excluding one-time items was \$2.02 — ahead of the \$1.97 Wall Street analysts were forecasting through fourth-quarter sales were slightly below estimates.



DEPARTMENT STORES

Can America's Department Stores Survive?

PHOTOGRAPH BY
 11:35AM Central

At 11 p.m. last Thanksgiving, shortly before Thursday became Black Friday, the crowds were thick at Macy's massive flagship store in Manhattan. Some 16,000 people had lined up around the block to kick off the biggest shopping weekend of the year. Five hours after the doors opened, they were still going strong.

The Limited is closing all of its 250 stores

By Sarah Mathews



The Limited has posted a message on its website saying it is closing all of its 250 stores nationwide, a move that would make the women's apparel chain the latest big-name retailer to be reeled by shoppers' growing preference for online shopping and "fast fashions."

The posting said that the chain's website would continue to be open for business.

There had been a steady drumbeat of evidence that trouble was brewing at The Limited. During the December shopping rush, the store's 80 percent off deals and its sudden decision to disallow returns seemed more characteristic of a fire sale than a holiday bonanza.

American Apparel Is Closing All of Its 110 U.S. Stores

The retailer is closing its L.A. headquarters and all 110 U.S. stores.



by LAURA BECK Jan 14, 2017

If you want a neon crop top or scratchy hoodie, you better act fast!

The [L.A. Times](#) is reporting that American Apparel will close its Los Angeles



PUBLIC POLICY

BORDER ADJUSTMENT TAX WOULD COST AMERICAN HOUSEHOLDS UP TO \$1,700 IN FIRST YEAR ALONE

Mark Mathews | February 09, 2017

The imposition of a "border adjustment tax," a key provision of a pending House tax reform proposal, would end up seriously harming U.S. consumers. NRF analysis indicates that this plan could cost the average family \$1,700 in the first year alone if the border adjustment provision is enacted. While economic theory suggests that trade flow of imports and exports would balance out over the long run due to offsetting exchange rate and price

Investing in our core
to build a better company



**To help all families discover
the joy of everyday life**

Playing our own game

\$7B+
investment

- Blending digital and physical
- Reimagining our stores
- Opening more new small formats
- Creating digital capabilities
- Launching great brands







Find the right bike size



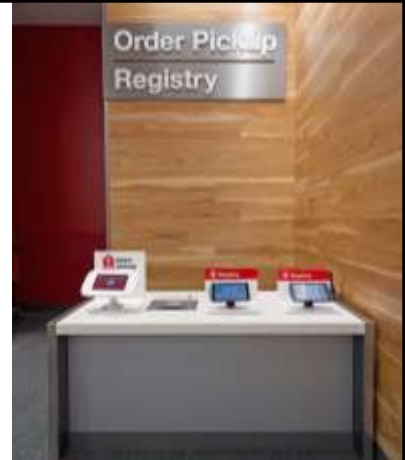
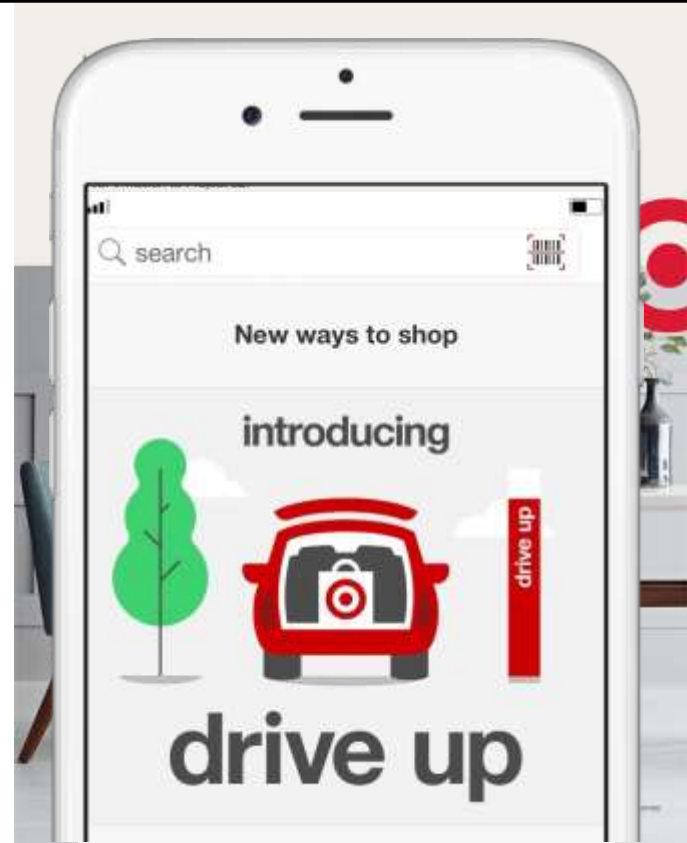
109.99



Store challenge:

End 2017 with positive comps and
teams wear jeans weekends in 2018





2017 Financial Results

2017 Q4 and Year End Results

- Strong Q4 traffic growth
- 3.6% Q4 comp growth
- Gained market share in core categories
- Fourth consecutive year of more than 25% digital growth
- More than 50% of digital volume was filled by stores
- \$1.37 adjusted earnings per share for Q4
- \$4.71 adjusted earnings per share for the year

The Sum of the Parts

A dark gray circle containing the year 2017 in white text.

2017

- Laying out our plan
 - Moving the organization in the right direction
-

A red circle containing the year 2018 in white text.

2018

- Acceleration
- Leveraging our greatest assets
- Leaning into our competitive strengths

**America's easiest
place to shop**



Newness + Innovation



Smart Digital Display Platform
 Store and Digital Tools

unison

Description
 Open your Target store into a new, digital world that all your devices through a platform that connects your content to screens and job equipment data in real time.

Value to Target
 - An active mobile system for digital marketing and guest behavioral data.
 - Flexible, engaging, and relevant content to guests that is always up to date.
 - One click content management for multi-screening, merchandise, & any time.

What's Next
 - Active spring and fall 2014 digital display across Connected Living and Digital Storefront.
 - Flexible display A/E across all Customer offices, Retail, and a New Retail in store.
 - Partnering with Target Mobile Network for content tools.
 - Research and planning for future expansion.

A Guest was **in front of**
BB-8 by Sphero for **12.616 seconds**

9 minutes ago at
Open House (12766)

9 minutes ago at
Open House (12766)

9 minutes ago at
Open House (12766)

9 minutes ago at
Open House (12766)

Open House (12766) Store Map - Playground

unison

Smart Screen Platform for
 Powerful In-Store Guest Experiences

Today at macyfashion







Buyers

Planners

**Global Trade
Managers**

**Textile
Designers**

**Pricing
Analysts**

**Ocean
Analysts**

**Sourcing
Managers**

Marketers

**Transportation
Specialists**

**Fabric
Engineers**

**Packaging
Experts**

**Visual
Merchandisers**



Training

Tools

Advancement



Team Investment

\$11 per hour
October 2017

\$15 per hour
End of 2020

60%

increase in applications

Employer of Choice

\$12 per hour
starting wage for
current team members



Beauty



Before



After

Kitchen



Before



After

Kids



Before



After





Pickup
pedidos

Returns & Exchanges
Devoluciones y cambios

SAVE 5% EVERY DAY
WITH TARGET REDCARD

OH
TARGET

SAVE 5% EVERY DAY
WITH TARGET REDCARD

Apply now.
Save with your REDcard™.
It's that easy.

5% OFF
EVERY DAY &
EVERY DAY



Grand Parkway, TX





Ease AND Inspiration

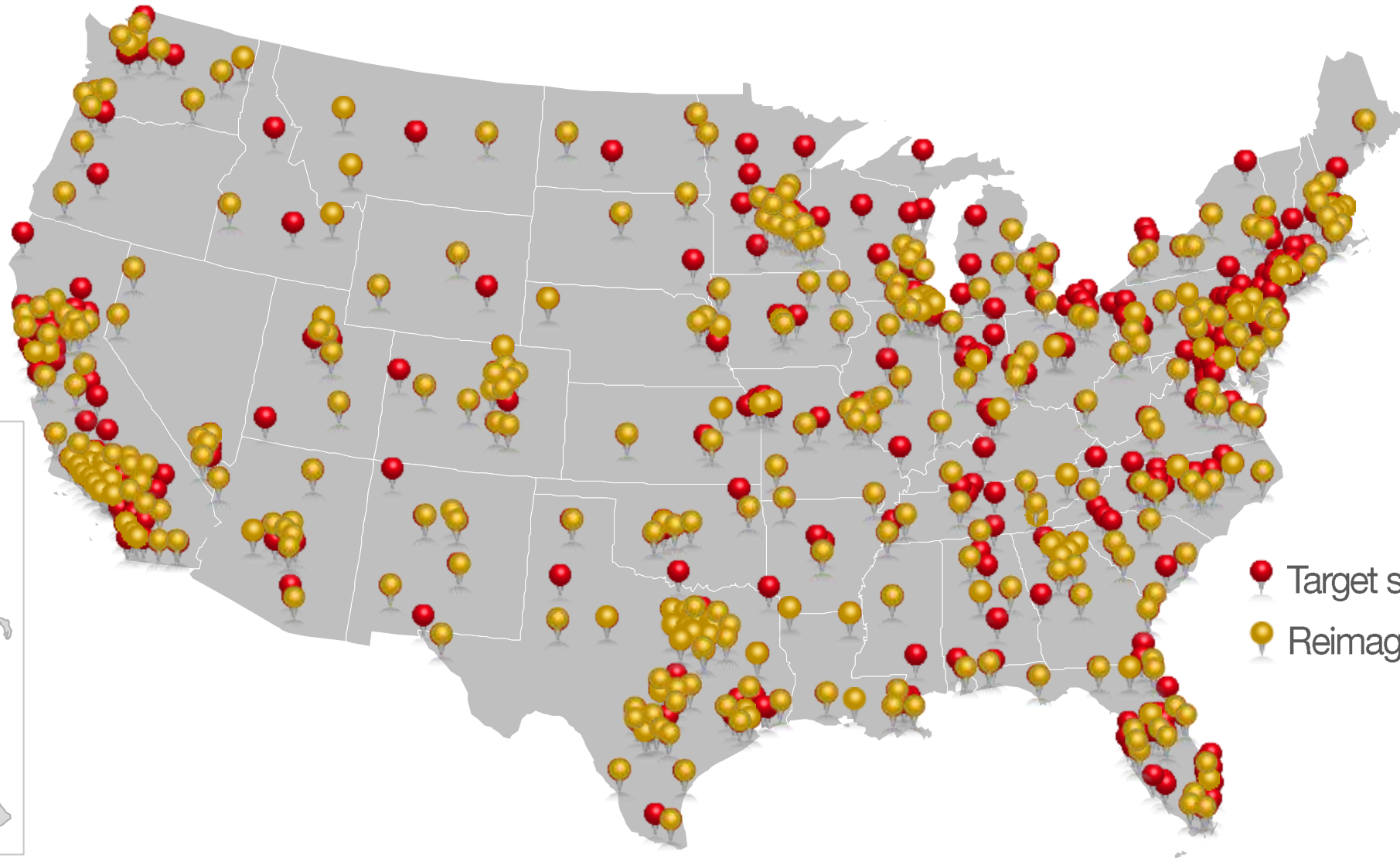


Style AND Essentials



Mass AND Specialty

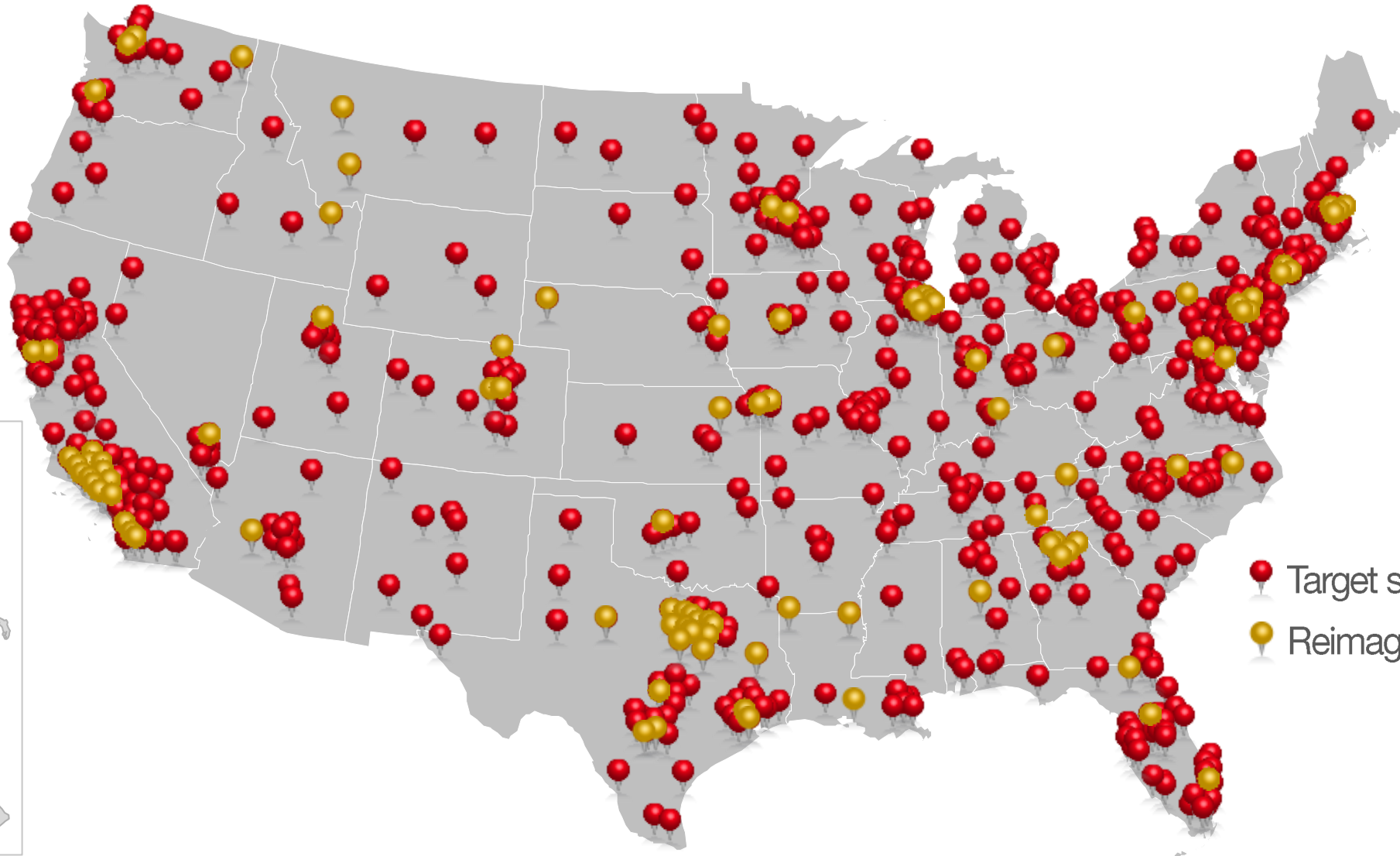
Reimagined Stores by 2019



600+
stores

- Target stores
- Reimagined stores

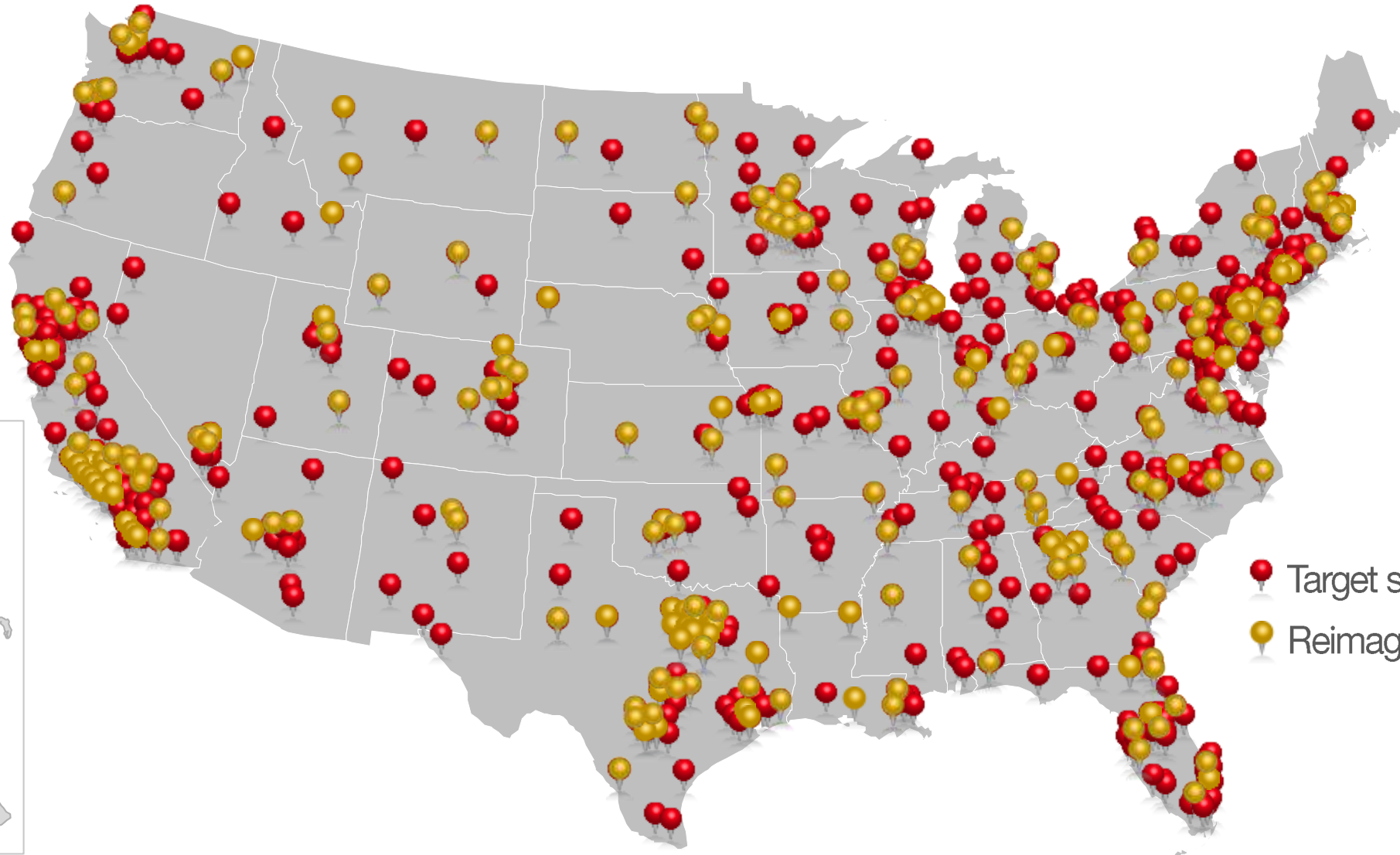
Reimagined Stores in 2017



110
stores

- Target stores
- Reimagined stores

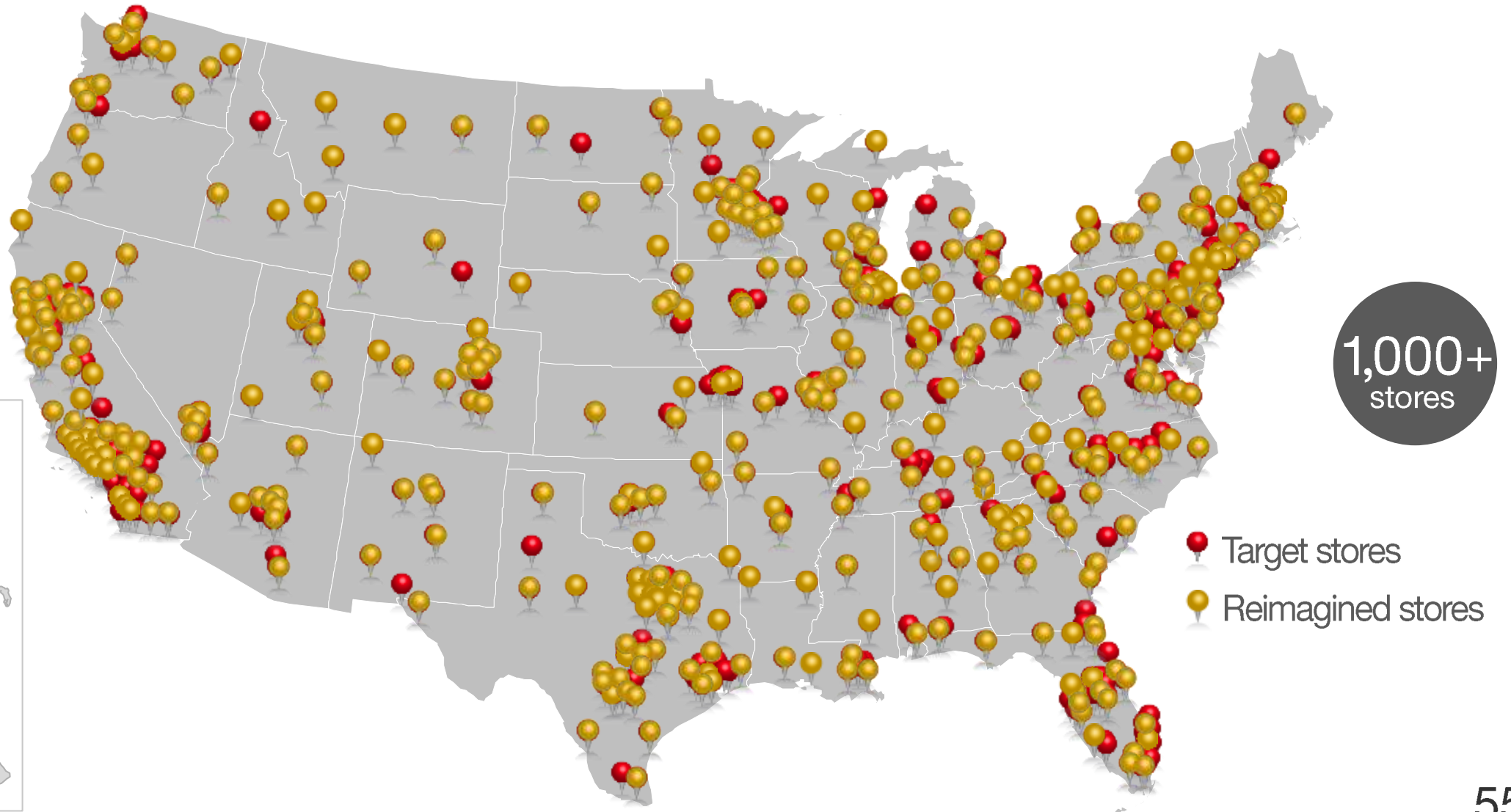
Reimagined Stores in 2018



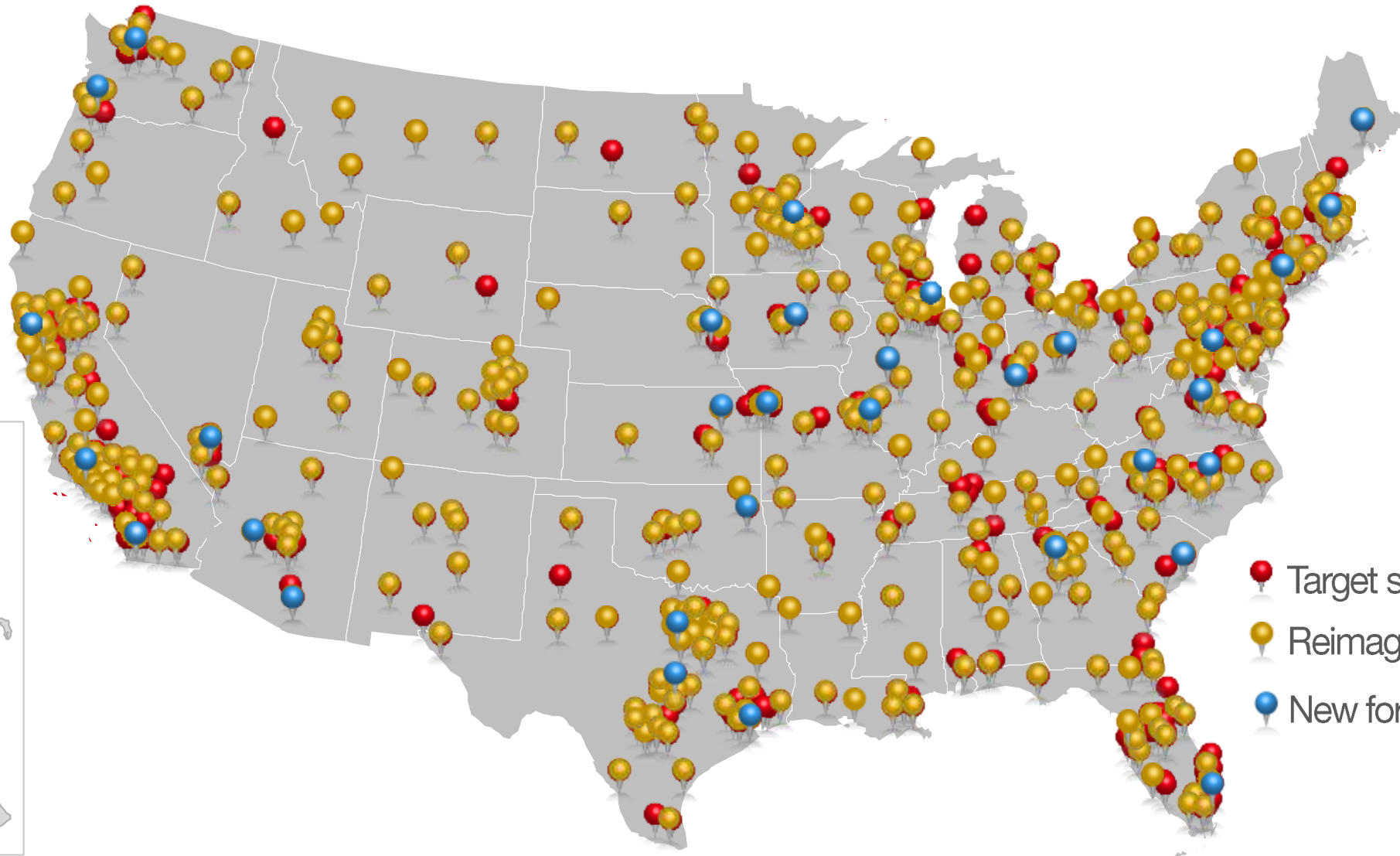
325
stores

- Target stores
- Reimagined stores

Reimagined Stores by 2020



New Format Stores in 2018



30 stores

- Target stores
- Reimagined stores
- New format stores

Digital Experience



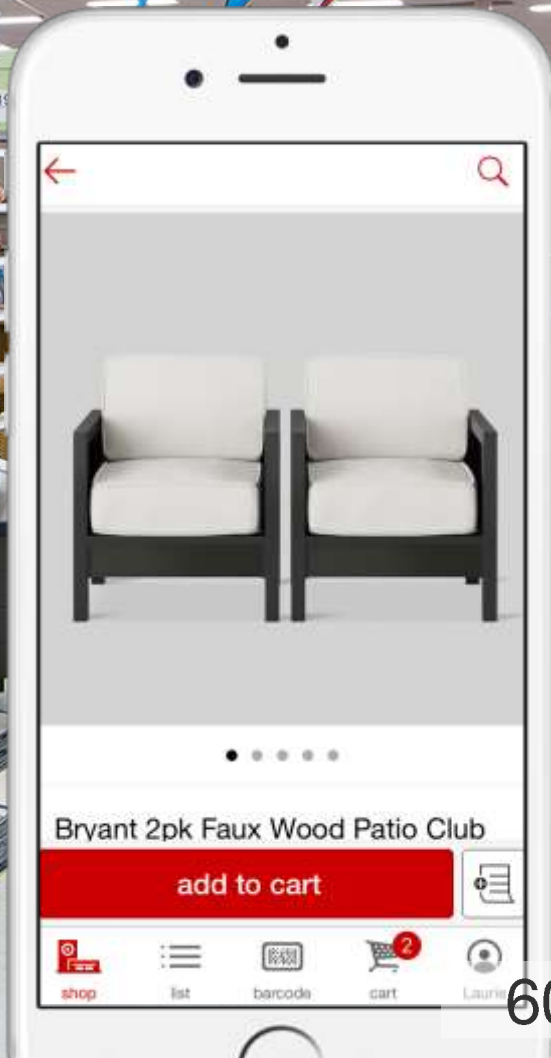
Stores fulfilled two-thirds of all digital orders



order pickup | returns | exchanges

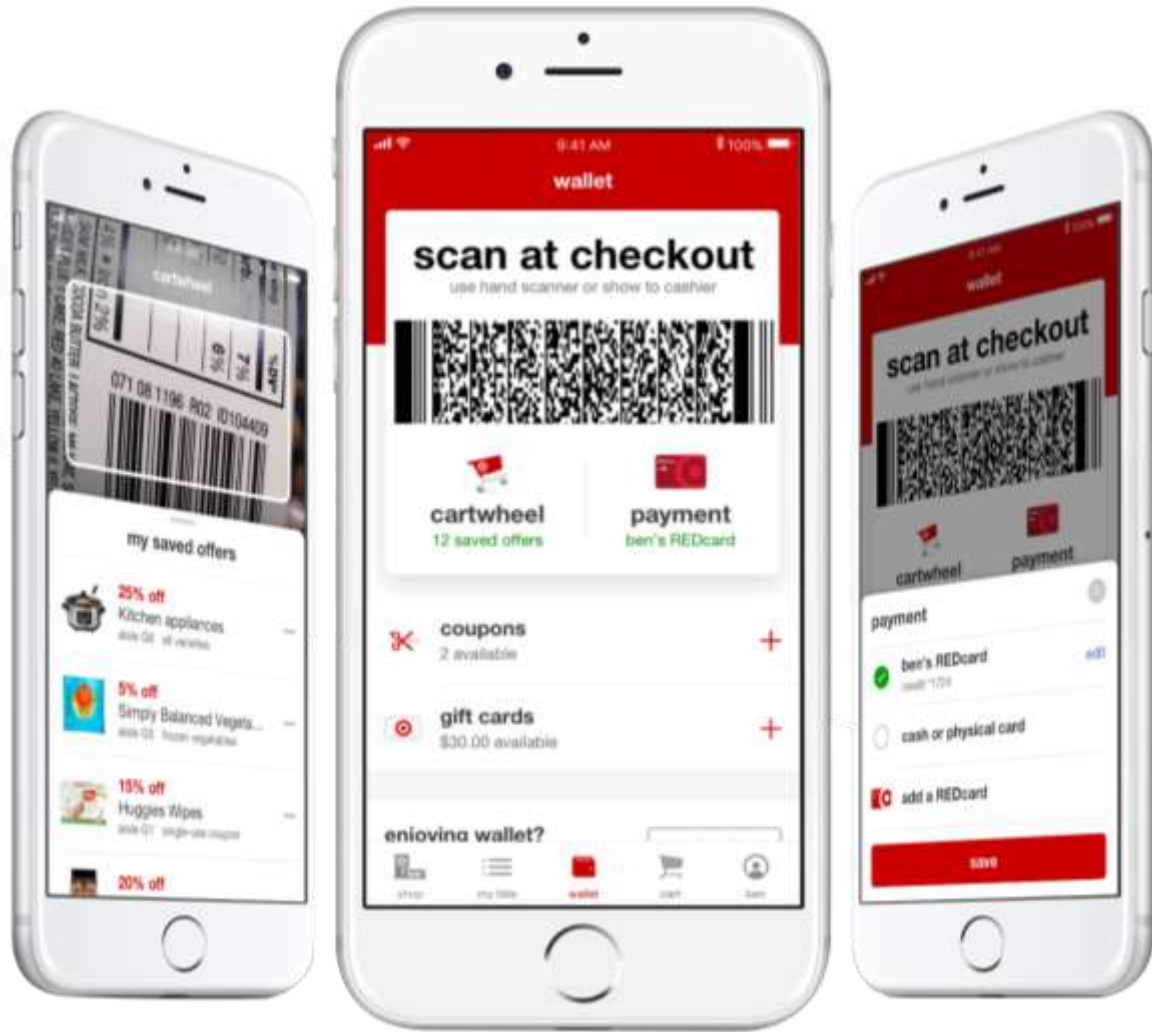
HEY YA
SUPPLY
POWDY
GO DAY

Refund & Exchange Policy
Most merchandise is eligible for a full refund within 90 days of purchase. Some items may have a shorter return window. Target reserves the right to change this policy without notice. Target does not accept returns on certain items. See Target.com for details.





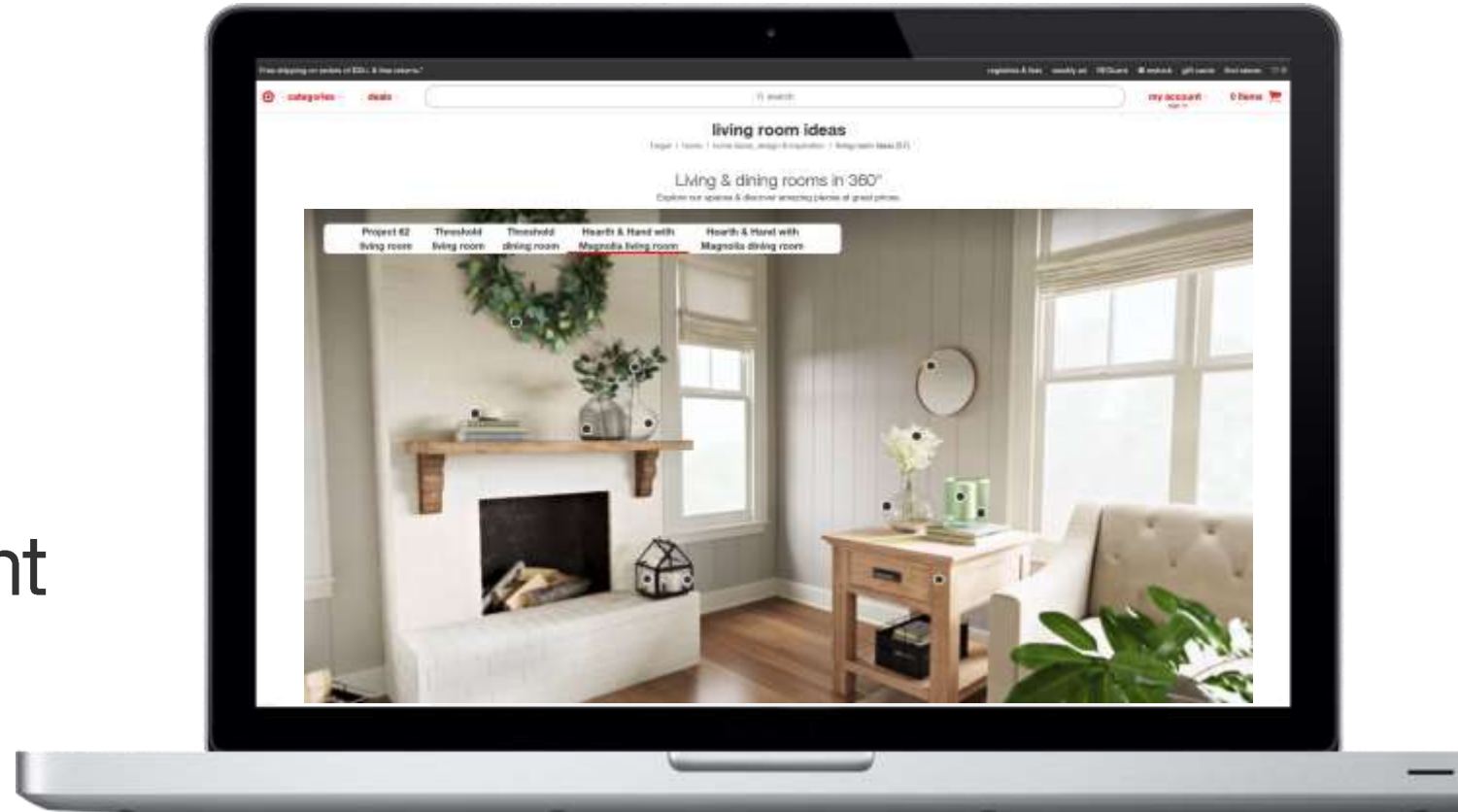
Integrated Cartwheel into Target App



Introduced Wallet

Enhancing the Digital Experience

- Added 360° shopping experience
- Investing in augmented reality
- Elevating storytelling
- Extending our assortment









drive up



SHIPTSM

2017 — August — October — December

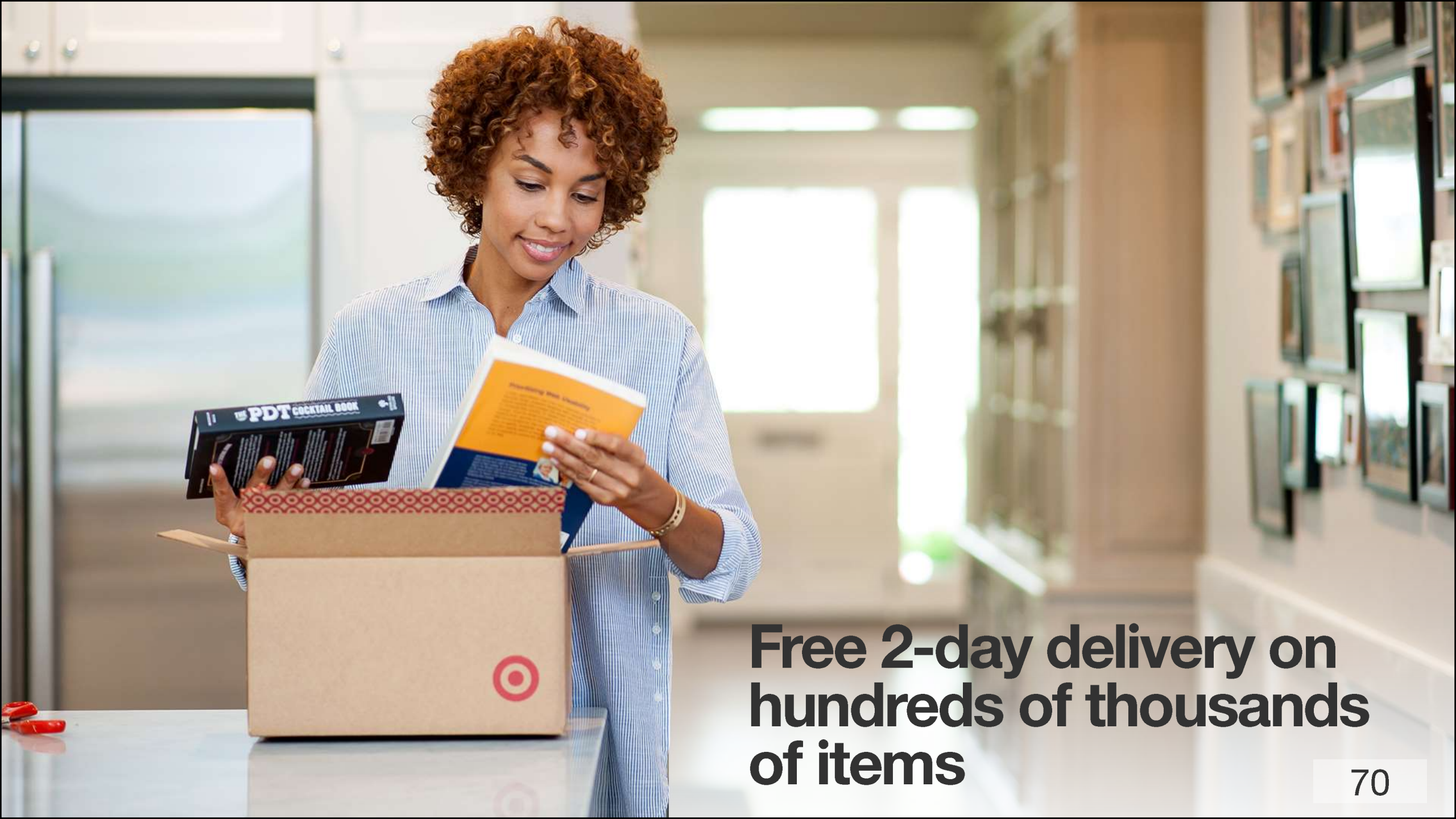




- Expand Manhattan delivery service to all 5 boroughs
- Start up in Boston, Chicago, San Francisco and DC



Expanding to nearly 1,000 locations coast-to-coast



**Free 2-day delivery on
hundreds of thousands
of items**

2017 commitment:
12 new brands in 18 months

a · n · d
e a
w y

JOY
LAB™

Goodfellow™
&CO

PROJECT ™



Hearth & Hand™



Style that goes wherever you do

a · n · d
e · w

new
& only
at

»»


Hearth & Hand
WITH MAGNOLIA



OPALHOUSE

INSPIRED  OBJECTS™







110
REMODELS



30
SMALL FORMAT
STORES

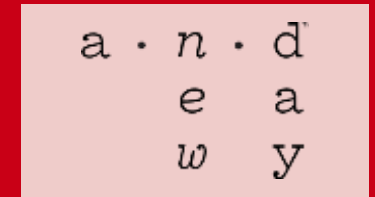


JAN

2017

DEC

10
NEW BRANDS



FULFILLMENT



110
REMODELS



30
SMALL FORMAT
STORES



JAN

2017

DEC

10
NEW BRANDS



FULFILLMENT



110
REMODELS



30
SMALL FORMAT
STORES



JAN

2017

DEC

10
NEW BRANDS



TEAM
MEMBERS



\$11
PER HOUR

3x
REMODELS



NEW SMALL
FORMAT STORES



JAN

2018

DEC

NEW
BRANDS



MORE TO
COME...

FULFILLMENT

1000+
STORES



Nationwide
Launch



3x
REMODELS



NEW SMALL
FORMAT STORES



JAN

2018

DEC

NEW
BRANDS



MORE TO
COME...

TEAM
MEMBERS



\$12
PER HOUR

America's easiest place to shop

