



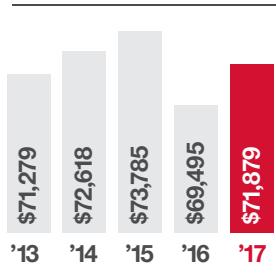
Welcome to our 2017 Annual Report

To explore key stories of the past year and find out what's ahead, visit Target.com/abullseyeview. You can view our Annual Report online at Target.com/annualreport.

Financial Highlights

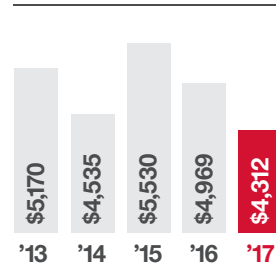
(Note: Reflects amounts attributable to continuing operations. 2017 was a 53-week year.)

Sales In Millions



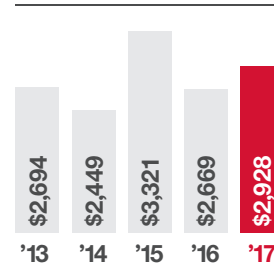
2017 Growth: 3.4%
Five-year CAGR: -0.4%

EBIT In Millions



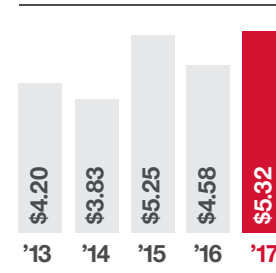
2017 Growth: -13.2%
Five-year CAGR: -5.6%

Net Earnings In Millions



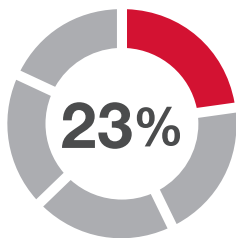
2017 Growth: 9.7%
Five-year CAGR: -2.5%

Diluted EPS



2017 Growth: 16.2%
Five-year CAGR: 1.2%

Total 2017 Sales: \$71,879 Million



Beauty & Household
Essentials



Food & Beverage



Apparel &
Accessories



Home Furnishings
& Décor



Hardlines



Financial Summary

Target 2017 Annual Report

	2017 ^(a)	2016	2015	2014	2013
FINANCIAL RESULTS: (in millions)					
Sales ^(b)	\$ 71,879	\$ 69,495	\$ 73,785	\$ 72,618	\$ 71,279
Cost of sales ^(c)	51,125	49,145	52,241	51,506	50,243
Gross margin	20,754	20,350	21,544	21,112	21,036
Selling, general and administrative expenses (SG&A)	14,248	13,356	14,665	14,676	14,465
Depreciation and amortization (exclusive of depreciation included on cost of sales) ^(c)	2,194	2,025	1,969	1,901	1,792
Gain on sale ^(d)	—	—	(620)	—	(391)
Earnings from continuing operations before interest expense and income taxes (EBIT)	4,312	4,969	5,530	4,535	5,170
Net interest expense ^(e)	666	1,004	607	882	1,049
Earnings from continuing operations before income taxes	3,646	3,965	4,923	3,653	4,121
Provision for income taxes ^(f)	718	1,296	1,602	1,204	1,427
Net earnings from continuing operations	2,928	2,669	3,321	2,449	2,694
Discontinued operations, net of tax	6	68	42	(4,085)	(723)
Net earnings / (loss)	\$ 2,934	\$ 2,737	\$ 3,363	\$ (1,636)	\$ 1,971
PER SHARE:					
Basic earnings / (loss) per share					
Continuing operations	\$ 5.35	\$ 4.62	\$ 5.29	\$ 3.86	\$ 4.24
Discontinued operations	0.01	0.12	0.07	(6.44)	(1.14)
Net earnings / (loss) per share	\$ 5.36	\$ 4.74	\$ 5.35	\$ (2.58)	\$ 3.10
Diluted earnings / (loss) per share					
Continuing operations	\$ 5.32	\$ 4.58	\$ 5.25	\$ 3.83	\$ 4.20
Discontinued operations	0.01	0.12	0.07	(6.38)	(1.13)
Net earnings / (loss) per share	\$ 5.33	\$ 4.70	\$ 5.31	\$ (2.56)	\$ 3.07
Cash dividends declared	\$ 2.46	\$ 2.36	\$ 2.20	\$ 1.99	\$ 1.65
FINANCIAL POSITION: (in millions)					
Total assets	\$ 38,999	\$ 37,431	\$ 40,262	\$ 41,172	\$ 44,325
Capital expenditures ^(g)	\$ 2,533	\$ 1,547	\$ 1,438	\$ 1,786	\$ 1,886
Long-term debt, including current portion ^(g)	\$ 11,587	\$ 12,749	\$ 12,760	\$ 12,725	\$ 12,494
Net debt ^{(g)(h)}	\$ 10,456	\$ 11,639	\$ 9,752	\$ 11,205	\$ 12,491
Shareholders' investment	\$ 11,709	\$ 10,953	\$ 12,957	\$ 13,997	\$ 16,231
SEGMENT FINANCIAL RATIOS: ⁽ⁱ⁾					
Comparable sales growth ⁽ⁱ⁾	1.3%	(0.5)%	2.1%	1.3%	(0.4)%
Gross margin (% of sales) ^(c)	28.9%	29.3%	29.2%	29.1%	29.5%
SG&A (% of sales)	19.8%	19.2%	19.6%	20.0%	20.2%
EBIT margin (% of sales)	6.0%	7.1%	6.9%	6.5%	6.8%
OTHER:					
Common shares outstanding (in millions)	541.7	556.2	602.2	640.2	632.9
Operating cash flow provided by continuing operations (in millions)	\$ 6,849	\$ 5,329	\$ 5,254	\$ 5,157	\$ 7,572
Sales per square foot ^{(g)(k)}	\$ 295	\$ 290	\$ 307	\$ 302	\$ 298
Retail square feet (in thousands) ^(g)	239,355	239,502	239,539	239,963	240,054
Square footage growth ^(g)	(0.1)%	—%	(0.2)%	—%	0.9%
Total number of stores ^(g)	1,822	1,802	1,792	1,790	1,793
Total number of distribution centers ^(g)	41	40	40	38	37

(a) Consisted of 53 weeks.

(b) The 2016 sales decline is primarily due to the December 2015 sale of our pharmacy and clinic businesses (Pharmacy Transaction) to CVS Pharmacy, Inc. 2015 sales includes \$3,815 million related to our former pharmacy and clinic businesses.

(c) Beginning in the second quarter of 2017, we reclassified supply chain-related depreciation expense into cost of sales and out of depreciation and amortization on our Consolidated Statements of Operations. Prior year amounts have been reclassified to reflect this change.

(d) For 2015, includes the gain on the Pharmacy Transaction. For 2013, includes the gain related to the sale of our U.S. credit card receivables portfolio.

(e) Includes losses on early retirement of debt of \$123 million, \$422 million, \$285 million, and \$445 million for 2017, 2016, 2014, and 2013, respectively.

(f) For 2017, includes \$352 million of discrete tax benefits related to the Tax Cuts and Jobs Act enacted in December 2017.

(g) Represents amounts attributable to continuing operations.

(h) Including current portion and short-term notes payable, net of short-term investments of \$1,131 million, \$1,110 million, \$3,008 million, \$1,520 million, and \$3 million in 2017, 2016, 2015, 2014, and 2013, respectively. Management believes this measure is an indicator of our level of financial leverage because short-term investments are available to pay debt maturity obligations.

(i) Effective January 15, 2015, we operate as a single segment which includes all of our continuing operations, excluding net interest expense and the impact of certain other discretely managed items.

(j) See definition of comparable sales in Form 10-K, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

(k) Represents sales per square foot which is calculated using rolling four quarters average square feet. In 2017, sales per square foot was calculated excluding the 53rd week in order to provide a more useful comparison to other years. Using total reported sales for 2017 (including the 53rd week) resulted in sales per square foot of \$300. The 2016 decrease is primarily due to the Pharmacy Transaction. Our former pharmacy and clinic businesses contributed approximately \$16 to 2015 sales per square foot.