

**TARGET CORPORATION**  
**CREDIT CARD CONTRIBUTION TO EBT**

Effective February 2007, the Company redefined Credit Card Contribution to Earnings Before Taxes (EBT). We have reclassified prior period data to conform to the current year disclosure. These reclassifications had no effect on our Consolidated Statements of Operations.

	<b>Thirteen Weeks Ended</b>	<b>Thirteen Weeks Ended</b>	<b>Thirteen Weeks Ended</b>	<b>Fourteen Weeks Ended</b>	<b>Fifty-Three Weeks Ended</b>
	<b>April 29, 2006</b>	<b>July 29, 2006</b>	<b>Oct. 28, 2006</b>	<b>Feb. 3, 2007</b>	<b>Feb. 3, 2007</b>
(Millions) (Unaudited)					
<b>Revenues</b>					
Finance charges	\$ 259	\$ 273	\$ 279	\$ 305	\$ 1,117
Interest expense <sup>(a)</sup>	(63)	(68)	(72)	(83)	(286)
Net interest income	196	205	207	222	831
Late fees and other revenues	80	80	101	95	356
Third-party merchant fees	31	35	34	41	139
New account and loyalty rewards discounts <sup>(b)</sup>	(25)	(25)	(22)	(37)	(107)
Non-interest income	86	90	113	99	388
<b>Total Credit Card Revenue</b>	<b>282</b>	<b>295</b>	<b>320</b>	<b>321</b>	<b>1,219</b>
<b>Expenses</b>					
Bad debt provision	88	93	97	102	380
Operations and marketing	72	77	85	93	327
Allocated depreciation charge <sup>(c)</sup>	4	3	4	4	15
Total expenses	164	173	186	199	722
Credit card contribution to EBT	<u>\$ 118</u>	<u>\$ 122</u>	<u>\$ 134</u>	<u>\$ 122</u>	<u>\$ 497</u>
As a percentage of average receivables (annualized)	<u>8.0%</u>	<u>8.2%</u>	<u>8.8%</u>	<u>6.9%</u>	<u>7.9%</u>
Net interest margin (annualized) <sup>(d)</sup>	<u>13.2%</u>	<u>13.9%</u>	<u>13.6%</u>	<u>12.6%</u>	<u>13.2%</u>
<b>RECEIVABLES</b>					
Period-end receivables	5,844	6,041	6,148	6,711	6,711
Average receivables	5,930	5,936	6,123	6,544	6,161
Accounts with three or more payments past due as a percentage of period-end receivables	3.0%	3.4%	3.9%	3.5%	3.5%
<b>ALLOWANCE FOR DOUBTFUL ACCOUNTS</b>					
Allowance at beginning of period	451	476	501	514	451
Bad debt provision	88	93	97	102	380
Net write-offs	(63)	(68)	(84)	(99)	(314)
Allowance at end of period	<u>476</u>	<u>501</u>	<u>514</u>	<u>517</u>	<u>517</u>
As a percentage of period-end receivables	<u>8.1%</u>	<u>8.3%</u>	<u>8.4%</u>	<u>7.7%</u>	<u>7.7%</u>
Net write-offs as a percentage of average receivables (annualized)	<u>4.3%</u>	<u>4.6%</u>	<u>5.5%</u>	<u>6.1%</u>	<u>5.1%</u>

<sup>(a)</sup> Represents an allocation of consolidated interest expense based on estimated funding costs for average net accounts receivable and other financial services assets and is included in net interest expense in our Consolidated Statements of Operations.

<sup>(b)</sup> Primarily consists of new account and loyalty rewards program discounts on our REDcard products which are included as reductions of sales in our Consolidated Statements of Operations.

<sup>(c)</sup> Included in depreciation and amortization in our Consolidated Statements of Operations.

<sup>(d)</sup> Net interest income divided by average accounts receivable.

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	<b>Fifty-Two Weeks Ended Jan. 29, 2005</b>	<b>Fifty-Two Weeks Ended Jan. 28, 2006</b>
(Millions) (Unaudited)		
<b>Revenues</b>		
Finance charges	\$ 772	\$ 915
Interest expense <sup>(a)</sup>	(230)	(193)
Net interest income	<u>542</u>	<u>722</u>
Late fees and other revenues	287	310
Third-party merchant fees	98	124
New account and loyalty rewards discounts <sup>(b)</sup>	(79)	(96)
Non-interest income	<u>306</u>	<u>338</u>
<b>Total Credit Card Revenue</b>	<u>848</u>	<u>1,060</u>
<b>Expenses</b>		
Bad debt provision	451	466
Operations and marketing	286	310
Allocated depreciation charge <sup>(c)</sup>	9	13
Total expenses	<u>746</u>	<u>789</u>
Credit card contribution to EBT	<u>\$ 102</u>	<u>\$ 271</u>
As a percentage of average receivables (annualized)	<u>2.1%</u>	<u>4.9%</u>
Net interest margin (annualized) <sup>(d)</sup>	<u>11.0%</u>	<u>13.0%</u>
<b>RECEIVABLES</b>		
Period-end receivables	5,456	6,117
Average receivables	4,927	5,544
Accounts with three or more payments past due as a percentage of period-end receivables	3.5%	2.8%
<b>ALLOWANCE FOR DOUBTFUL ACCOUNTS</b>		
Allowance at beginning of period	352	387
Bad debt provision	451	466
Net write-offs	(416)	(402)
Allowance at end of period	<u>387</u>	<u>451</u>
As a percentage of period-end receivables	<u>7.1%</u>	<u>7.4%</u>
Net write-offs as a percentage of average receivables (annualized)	<u>8.4%</u>	<u>7.2%</u>

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<sup>(d)</sup> Net interest income divided by average accounts receivable.