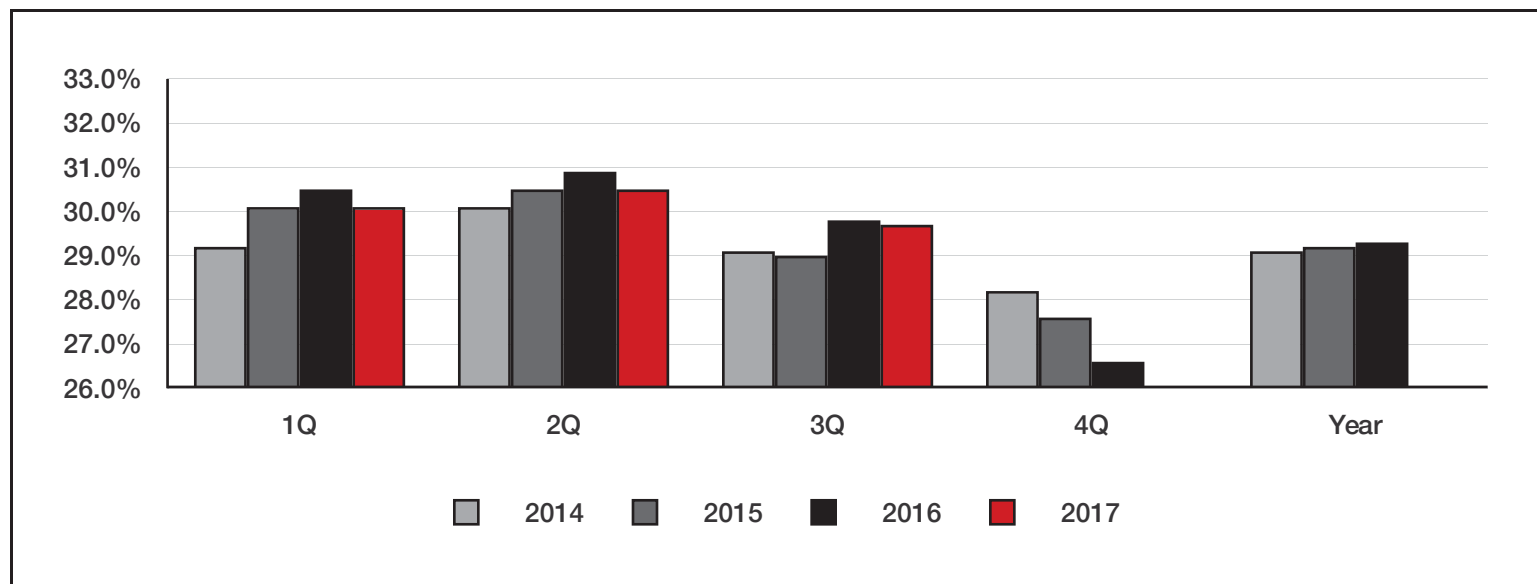


## segment gross margin rate <sup>(a)</sup> <sup>(b)</sup> <sup>(c)</sup>



quarterly, fiscal 2014 to present



Fiscal Year	1Q	2Q	3Q	4Q	Year
2017	30.1%	30.5%	29.7%		
2016	30.5%	30.9%	29.8%	26.6%	29.3%
2015	30.1%	30.5%	29.0%	27.6%	29.2%
2014	29.2%	30.1%	29.1%	28.2%	29.1%

<sup>(a)</sup> Effective January 15, 2015, Target operates as a single segment which includes all of its continuing operations, excluding net interest expense and certain other discretely managed items. Segment operations are designed to enable Target's guests to purchase products seamlessly in stores or through our digital channels.

<sup>(b)</sup> Gross margin rate is computed by dividing gross margin dollars by sales.

<sup>(c)</sup> Beginning in the second quarter of 2017, we reclassified supply chain-related depreciation expense from depreciation and amortization to cost of sales on our Consolidated Statements of Operations. This reclassification increased cost of sales with equal and offsetting decreases to depreciation and amortization. Prior period amounts have been revised to conform with the current presentation. A summary of the impact of this reclassification on historical results is available under "financial news" and "summary financials" at [investors.target.com](http://investors.target.com).

Source: Target's Consolidated Financial Statements as filed with the U.S. Securities and Exchange Commission.

Last Updated: 11/15/2017