calculation of consolidated EBIT and EBITDA

quarterly, fiscal 2016 to present [(d)]

Background

We have presented consolidated earnings from continuing operations before interest expense and income taxes (EBIT) and earnings before interest, taxes, depreciation and amortization (EBITDA), non-GAAP financial measures, because we believe they provide investors with meaningful information about our operational efficiency compared to our competitors by excluding the impact of differences in tax jurisdictions and structures, debt levels, and, for EBITDA, capital investment. These measures are not in accordance with, or an alternative for, generally accepted accounting principles in the United States (GAAP). The most comparable GAAP measure is net earnings from continuing operations. Consolidated EBIT and EBITDA should not be considered in isolation or as a substitution for analysis of our results as reported under GAAP. Other companies may calculate consolidated EBIT and EBITDA differently, limiting the usefulness of the measure for comparisons with other companies.

	2018	2017 [(a)]				2016 [(a)]			
(millions) (unaudited)	1Q	4Q [(b)]	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Net earnings from continuing operations	$ 717	$ 1,088	$ 476	$ 670	$ 675	$ 823	$ 608	$ 624	$ 612
+ Provision for income taxes	210	(76)	135	307	355	387	310	315	282
+ Net interest expense	121	131	251	131	140	137	138	304	411
Earnings from continuing operations before interest expense and income taxes (EBIT)	1,048	1,143	862	1,108	1,170	1,347	1,056	1,243	1,305
+ Depreciation and amortization [(c)]	631	668	642	585	581	614	576	576	553
EBITDA	$ 1,679	$ 1,811	$ 1,504	$ 1,693	$ 1,751	$ 1,961	$ 1,632	$ 1,819	$ 1,858

[(a)] Beginning with the first quarter 2018, we adopted the new accounting standards for revenue recognition, leases, and pensions. We are presenting certain prior period results on a basis consistent with the new standards and conformed to the current period presentation. We provided additional information about the impact of the new accounting standards on previously reported financial information in a Form 8-K filed on May 11, 2018.

[(b)] The fourth quarter 2017 consisted of 14 weeks compared with 13 weeks in the comparable prior-year periods.

[(c)] Represents total depreciation, including amounts classified within Cost of Sales on our Consolidated Statements of Operations.

[(d)] Additional information as previously reported is available under "summary financials/archives" on investors.target.com.

Last Updated: 5/23/2018

calculation of consolidated EBIT and EBITDA

annual, fiscal 2015 to present [e]

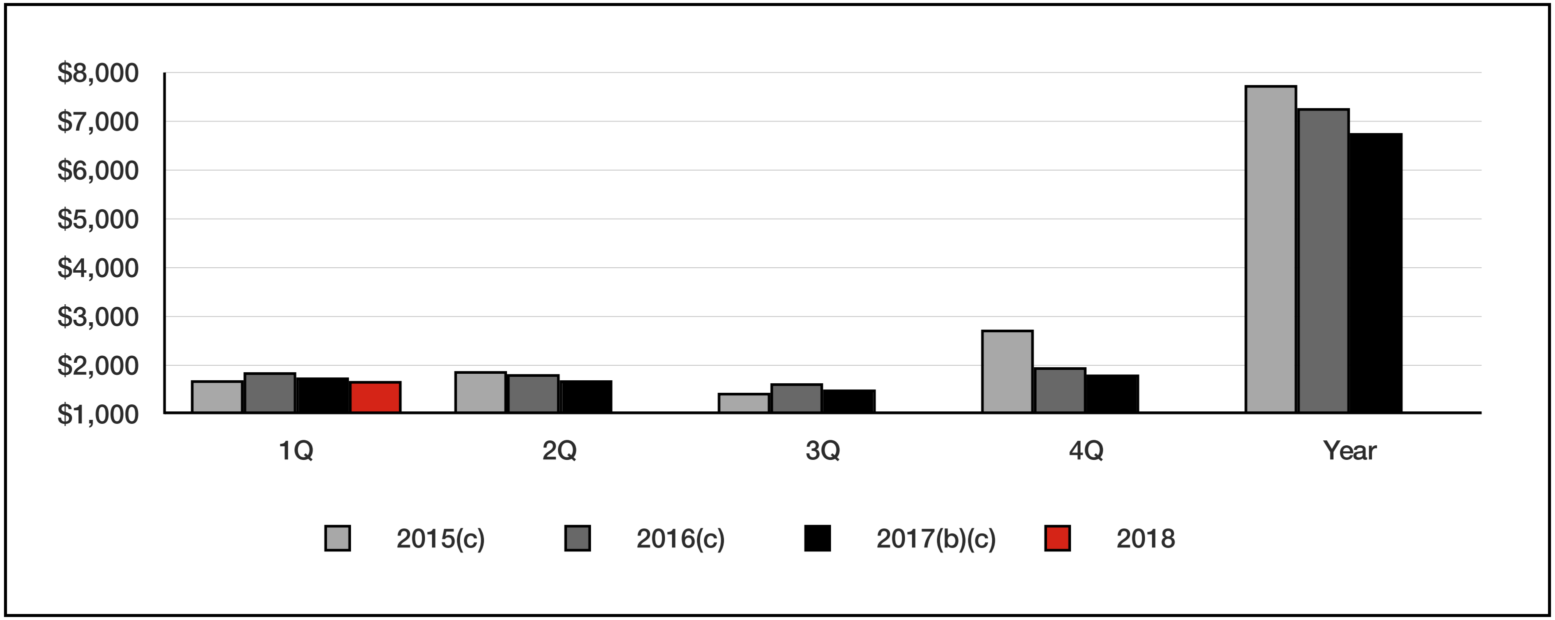
(millions) (unaudited)		2017 [a] [b]		2016 [a]		2015 [a] [c]
Net earnings from continuing operations	$	2,908	$	2,666	$	3,321
+ Provision for income taxes		722		1,295		1,602
+ Net interest expense		653		991		607
Earnings from continuing operations before interest expense and income taxes (EBIT)		4,283		4,952		5,530
+ Depreciation and amortization [d]		2,476		2,318		2,213
EBITDA	$	6,759	$	7,270	$	7,743

[a] Beginning with the first quarter 2018, we adopted the new accounting standards for revenue recognition, leases, and pensions. We are presenting certain prior period results on a basis consistent with the new standards and conformed to the current period presentation. We provided additional information about the impact of the new accounting standards on previously reported financial information in a Form 8-K filed on May 11, 2018.
[b] 2017 consisted of 53 weeks compared with 52 weeks in the comparable prior-year periods.
[c] Includes a $620 million gain on sale of our former pharmacy and clinic businesses.
[d] Represents total depreciation, including amounts classified within Cost of Sales on our Consolidated Statements of Operations.
[e] Additional information as previously reported is available under "summary financials/archives" on investors.target.com.

Last Updated: *5/23/2018*

EBITDA [a]

fiscal 2015 to present [d]



Fiscal Year	1Q	2Q	3Q	4Q	Year
2018	$1,679				
2017 [b] [c]	$1,751	$1,693	$1,504	$1,811	$6,759
2016 [c]	$1,858	$1,819	$1,632	$1,961	$7,270
2015 [c]					$7,743

[a] *Amounts relate to our continuing operations.*
[b] *The fourth quarter and full year 2017 consisted of 14 weeks and 53 weeks, respectively, compared with 13 weeks and 52 weeks in the comparable prior-year periods.*
[c] *Beginning with the first quarter 2018, we adopted the new accounting standards for revenue recognition, leases, and pensions. We are presenting certain prior period results on a basis consistent with the new standards and conformed to the current period presentation. We provided additional information about the impact of the new accounting standards on previously reported financial information in a Form 8-K filed on May 11, 2018.*
[d] *Additional information as previously reported is available under "summary financials/archives" on investors.target.com.*

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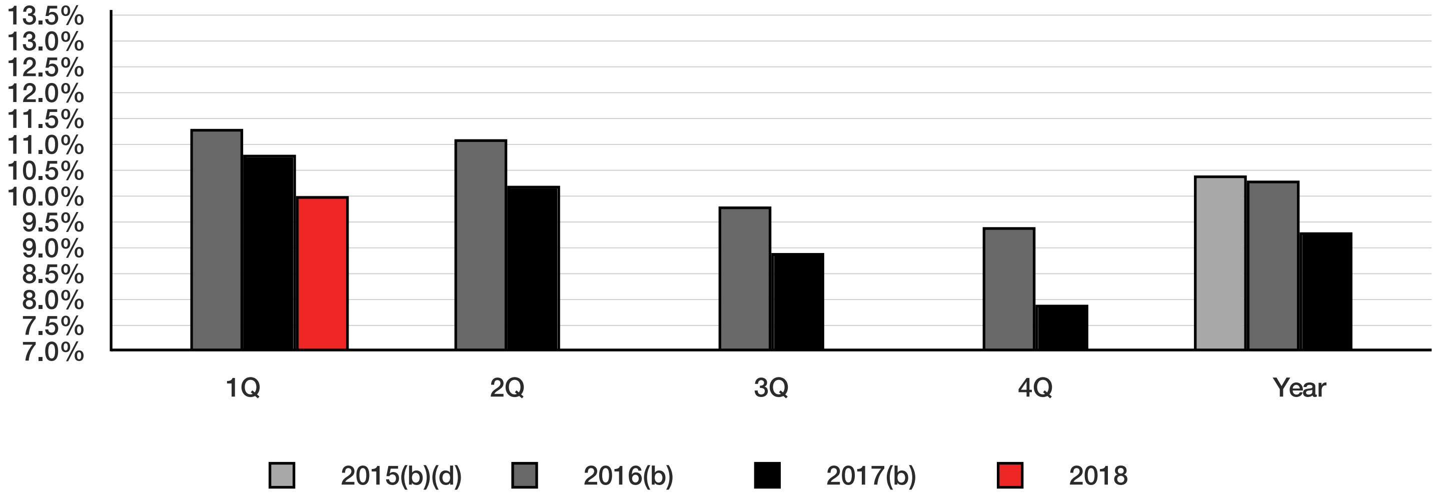
EBITDA margin rate [(a)]

fiscal 2015 to present [(c)]



Fiscal Year	1Q	2Q	3Q	4Q	Year
2018	10.0%	— %	— %	— %	— %
2017 [(b)]	10.8%	10.2%	8.9%	7.9%	9.3%
2016 [(b)]	11.3%	11.1%	9.8%	9.4%	10.3%
2015 [(b) (d)]					10.4%

[(a)] Amounts relate to our continuing operations. EBITDA margin rate is calculated by dividing EBITDA by Total Revenue.
[(b)] Beginning with the first quarter 2018, we adopted the new accounting standards for revenue recognition, leases, and pensions. We are presenting certain prior period results on a basis consistent with the new standards and conformed to the current period presentation. We provided additional information about the impact of the new accounting standards on previously reported financial information in a Form 8-K filed on May 11, 2018.
[(c)] Additional information as previously reported is available under "summary financials/archives" on investors.target.com.
[(d)] 2015 included the impact of a $620 million gain on sale of our former pharmacy and clinic businesses.

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