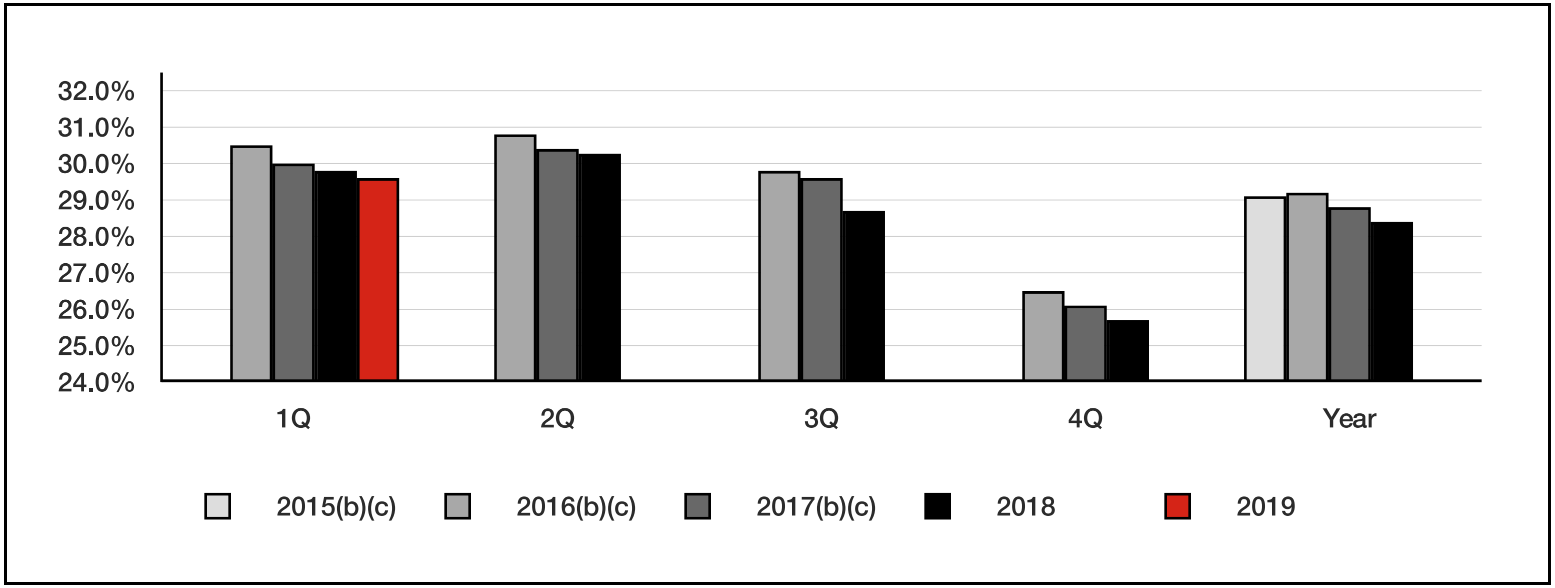
gross margin rate [a]

fiscal 2015 to present [d]



Fiscal Year	1Q	2Q	3Q	4Q	Year
2019	29.6%				
2018	29.8%	30.3%	28.7%	25.7%	28.4%
2017 [b] [c]	30.0%	30.4%	29.6%	26.1%	28.8%
2016 [b] [c]	30.5%	30.8%	29.8%	26.5%	29.2%
2015 [b] [c]					29.1%

[a] Gross margin rate is computed by dividing gross margin (Sales less Cost of Sales) dollars by Sales.
[b] Beginning in the second quarter 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.
[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/archived reports" on investors.target.com.

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

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