

December

The comments in this summary relate to the five weeks ended January 3, 2004 compared to the five-week period ended January 4, 2003.

Comparable store sales for the total corporation increased 4.1 percent in December. Comparable store sales by division were:

- an increase of 5.6 percent at Target Stores,
- a decline of 7.3 percent at Mervyn's,
- and a decrease of 0.3 percent at Marshall Field's.

These numbers are all included in the table of our sales release issued earlier this morning January 8, 2004. Additionally, Bob Ulrich, chairman and CEO of Target Corporation, is quoted in that news release as saying, "Sales for the total corporation were essentially in line with our expectations, driven by strong sales in the final two weeks of December," said Bob Ulrich, chairman and CEO of Target Corporation. "Sales at both Target Stores and Marshall Field's were on-plan for the month, while sales at Mervyn's were well-below plan."

At Target, the top performing merchandise categories during December included pharmacy, entertainment, consumables/perishables and domestics. The categories producing the weakest comparable store sales for the month were men's apparel, home décor and ladies apparel. Target's strongest markets during December were located in the Northeast/MidAtlantic. The markets with the weakest performance were in the Midwest.

At Mervyn's, the strongest merchandise categories during December were jewelry/accessories, women's apparel and shoes, while the poorest performing divisions were intimate apparel, home and children's apparel. Stores in New Mexico, Oregon and Washington outperformed stores elsewhere in the chain. Stores in Arizona, Colorado, Minnesota and Michigan generated the weakest sales performance.

At Marshall Field's, merchandise strength was evident in jewelry/accessories, shoes and men's apparel. The weakest categories were home and home decor, intimate apparel and women's apparel.

At month end, inventories at Target Stores were in excellent condition and inventories at the other two divisions were in very good condition.

Looking forward to January, our comparable store sales plan for Target Stores is an increase in the range of 5 to 7 percent, with sales for the overall corporation planned to be about 1 percentage point lower than Target Stores.