UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **January 14, 2015**

Target Corporation
(Exact name of registrant as specified in its charter)

Minnesota	**1-6049**	**41-0215170**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1000 Nicollet Mall, Minneapolis, Minnesota 55403
(Address of principal executive offices, including zip code)

(612) 304-6073
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Introductory Note

On January 14, 2015, the Board of Directors of Target Corporation ("Target") determined to exit Target's Canadian operations following a review of Target's Canadian performance and a review of potential alternative operating scenarios. In connection with the plan approved by the Board of Directors, on January 15, 2015, Target Canada Co. and certain other wholly owned subsidiaries of Target (the "Applicants") filed for protection (the "Filing") under the *Companies' Creditors Arrangement Act* (Canada) ("CCAA") with the Ontario Superior Court of Justice (Commercial List) in Toronto (the "Court"). The Applicants, along with certain limited partnerships to which the Applicants are seeking to extend protections in the CCAA process (collectively, "Target Canada"), comprise substantially all of Target's Canadian operations and Target's Canadian Segment. Target Canada intends to engage in a fair and orderly liquidation process, subject to the Court's approval, and expects that stores in Canada will remain open during the contemplated liquidation process.

The Applicants will be deconsolidated from Target's financial statements as of the Filing date. To effect the deconsolidation, Target will account for its investment in Target Canada using the cost method of accounting. Target's historical Canadian Segment will be treated as discontinued operations in the fourth quarter ending January 31, 2015. As a result, Target will now operate as a single U.S. segment.

Item 1.01. <u>Entry into a Material Definitive Agreement</u>.

In connection with the Filing, Target has committed to provide to certain of the Target Canada entities a debtor-in-possession credit facility to permit Target Canada to finance operations during the CCAA process (the "DIP Facility"). The terms of the DIP Facility are subject to approval by the Court and include the following:

- The maximum amount available under the DIP Facility will be US$175 million.
- Loans will bear interest at a rate of 5% per annum. Upon an event of default, the rate will increase to 7% per annum until the maturity date.
- No fees will be charged to Target Canada.
- Loans under the DIP Facility will be secured by all of Target Canada's property subject to certain exceptions.
- The maturity date will be the earliest of: (i) the date on which the stay of proceedings in the CCAA process finally expires without being extended; (ii) the date on which the CCAA proceedings are terminated; or (iii) January 15, 2016, or such later date as may be agreed. All outstanding obligations under the DIP Facility will be due and payable on the maturity date.

A copy of the term sheet comprising the DIP Facility will be filed as an Exhibit to Target's Annual Report on Form 10-K for the year ending January 31, 2015.

Item 2.01. <u>Completion of Acquisition or Disposition of Assets</u>.

As a result of the Filing described in the Introductory Note, Target has determined that the Applicants will be deconsolidated from Target's financial statements as of the date of the Filing.

In connection with the Filing, the Applicants have requested that the Court approve, among other things, the following:

- The DIP Facility;
- The appointment of Alvarez & Marsal Canada, as the Monitor in the CCAA process to oversee the wind-down process;
- The engagement of Lazard to advise Target Canada in connection with the disposition of its real estate portfolio;
- A trust for the benefit of eligible employees of Target Canada Co. to ensure payment of certain amounts; and
- The appointment of representative counsel to represent employees of Target Canada Co. in the CCAA proceedings.

Item 2.05. Costs Associated with Exit or Disposal Activities.

Target expects to accrue approximately $390 million pre-tax for exit losses in its discontinued operations in the fourth quarter ending January 31, 2015, all of which are expected to require cash expenditures. These exit losses include probable losses relating to certain claims that may be asserted against Target as a result of Target's guaranty of certain obligations of Target Canada Co. or other claims that may be made against Target, and Target's expected cash contribution of approximately C$70 million (approximately US$59 million) into a trust for the benefit of the employees of Target Canada Co. Given the early stage of the exit activities, Target's estimates of probable losses are based on currently available information and assessment of the validity of certain claims. These estimates may change as new information becomes available and it is reasonably possible that Target may incur a material loss in excess of the amount accrued.

Item 2.06. Material Impairment.

Target expects to impair its investment in Target Canada based on the estimated fair value of Target Canada's net assets. This impairment, along with the impairment of certain other related assets outside of Target Canada, is expected to result in a non-cash, pre-tax impairment charge of approximately $4.8 billion in Target's discontinued operations in the fourth quarter ending January 31, 2015.

Item 7.01. Regulation FD Disclosure.

Target expects to report pre-tax losses from discontinued operations of approximately $5.4 billion in the fourth quarter ending January 31, 2015, which consist of:

- Approximately $390 million of pre-tax exit losses described above in Item 2.05;
- An approximate $4.8 billion non-cash pre-tax impairment charge described above in Item 2.06; and
- Approximately $200 million of operating losses.

On January 15, 2015, Target issued a News Release announcing the events described above, which is furnished as Exhibit (99)A to this Form 8-K.

Statements in this release regarding the expected pre-tax losses and charges related to exiting Target's Canadian operations are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements speak only as of the date they are made and are subject to risks and uncertainties which could cause Target's actual results to differ materially. The most important risks and uncertainties include those relating to the consequences of discontinuing Canadian operations and the risks described in Item 1A of Target's Form 10-K for the fiscal year ended February 1, 2014, as updated in Target's Form 10-Q for the quarter ended November 1, 2014.

Item 9.01. Financial Statements and Exhibits.

(b) Pro forma financial information.

Unaudited Pro Forma Consolidated Financial Information is attached hereto as Exhibit (99)B and is incorporated by reference herein.

(d) Exhibits.

(99)A Target Corporation's News Release dated January 15, 2015.

(99)B Unaudited Pro Forma Consolidated Financial Information.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TARGET CORPORATION

Date: January 15, 2015

/s/ John J. Mulligan
John J. Mulligan
Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit	Description	Method of Filing
(99)A	Target Corporation’s News Release dated January 15, 2015.	Furnished Electronically
(99)B	Unaudited Pro Forma Consolidated Financial Information.	Filed Electronically

TARGET

FOR IMMEDIATE RELEASE

Media Contact: Dustee Jenkins (612) 696-3400
Investor Contact: John Hulbert (612) 761-6627

Target Corporation Announces Plans to Discontinue Canadian Operations

Target Canada takes steps to ensure a fair and orderly exit, seeks Court approval to begin liquidation process under the CCAA

Company provides update on fourth quarter performance in the U.S.

MINNEAPOLIS (January 15, 2015) — Today Target Corporation (NYSE:TGT) (the "Company") announces that it plans to discontinue operating stores in Canada through its indirect wholly-owned subsidiary, Target Canada Co. (“Target Canada”). As a part of that process, this morning Target Canada filed an application for protection under the Companies’ Creditors Arrangement Act (the “CCAA”) with the Ontario Superior Court of Justice (Commercial List) in Toronto (the “Court”).

“When I joined Target, I promised our team and shareholders that I would take a hard look at our business and operations in an effort to improve our performance and transform our company. After a thorough review of our Canadian performance and careful consideration of the implications of all options, we were unable to find a realistic scenario that would get Target Canada to profitability until at least 2021. Personally, this was a very difficult decision, but it was the right decision for our company. With the full support of Target Corporation's Board of Directors, we have determined that it is in the best interest of our business and our shareholders to exit the Canadian market and focus on driving growth and building further momentum in our U.S. business,” said Brian Cornell, Target Corporation Chairman and CEO.

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Target Canada currently has 133 stores across the country and employs approximately 17,600 people. To ensure fair treatment of Target Canada employees, Target Corporation is seeking the Court's approval to voluntarily make cash contributions of C$70 million (approximately US$59 million) into an Employee Trust. Upon approval by the Court, the proposed trust would provide that nearly all Target Canada-based employees receive a minimum of 16 weeks of compensation, including wages and benefits coverage for employees who are not required for the full wind-down period. Target Canada stores will remain open during the liquidation process.

As part of its application, Target Canada is seeking the appointment of Alvarez & Marsal Canada as Monitor in the CCAA proceedings to oversee the liquidation and wind-down process for Target Canada and its subsidiaries. Subject to Court approval, Target Corporation has committed to provide a US$175 million debtor-in-possession credit facility to finance Target Canada's operations during the CCAA proceedings. Target Canada is also seeking Court approval to engage Lazard to advise Target Canada in connection with the sale of its real estate assets.

"The Target Canada team has worked tirelessly to improve the fundamentals, fix operations and build a deeper relationship with our guests. We hoped that these efforts in Canada would lead to a successful holiday season, but we did not see the required step-change in our holiday performance," said Cornell. "There is no doubt that the next several weeks will be difficult, but we will make every effort to handle our exit in an appropriate and orderly way."

As a result of the CCAA filing, Target Corporation has determined that Target Canada and its subsidiaries will be deconsolidated from Target Corporation's financial statements as of the date of the filing. Target Corporation expects to report approximately $5.4 billion of pre-tax losses on discontinued operations in the fourth quarter of 2014, driven primarily by the write-down of the Corporation's investment in Target Canada, along with costs associated with exit or

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disposal activities and quarter-to-date Canadian Segment operating losses prior to today's filing. Target Corporation expects to report approximately $275 million of pre-tax losses on discontinued operations in fiscal 2015.

Target Corporation's cash costs to discontinue Canadian operations are expected to be $500 million to $600 million, most of which will occur in the Company's 2015 fiscal year or later. The Company has sufficient resources to fund these expected costs, including cash on hand and ongoing cash generation by its U.S. business.

Target Corporation expects this decision will increase its earnings in fiscal 2015 and beyond, and increase its cash flow in fiscal 2016 and beyond.

As a result of the decision announced today, Target Corporation will operate as a single segment that includes all U.S. operations. Beginning with the Company's fourth quarter 2014 financial results, Target will report adjusted earnings per share reflecting operating results from its U.S. operations, excluding discontinued Canadian operations, the impact of the reduction of the beneficial interest asset recognized in connection with the 2013 sale of the Company's U.S. consumer credit card portfolio, net expenses related to the 2013 data breach, and the resolution of certain tax matters.

Target Corporation plans to provide additional information on the financial implications of this announcement in a Form 8-K to be filed with the Securities and Exchange Commission later today.

Update on expected fourth quarter U.S. performance

Based on performance through November and December, Target Corporation now expects to report fourth quarter 2014 U.S. comparable sales of approximately 3 percent, better than prior guidance of approximately 2 percent, driven primarily by increased traffic and

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stronger-than-expected digital sales. The Company expects to report fourth quarter adjusted EPS, reflecting results from continuing operations, of $1.43 to $1.47, about 6 cents ahead of expectations for U.S. Segment performance at the beginning of the quarter.

The Company is not able to provide an estimate of its expected fourth quarter 2014 GAAP EPS. However, GAAP results are expected to include:

- Losses related to liquidation of Target Canada, as described above, net of taxes
- Net expenses related to the 2013 data breach, which are not expected to be material
- Impact of the reduction of the beneficial interest asset recognized in connection with the 2013 sale of the Company's credit card portfolio, which is expected to reduce GAAP EPS by approximately 2 cents

Cornell and John Mulligan, Target Corporation's Chief Financial Officer, will host a call with investors today, approximately two hours after the conclusion of the Court hearing of the CCAA application. Target Corporation will issue a press release following the Court hearing and post details for the call on target.com/investors under "Upcoming Events and Presentations."

Miscellaneous

Statements in this release regarding expected earnings and cash flow and other financial impacts of exiting the Company's Canadian operations, and fourth quarter 2014 sales and adjusted earnings guidance are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements speak only as of the date they are made and are subject to risks and uncertainties which could cause the Company's actual results to differ materially. The most important risks and uncertainties include those relating to the consequences of discontinuing Canadian operations and the risks described in Item 1A of the Company's Form 10-K for the fiscal year ended February 1, 2014, as updated in the Company's Form 10-Q for the quarter ended November 1, 2014.

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The adjusted earnings per share expectation for fourth quarter 2014 excludes the items identified above. The Company's measure of adjusted earnings per share is not in accordance with, or an alternative for, generally accepted accounting principles in the United States. The most comparable GAAP measure is diluted earnings per share. Management believes adjusted EPS is useful in providing period-to-period comparisons of the results of the Company's U.S. operations. Adjusted EPS should not be considered in isolation or as a substitute for an analysis of the Company's results as reported under GAAP. Other companies may calculate adjusted EPS differently than the Company does, limiting the usefulness of the measure for comparisons with other companies.

About Target

Minneapolis-based Target Corporation (NYSE: TGT) serves guests at 1,934 stores – 1,801 in the United States and 133 in Canada – and at Target.com. Since 1946, Target has given 5 percent of its profit to communities, that giving equals more than $4 million a week. For more information, visit Target.com/Pressroom. For a behind-the-scenes look at Target, visit ABullseyeView.com or follow @TargetNews on Twitter.

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Exhibit (99)B

Unaudited Pro Forma Consolidated Financial Information

The following unaudited pro forma consolidated financial statements are based on the consolidated financial statements of Target, and are adjusted to give effect to the the events described in the Form 8-K to which this exhibit is attached as if those events occurred at an earlier date. As specified in Article 11 of Regulation S-X, the unaudited pro forma Consolidated Statements of Operations for fiscal years 2013, 2012 and 2011 and the nine months ended November 1, 2014 are adjusted to reflect such transactions as if they occurred on January 30, 2011. The unaudited pro forma Consolidated Statement of Financial Position is adjusted to reflect such events as if they occurred on November 1, 2014, the last day of the most recently filed period.

The unaudited pro forma consolidated financial statements are provided for illustrative purposes only and, therefore, are not necessarily indicative of the operating results or financial position that might have been achieved had the events described in the Form 8-K to which this exhibit is attached occurred as of an earlier date, nor are they indicative of operating results and financial position that may occur in the future. The unaudited pro forma consolidated financial statements should be read in conjunction with the historical consolidated financial statements and notes thereto in the Annual Report on Form 10-K for the fiscal year ended February 1, 2014 and the Quarterly Report on Form 10-Q for the quarter ended November 1, 2014.

Consolidated Pro Forma Statement of Financial Position

November 1, 2014

(millions) (unaudited)		Historical Target Consolidated		Pro Forma Adjustments	[a]		Pro Forma Target
Assets							
Cash and cash equivalents	**$**	**780**	$	(62)		**$**	**718**
Inventory		**11,066**		(603)			**10,463**
Other current assets		**1,992**		1,301	[b]		**3,293**
Total current assets		**13,838**		636			**14,474**
Property and equipment, net		**30,886**		(4,846)			**26,040**
Other noncurrent assets		**1,737**		(489)	[c]		**1,248**
Total assets	**$**	**46,461**	$	(4,699)		**$**	**41,762**
Liabilities and shareholders' investment							
Accounts payable	**$**	**9,229**	$	(390)		**$**	**8,839**
Accrued and other current liabilities		**3,801**		(45)	[d]		**3,756**
Current portion of long-term debt and other borrowings		**495**		(12)			**483**
Total current liabilities		**13,525**		(447)			**13,078**
Long-term debt and other borrowings		**13,809**		(1,186)			**12,623**
Deferred income taxes		**1,279**		—			**1,279**
Other noncurrent liabilities		**1,475**		295	[e]		**1,770**
Total noncurrent liabilities		**16,563**		(891)			**15,672**
Shareholders' investment							
Total shareholders' investment		**16,373**		(3,361)	[f]		**13,012**
Total liabilities and shareholders' investment	**$**	**46,461**	$	(4,699)		**$**	**41,762**

[a] Adjustments to deconsolidate Target Canada at November 1, 2014.

[b] Includes estimated tax impact as a result of the deconsolidation.

[c] Includes the fair value of our loans receivable from Target Canada. Prior to deconsolidation, these loans were considered intercompany notes payable by Target Canada and were eliminated in consolidation. Subsequent to the deconsolidation, these amounts are recorded as balances with Target Canada (related party notes receivable) at an estimated fair value based on the retained interest determined by the recoverability of the carrying amount and whether the related party notes receivable are considered secured or unsecured. We have estimated a recovery rate based upon the estimated fair value of the net assets of Target Canada available for distribution in relation to the secured and unsecured claims in the CCAA filing.

[d] Includes a liability for Target's expected cash contribution into a trust for the benefit of the employees of Target Canada.

[e] Includes contingent liabilities retained by Target Corporation after the deconsolidation.

[f] The adjustment to retained earnings includes the impairment loss on our investment in Target Canada and the estimated tax impact as a result of the deconsolidation. The unaudited pro forma consolidated statements of operations do not include the estimated impairment loss on our investment or the estimated tax impact because of their non-recurring nature.

Consolidated Pro Forma Statements of Operations

Nine Months Ended November 1, 2014

(millions, except per share data) (unaudited)		Historical Target Consolidated		Pro Forma Adjustments	(a)		Pro Forma Target
Sales	**$**	**52,188**	$	(1,321)		**$**	**50,867**
Cost of sales		**36,787**		(1,072)			**35,715**
Selling, general and administrative expenses		**11,303**		(685)	(b)		**10,618**
Depreciation and amortization		**1,791**		(207)			**1,584**
Earnings before interest expense and income taxes		**2,307**		643			**2,950**
Net interest expense		**788**		(57)			**731**
Earnings before income taxes		**1,519**		700			**2,219**
Provision for income taxes		**515**		202			**717**
Net earnings from continuing operations	**$**	**1,004**	$	498		**$**	**1,502**
Basic earnings per share from continuing operations	**$**	**1.58**	$	0.78		**$**	**2.36**
Diluted earnings per share from continuing operations	**$**	**1.57**	$	0.77		**$**	**2.35**
Weighted average common shares outstanding							
Basic		**633.6**		—			**633.6**
Dilutive impact of share-based awards		**5.1**		—			**5.1**
Diluted		**638.7**		—			**638.7**
Antidilutive shares		**4.2**		—			**4.2**

Year Ended February 1, 2014

(millions, except per share data) (unaudited)		Historical Target Consolidated		Pro Forma Adjustments	(a)		Pro Forma Target
Sales	**$**	**72,596**	$	(1,317)		**$**	**71,279**
Cost of sales		**51,160**		(1,121)			**50,039**
Selling, general and administrative expenses		**15,375**		(910)			**14,465**
Depreciation and amortization		**2,223**		(227)			**1,996**
Gain on receivables transaction		**(391)**		—			**(391)**
Earnings before interest expense and income taxes		**4,229**		941			**5,170**
Net interest expense		**1,126**		(77)			**1,049**
Earnings before income taxes		**3,103**		1,018			**4,121**
Provision for income taxes		**1,132**		295			**1,427**
Net earnings from continuing operations	**$**	**1,971**	$	723		**$**	**2,694**
Basic earnings per share from continuing operations	**$**	**3.10**	$	1.14		**$**	**4.24**
Diluted earnings per share from continuing operations	**$**	**3.07**	$	1.13		**$**	**4.20**
Weighted average common shares outstanding							
Basic		**635.1**		—			**635.1**
Dilutive impact of share-based awards		**6.7**		—			**6.7**
Diluted		**641.8**		—			**641.8**
Antidilutive shares		**2.3**		—			**2.3**

Year Ended February 2, 2013

(millions, except per share data) (unaudited)	Historical Target Consolidated	Pro Forma Adjustments (a)	Pro Forma Target
Sales	$ 71,960	$ —	$ 71,960
Credit card revenues	1,341	—	1,341
Total revenues	73,301	—	73,301
Cost of sales	50,568	—	50,568
Selling, general and administrative expenses	14,914	(272)	14,642
Credit card expenses	467	—	467
Depreciation and amortization	2,142	(97)	2,045
Gain on receivables transaction	(161)	—	(161)
Earnings before interest expense and income taxes	5,371	369	5,740
Net interest expense	762	(78)	684
Earnings before income taxes	4,609	447	5,056
Provision for income taxes	1,610	132	1,742
Net earnings from continuing operations	$ 2,999	$ 315	$ 3,314
Basic earnings per share from continuing operations	$ 4.57	$ 0.48	$ 5.05
Diluted earnings per share from continuing operations	$ 4.52	$ 0.48	$ 5.00
Weighted average common shares outstanding			
Basic	656.7	—	656.7
Dilutive impact of share-based awards	6.6	—	6.6
Diluted	663.3	—	663.3
Antidilutive shares	5.0	—	5.0

Year Ended January 28, 2012

(millions, except per share data) (unaudited)	Historical Target Consolidated	Pro Forma Adjustments [(a)]	Pro Forma Target
Sales	**$ 68,466**	$ —	**$ 68,466**
Credit card revenues	**1,399**	—	**1,399**
Total revenues	**69,865**	—	**69,865**
Cost of sales	**47,860**	—	**47,860**
Selling, general and administrative expenses	**14,106**	(74)	**14,032**
Credit card expenses	**446**	—	**446**
Depreciation and amortization	**2,131**	(48)	**2,083**
Earnings before interest expense and income taxes	**5,322**	122	**5,444**
Net interest expense	**866**	(44)	**822**
Earnings before income taxes	**4,456**	166	**4,622**
Provision for income taxes	**1,527**	47	**1,574**
Net earnings from continuing operations	**$ 2,929**	$ 119	**$ 3,048**
Basic earnings per share from continuing operations	**$ 4.31**	$ 0.18	**$ 4.49**
Diluted earnings per share from continuing operations	**$ 4.28**	$ 0.17	**$ 4.46**
Weighted average common shares outstanding			
Basic	**679.1**	—	**679.1**
Dilutive impact of share-based awards	**4.8**	—	**4.8**
Diluted	**683.9**	—	**683.9**
Antidilutive shares	**15.5**	—	**15.5**

Note: Amounts may not foot due to rounding.

[(a)] Reflects the deconsolidation of Target Canada's statement of operations for the nine months ended November 1, 2014 and for the years ended February 1, 2014, February 2, 2013 and January 28, 2012.

[(b)] Includes the third quarter 2014 impairment of a Canadian operating store of $16 million recorded outside of the Canadian Segment which will not have a continuing effect on Target.