

June

The comments in this summary relate to the five weeks ended July 3, 2004 compared to the five-week period ended July 5, 2003. All references to discontinued operations in this summary relate to the 62 Marshall Field's stores and 9 Twin Cities Mervyn's stores that are being sold to The May Department Stores Company.

Comparable store sales for Target Corporation, including sales from both continuing and discontinued operations, increased 2.3 percent in June. Comparable store sales from continuing operations only rose 2.0 percent including:

- An increase of 2.2 percent at Target Stores, and
- An increase of 0.2 percent at Mervyn's

These numbers are included in the table of our sales release issued earlier this morning, July 8, 2004. Additionally, Bob Ulrich, chairman and CEO of Target Corporation, is quoted in that news release as saying, "Sales for Target Corporation were well below plan for the month of June. Despite our lower-than-expected sales for the month, we remain comfortable that we are likely to achieve second quarter EPS in the range of 46 to 47 cents." Consistent with our previous guidance, this outlook reflects earnings from both continuing and discontinued operations, and excludes any transaction-related accounting that might occur during the quarter.

At Target, the top performing merchandise categories during June included pharmacy, perishables/consumables, entertainment and household/personal and baby. Electronics, shoes, sporting goods and children's apparel delivered the softest comparable store sales for the month. Target's strongest markets during June included Nevada, Rhode Island, West Virginia, South Dakota, Washington and Florida. Mississippi, Michigan and Nebraska were among our weakest-performing markets for the month. Markdowns in the month were favorable to plan and prior year.

At Mervyn's, stores in Oregon, Idaho and New Mexico outperformed stores elsewhere in the chain. Stores in Michigan, Arizona and Colorado generated the weakest sales performance. Jewelry/accessories, career/specialty sizes and shoes were the strongest merchandise categories, while intimate apparel, men's apparel and children's apparel were the softest. Markdowns in June were unfavorable to plan and prior year.

At month-end, our inventory position at both Target Stores and Mervyn's was in very good condition.

Looking forward to July, our comparable store sales plan for Target Stores is an increase in the range of 1 to 2 percent.