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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended July 29, 1995

Commission file number 1-6049

Dayton Hudson Corporation

(Exact name of registrant as specified in its charter)

Minnesota	41-0215170
(State of incorporation or organization)	(I.R.S. Employer Identification No.)
777 Nicollet Mall Minneapolis, Minnesota	55402-2055
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (612) 370-6948

None

(Former name, former address and former fiscal year, if changed since last report.)

The registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.

The number of shares outstanding of common stock as of July 29, 1995 was 71,848,902.

DAYTON HUDSON CORPORATION AND SUBSIDIARIES

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

CONDENSED CONSOLIDATED RESULTS OF OPERATIONS

Dayton Hudson Corporation and Subsidiaries

(Millions of Dollars, Except Per Share Data)	Three Months Ended		Six Months Ended		Twelve Months Ended	
(Unaudited)	JULY 29, 1995	July 30, 1994	JULY 29, 1995	July 30, 1994	JULY 29, 1995	July 30, 1994
REVENUES	$5,236	$4,802	$9,993	$9,267	$22,037	$ 20,173
COSTS AND EXPENSES						
Cost of retail sales, buying and occupancy	3,896	3,519	7,400	6,772	16,264	14,783
Selling, publicity and administrative	941	874	1,834	1,694	3,771	3,423
Depreciation	143	131	283	260	554	508
Interest expense, net	108	105	215	211	430	432
Taxes other than income taxes	101	92	196	185	384	361
Total Costs and Expenses	5,189	4,721	9,928	9,122	21,403	19,507
Earnings Before Income Taxes	47	81	65	145	634	666
Provision for Income Taxes	19	32	26	57	249	257
NET EARNINGS	$ 28	$ 49	$ 39	$ 88	$ 385	$ 409
PRIMARY EARNINGS PER SHARE	$ 0.32	$ 0.62	$ 0.41	$ 1.10	$ 5.07	$ 5.45
FULLY DILUTED EARNINGS PER SHARE	$ 0.32	$ 0.61	$ 0.41	$ 1.07	$ 4.87	$ 5.21
DIVIDENDS DECLARED PER COMMON SHARE	$ 0.44	$ 0.42	$ 0.88	$ 0.84	$ 1.72	$ 1.66
AVERAGE COMMON SHARES OUTSTANDING (MILLIONS):						
Primary	72.3	72.0	72.2	72.0	72.1	71.9
Fully Diluted	72.4	76.3	72.3	76.3	76.3	76.2

See accompanying Notes to Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Dayton Hudson Corporation and Subsidiaries

(Millions of Dollars)	JULY 29, 1995	January 28, 1995*	July 30, 1994
ASSETS	(UNAUDITED)		(Unaudited)
CURRENT ASSETS			
Cash and cash equivalents	$ 175	$ 147	$ 169
Accounts receivable	1,596	1,810	1,418
Merchandise inventories	3,111	2,777	2,860
Other	172	225	129
Total Current Assets	5,054	4,959	4,576
PROPERTY AND EQUIPMENT	9,670	9,009	8,679
Accumulated depreciation	(2,817)	(2,624)	(2,508)
Net Property and Equipment	6,853	6,385	6,171
OTHER	346	353	342
TOTAL ASSETS	$12,253	$11,697	$11,089
LIABILITIES AND COMMON SHAREHOLDERS' INVESTMENT			
CURRENT LIABILITIES			
Notes payable and current portion of long-term debt	$ 284	$ 209	$ 178
Accounts payable	2,165	1,961	1,842
Other	1,019	1,220	994
Total Current Liabilities	3,468	3,390	3,014
LONG-TERM DEBT	4,969	4,488	4,599
DEFERRED INCOME TAXES AND OTHER	581	582	545
CONVERTIBLE PREFERRED STOCK	355	360	365
LOAN TO ESOP	(136)	(166)	(192)
COMMON SHAREHOLDERS' INVESTMENT	3,016	3,043	2,758
TOTAL LIABILITIES AND COMMON SHAREHOLDERS' INVESTMENT	$12,253	$11,697	$11,089
COMMON SHARES OUTSTANDING (MILLIONS)	71.8	71.7	71.6

* The January 28, 1995 Consolidated Statement of Financial Position is condensed from the audited financial statements.

See accompanying Notes to Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Dayton Hudson Corporation and Subsidiaries

(Millions of Dollars) (Unaudited)	Six Months Ended JULY 29, 1995	Six Months Ended July 30, 1994
OPERATING ACTIVITIES		
Net earnings	$ 39	$ 88
Reconciliation to cash flow:		
Depreciation	283	260
Deferred tax provision	(17)	(38)
Other noncash items affecting earnings	42	49
Changes in operating accounts providing/(requiring)cash:		
Accounts receivable	214	118
Merchandise inventories	(334)	(363)
Accounts payable	204	188
Other	(133)	6
Cash Flow Provided by Operations	298	308
INVESTING ACTIVITIES		
Expenditures for property, net	(760)	(496)
Cash Flow Required for Investing Activities	(760)	(496)
Net Financing Requirements	(462)	(188)
FINANCING ACTIVITIES		
Increase in notes payable	157	-
Additions to long-term debt	543	272
Reduction of long-term debt	(144)	(144)
Dividends paid	(73)	(72)
Other	7	(20)
Cash Flow Provided by Financing Activities	490	36
Net Increase/(Decrease) in Cash and Cash Equivalents	28	(152)
Cash and Cash Equivalents at Beginning of Period	147	321
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 175	$ 169

Amounts in this statement are presented on a cash basis and therefore may differ from those shown elsewhere in this 10-Q report. Cash paid for interest (including interest capitalized) in the first six months of 1995 and 1994 was $216 million and $213 million, respectively. Cash paid for income tax payments was $158 million and $175 million during the first six months of 1995 and 1994, respectively.

See accompanying Notes to Condensed Consolidated Financial Statements.

ACCOUNTING POLICIES

The accompanying condensed consolidated financial statements should be read in conjunction with the financial statement disclosures contained in the Corporation's 1994 Annual Shareholders' Report throughout pages 21-32. As explained on page 31 of the Annual Report, the same accounting policies are followed in preparing quarterly financial data as are followed in preparing annual data. In the opinion of management, all adjustments necessary for a fair presentation of quarterly operating results are reflected herein and are of a normal, recurring nature.

Due to the seasonal nature of the retail industry, earnings for periods which exclude the Christmas season are not indicative of the operating results that may be expected for the full fiscal year.

PER SHARE DATA

Primary earnings per share equal net earnings, less dividend requirements on ESOP preferred stock, divided by the average number of common shares and common share equivalents outstanding during the period.

Fully diluted earnings per share assumes conversion of the ESOP preferred stock into common stock, unless the conversion is not dilutive. Net earnings are adjusted for the additional expense required to fund the ESOP debt service which results from the assumed replacement of the ESOP preferred dividends with common stock dividends, unless the assumed conversion is not dilutive. For the three- and six-months ended July 29, 1995, fully diluted average common shares outstanding and fully diluted net earnings exclude the assumed conversion of ESOP preferred stock as it was not dilutive.

Earnings per share are calculated independently for each of the periods presented and therefore the sum of the quarters may not equal the year-to-date or twelve-month amounts.

References to earnings per share relate to fully diluted earnings per share.

SUBSEQUENT EVENT

Subsequent to the end of the second quarter, the Corporation entered into an accounts receivable securitization transaction. In this transaction, Dayton Hudson Receivables Corporation, a subsidiary, will sell to the public $400 million of fixed-rate certificates backed by the Corporation's credit card receivables. This issue of asset backed certificates will have a maturity of three years and a certificate rate of 6.10 percent. Proceeds from the sale of the certificates will be used to repay outstanding debt, to fund internal credit expansion and for general corporate purposes.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF OPERATIONS AND FINANCIAL CONDITION
SECOND QUARTER 1995

ANALYSIS OF OPERATIONS

Second quarter net earnings were $28 million, compared with $49 million for second quarter last year. For the first half of 1995, net earnings decreased 56% to $39 million from $88 million for the same period a year ago. Earnings per share for the second quarter were $.32, compared with $.61 per share last year. For the six-month period ended July 29, 1995, earnings per share were $.41 compared with $1.07 for the same period last year.

The following table illustrates the impact of the major factors contributing to the changes in earnings per share:

	Three Months	Six Months
1994 Earnings Per Share	$ .61	$ 1.07
Changes in earnings per share:		
Revenues	.25	.55
Gross margin rate	(.47)	(.84)
Operating expense rate	(.06)	(.38)
Start-up expense	.05	.04
Interest expense, net	(.02)	(.03)
Corporate expense and other	(.04)	-
1995 Earnings Per Share	$ .32	$ .41

Our second quarter and six-month earnings shortfalls were primarily due to weak sales and earnings performance at Mervyn's. In addition, the Department Store Division's (DSD) earnings declined. Target continued to report solid results.

The revenue increases reflect the continued strong sales volume growth at Target, as well as increased finance charge and late fee revenues at all three operating divisions. The overall gross margin rate was unfavorable to last year, reflecting increased promotional markdowns at both Mervyn's and DSD. The overall operating expense rate for the second quarter increased slightly compared with last year as a result of lower sales leveraging at Mervyn's and higher buying and occupancy costs at all three operating divisions combined with higher store payroll costs at Target partially offset by the positive effect of the business mix. The operating expense rate for the six-month period was higher due to lack of sales leverage at Mervyn's and increased buying and occupancy costs at all three operating divisions.

Due to strong growth at Target, our lowest margin and expense rate division, the Corporation's overall revenue growth and operating expense rate were favorably affected, while the gross margin rate was unfavorably affected.

Revenues

For the three- and six-month periods ended July 29, 1995, total revenues increased 9% and 8%, respectively. Comparable-store revenues (revenues from stores open longer than a year) increased 3% and 2%, respectively.

Revenues by business segment were as follows :

(Millions of dollars)	Three Months Ended		Percentage Change	
	JULY 29, 1995	July 30, 1994	All Stores	Comparable Stores
Target	$3,514	$3,084	14%	6%
Mervyn's	1,030	1,051	(2)	(4)
Department Store Division	692	667	4	4
TOTAL	$5,236	$4,802	9%	3%

	Six Months Ended		Percentage Change	
	JULY 29, 1995	July 30, 1994	All Stores	Comparable Stores
Target	$6,671	$5,903	13%	5%
Mervyn's	1,944	2,011	(3)	(5)
Department Store Division	1,378	1,353	2	2
TOTAL	$9,993	$9,267	8%	2%

Target's strong revenue growth reflects new store growth combined with a 6% improvement in base business revenues. While Mervyn's total and comparable-store revenues declined in the second quarter and six-month period, we are optimistic that the repositioning efforts will result in steadily improving performance beginning with the third quarter. DSD's total and comparable-store revenues showed a modest improvement due to an increase in promotional efforts.

Operating Profit

Overall operating profit declined 15% and 21% for the quarter and six-month period, respectively, primarily the result of weak sales and earnings at Mervyn's and lower earnings at DSD. (Operating profit is LIFO earnings from operations before corporate expense, interest and income taxes.)

TARGET reported a moderate improvement in operating profit for the three- and six-month periods compared with the same periods last year. The second quarter earnings growth was driven by strong revenue increases and lower charges for store closings and relocations. Excluding the effect of these charges, Target's operating profit was even with last year's exceptionally strong second quarter. The gross margin rate declined slightly in the second quarter due to slightly lower markup. Target's gross margin rate for the first half of 1995 was approximately equal to last year. Target's operating expense rate increased for the second quarter and six-month period principally due to higher store expenses associated with wage rate increases as well as enhanced guest services, partially offset in the second quarter by lower store closing and relocation expenses.

MERVYN'S operating profit was essentially zero for the second quarter and six-month period. The gross margin rate deteriorated in both periods, reflecting a significant increase in promotional markdowns. The operating expense rates increased reflecting lower sales leveraging. In addition, for the six-month period the operating expense rate reflects increased marketing expenses. Looking forward, the promotional markdown rate for the fall season is expected to stabilize at second quarter 1995's level, but increase compared to the prior year, with the continuing implementation of Mervyn's promotional strategy. This increase is expected to be offset by higher markup and lower clearance markdowns. Mervyn's long-term objective is to balance its profit formula by restoring the gross margin rate to recent historical levels and by improving the operating expense rate leveraging through improved sales performance.

The key components of Mervyn's new strategy, which will be fully implemented during the third quarter, include an increased emphasis on national brands, a higher percentage of merchandise on sale each week, greater use of advertising circulars, a broader assortment of merchandise, and the introduction of a California theme to merchandise and advertising. Through this strategy, Mervyn's repositioning efforts are expected to result in improving performance beginning in the third quarter.

DSD'S second quarter and six-month operating profit declined compared to the same periods last year. The gross margin rates deteriorated due to increased promotional markdowns, partially offset by increased markup. The operating expense rates rose principally due to increases in marketing expenses, depreciation on newly remodeled stores and buying and occupancy costs partially offset by store efficiencies.

In the second half of 1995, the impact of the accounts receivable securitization transaction will be reflected proportionately (based on respective receivable balances) in each division's operating profit results as a reduction of finance charge revenue as well as a reduction of bad debt expense. The net decrease in total operating profit in the second half of 1995 of approximately $9 million is expected to be offset by savings realized through reduced interest expense due to the replacement of debt with the proceeds from the accounts receivable securitization transaction.

Other Performance Factors

The last-in first-out (LIFO) provision was zero for the three- and six-month periods ended July 29, 1995 and July 30, 1994. Management does not currently expect a material LIFO charge or credit for the total year. The cumulative LIFO provision was $61 million at July 29, 1995 and January 28, 1995, and $80 million at July 30, 1994.

Net interest expense increased $3 million ($.02 per share) in the second quarter and $4 million ($.03 per share) in the first half of 1995 compared with the same periods last year as higher average debt balances were substantially offset by lower average portfolio interest rates. Looking forward, this trend is expected to continue through the second half of 1995. In addition, interest expense savings will be realized through the securitization of accounts receivable.

The estimated annual effective income tax rate is 39.5% for 1995. This compares with an estimated rate of 39.0% in 1994.

ANALYSIS OF FINANCIAL CONDITION

Our financial condition remains strong. Our ratio of debt (including the present value of operating leases) to total capitalization was 60% at the end of second quarter 1995, compared with 59% a year ago and 57% at year end. The higher rate at the end of second quarter reflects the additional capital invested in new stores and store remodels, as well as credit expansion.

At July 29, 1995, working capital was $1,586 million, or 2% higher than a year ago. Accounts receivable increased 13% compared to a year ago reflecting the planned growth of internal credit balances associated with changes in payment terms at DSD and Mervyn's, and the expansion of Target's proprietary credit card. Compared to year-end, accounts receivable decreased 12%, the typical reduction from a seasonal high balance. As a result of the securitization transaction, accounts receivable will be reduced by $400 million.

Merchandise inventories and accounts payable increased 9% and 18%, respectively, compared to second quarter 1994, primarily as a result of new store growth and enhanced accounts payable leveraging. Also, due to new store growth, merchandise inventories and accounts payable increased 12% and 10%, respectively, compared to year-end.

Capital expenditures for the first half of 1995 were $762 million, compared with $496 million for the same period a year ago. Approximately 64% of these expenditures were made by Target, 25% by Mervyn's, 10% by DSD and 1% by Corporate. Mervyn's capital expenditures primarily represent the acquisition and remodel of several real estate sites in the Minneapolis-St. Paul market.

STORE DATA

At July 29, 1995, Target operated 645 stores in 32 states, Mervyn's operated 294 stores in 16 states and DSD operated 63 stores in nine states, for a total of 1,002 stores in 33 states. During the quarter, the Corporation opened 22 Target stores and seven Mervyn's stores.

Retail square footage was as follows:

(In thousands)	JULY 29, 1995	January 28, 1995	July 30, 1994
Target	68,198	64,446	61,331
Mervyn's	24,148	23,130	22,828
DSD	13,824	13,824	13,824
Total	106,170	101,400	97,983

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits

(2). Not applicable

(4). Instruments defining the rights of security holders, including indentures. Registrant agrees to furnish the Commission on request copies of instruments with respect to long-term debt.

(10). Not applicable

(11). Statements re Computations of Per Share Earnings

(12). Statements re Computations of Ratios

(15). Not applicable

(18). Not applicable

(19). Not applicable

(22). Not applicable

(23). Not applicable

(24). Not applicable

(27). Financial Data Schedule

(99). Not applicable

b) Reports on Form 8-K. Registrant did not file any reports on Form 8-K during the quarter ended July 29, 1995.

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 thereunto duly authorized.

DAYTON HUDSON CORPORATION
Registrant

Date: September 8, 1995

By /s/ Douglas A. Scovanner

Douglas A. Scovanner
Senior Vice President and
Chief Financial Officer

Date: September 8, 1995

By /s/ J.A. Bogdan

JoAnn Bogdan
Controller and
Chief Accounting Officer

Exhibit Index
----

(11). Statements re Computations of Per Share Earnings

(12). Statements re Computations of Ratios

(27). Financial Data Schedule

EXHIBIT (11)

DAYTON HUDSON CORPORATION AND SUBSIDIARIES
COMPUTATIONS OF PER SHARE EARNINGS
(MILLIONS OF DOLLARS, EXCEPT PER SHARE DATA)

	Three Months Ended				Six Months Ended				Twelve Months Ended			
	July 29, 1995		July 30, 1994		July 29, 1995		July 30, 1994		July 29, 1995		July 30, 1994	
	Earnings	Shares	Earnings	Shares	Earnings	Shares	Earnings	Shares	Earnings	Shares	Earnings	Shares
Primary Computations												
Net earnings	$ 28		$ 49		$ 39		$ 88		$ 385		$ 409	
Less: Dividend requirements on ESOP preferred shares, net of tax benefit on unallocated shares	(5)		(4)		(10)		(9)		(19)		(17)	
Adjusted net earnings	$ 23		$ 45		$ 29		$ 79		$ 366		$ 392	
Average common shares outstanding		71.8		71.6		71.8		71.6		71.7		71.5
Average number of common share equivalents:												
Stock options		0.2		0.2		0.1		0.2		0.2		0.2
Performance shares		0.3		0.2		0.3		0.2		0.2		0.2
Adjusted common equivalent shares outstanding--primary		72.3		72.0		72.2		72.0		72.1		71.9
PRIMARY EARNINGS PER SHARE	$0.32		$ 0.62		$ .41		$1.10		$5.07		$5.45	
Fully Diluted Computations												
Net earnings	$ 28		$ 49		$ 39		$ 88		$ 385		$ 409	
Less: Dividend requirements on ESOP preferred shares, net of tax benefit on unallocated shares	(5)/a/		-		(10/a/		-		-		-	
Less: Earnings impact of assumed ESOP preferred share conversion, net of tax benefit on unallocated shares	-/a/		(3)		-/a/		(6)		(13)		(12)	
Adjusted net earnings	$ 23		$ 46		$ 29		$ 82		$ 372		$ 397	
Average common and common equivalent shares-primary		72.3		72.0		72.2		72.0		72.1		71.9
Additional common stock equivalents attributable to application of the treasury stock method		0.1		0.1		0.1		0.1		-		-
Assumed conversion of ESOP preferred shares		-/a/		4.2		-/a/		4.2		4.2		4.3
Adjusted common equivalent shares outstanding--fully diluted		72.4		76.3		72.3		76.3		76.3		76.2
FULLY DILUTED EARNINGS PER SHARE	$0.32		$ 0.61		$0.41		$1.07		$4.87		$5.21	
AVERAGE ALLOCATED ESOP PREFERRED SHARES OUTSTANDING (IN MILLIONS)		2.5		2.1		2.4		2.0		2.1		1.6

/a/ ESOP preferred shares are not dilutive. See Notes to Condensed Consolidated Financial Statements.

EXHIBIT (12)

DAYTON HUDSON CORPORATION AND SUBSIDIARIES
COMPUTATIONS OF RATIOS OF EARNINGS TO FIXED CHARGES
FOR THE SIX MONTHS ENDED JULY 29, 1995 AND JULY 30, 1994
AND FOR THE FIVE YEARS ENDED JANUARY 28, 1995
(MILLIONS OF DOLLARS)

	Six Months Ended		Fiscal Year Ended				
	July 29, 1995	July 30, 1994	Jan 28, 1995	Jan 29, 1994	Jan 30, 1993	Feb 1, 1992	Feb 2, 1991
Earnings:							
Consolidated net earnings	$ 39	$ 88	$ 434	$ 375	$ 383	$ 301	$ 412
Income taxes	26	57	280	232	228	171	249
Total earnings	65	145	714	607	611	472	661
Fixed charges:							
Interest expense	226	217	439	459	454	421	333
Dividends on preferred stock (pre-tax basis)	19	19	39	39	39	39	39
Interest portion of rental expense	32	25	56	45	43	39	46
Total fixed charges	277	261	534	543	536	499	418
Less:							
Dividends on preferred stock (pre-tax basis)	(19)	(19)	(39)	(39)	(39)	(39)	(39)
Capitalized interest	(8)	(3)	(7)	(5)	(6)	(11)	(8)
Fixed charges in earnings	250	239	488	499	491	449	371
Earnings available for fixed charges	$ 315	$ 384	$1,202	$1,106	$1,102	$ 921	$1,032
Ratio of earnings to fixed charges	1.14	1.47	2.25	2.04	2.06	1.85	2.47

5
This schedule contains summary financial information extracted from
Dayton Hudson Corporation's Form 10-Q for the second quarter ended July 29, 1995
and is qualified in its entirety by reference to such financial statements.

1,000,000

6-MOS
FEB-03-1996
JAN-29-1995
JUL-29-1995
175
0
1651
55
3111
5054
9670
2817
12253
3468
4969
355
0
72
2944
12253
9802
9993
7400
7400
2270
43
215
65
26
39
0
0
0
39
0.41
0.41