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**Target Shares Roadmap to Transform Business**

**MINNEAPOLIS (March 3, 2015)** — At a meeting today for the investor community, Target Corporation (NYSE: TGT) Chairman and CEO Brian Cornell and members of his leadership team presented the vision and strategies that will transform the retailer’s business.

“Following a thorough, strategic review of our business, coupled with a careful evaluation of the changing retail landscape, we have identified the key initiatives that will put Target on a clear path to growth,” said Cornell. “We’re focused on our future and building the capabilities that will take us further, faster. Redefining Target will require a renewed emphasis on prioritization and innovation, and above all else, putting our guests first in everything we do.”

The retailer’s differentiation in the marketplace will be driven by stronger merchandising authority and a shopping experience that is centered on ease and inspiration, with mobile serving as the front door to all of Target. The retailer also will reassert its cultural leadership to build unparalleled guest affinity. In addition, Target will create a headquarters team that is more agile, efficient and guest-focused.

Target’s transformation roadmap includes the following areas of focus:

- The retailer is taking a channel-agnostic approach to growing its business, driving a total Target experience across stores, online and mobile. Guests who shop Target in stores and online generate three times the sales compared to guests who shop in stores only. Continued enhancements in technology, supply chain and inventory management will create a shopping experience that is rooted in ease and inspiration. This will help spur Target’s continued annual growth in digital channel sales of 40 percent, as well as contribute to a total projected sales growth of 2 to 3 percent and comparable sales growth of 1.5 to 2.5 percent in 2015.
- Style, Baby, Kids and Wellness are being prioritized and will be the merchandise categories Target is famous for – the company will invest in these areas with a focus on newness and

differentiation. In 2014, these four categories accounted for more than a quarter of Target's sales. Other categories, including Grocery, are being repositioned to deliver a more compelling and appealing shopping experience.

- Target will create a more guest-centric experience by tailoring its assortment and offering more locally relevant products, with demographics, climate, location and other guest-led factors driving merchandising decisions. Additionally, Target will strengthen its data and analytics and technology capabilities to deliver more personalized digital experiences, loyalty programs and promotional offers.
- Target's store opening plans will increasingly focus on new, more flexible formats like TargetExpress and CityTarget, which cater to guests in rapidly-growing, dense urban areas. Throughout 2015, the retailer will open eight TargetExpress locations across the country. In addition, the company will continue to open the right stores to fit each community and test new layouts in its general merchandise stores.

Cost savings of \$2 billion over the next two years will fuel Target's growth and drive profitability. These savings will be realized through operations, technology and process improvements; supply chain and sourcing efficiencies; and corporate restructuring. The restructuring will be concentrated at Target's headquarters locations and focus on driving leaner, more efficient capabilities, removing complexity and allowing the organization to move with greater speed and agility. This includes the establishment of centralized teams based on specialized expertise and the elimination of several thousand positions over the next two years. This year, Target expects to invest between \$2 and \$2.2 billion in capital expenditures, including a \$1 billion investment in technology and supply chain.

"While we're in the early days and there's no doubt that transformation can be challenging, we're taking the steps necessary to unleash the potential of this incredible brand," said Cornell. "I'm encouraged by our early momentum, and am confident that by implementing our strategy, simplifying how we work, and practicing financial discipline, we will ignite Target's innovative spirit and deliver sustained growth."

Statements in this release regarding growth rates in digital, comparable and total sales, future cost savings related to management's transformation plan, and fiscal 2015 capital expenditures 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 are

described in Item 1A of the Company's Form 10-K for the fiscal year ended Feb. 1, 2014 and Item 1A of the Company's Form 10-Q for the quarter ended Nov. 1, 2014.

### **About Target**

Minneapolis-based Target Corporation (NYSE: TGT) serves guests at 1,795 stores 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](http://Target.com/Pressroom). For a behind-the-scenes look at Target, visit [ABullseyeView.com](http://ABullseyeView.com) or follow [@TargetNews](https://twitter.com/TargetNews) on Twitter.

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