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

FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]
For the fiscal year ended January 29, 1994

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]
For the Transition period from __________ to __________

Commission File Number 1-6049

DAYTON HUDSON CORPORATION
(Exact name of registrant as specified in its charter)

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

Registrant's telephone number, including area code: 612/370-6948

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, par value $1 per share	New York Stock Exchange Pacific Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark whether 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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [_]

Aggregate market value of the voting stock held by non-affiliates of the Registrant on March 31, 1994 was $5,604,931,234, based on the closing price of $73.00 per share of Common Stock as reported on the New York Stock Exchange -- Composite Index and $935.00 per share of Series B ESOP Convertible Preferred Stock as determined by Duff & Phelps. (Excluded from this figure is the voting stock held by Registrant's Directors and Executive Officers.)

Indicate the number of shares outstanding of each of Registrant's classes of common stock, as of the latest practicable date. April 1, 1994: 71,548,293 shares of common stock, par value $1.

DOCUMENTS INCORPORATED BY REFERENCE

1. Portions of Registrant's 1993 Annual Report to Shareholders are incorporated into Parts I and II.
2. Portions of Registrant's Proxy Statement dated April 20, 1994 are incorporated into Part III.

PART I

ITEM 1. BUSINESS.

Financial Policies and Debt Ratio, Pages 17-18; Capital Expenditures, Page 18; Business Segments, excluding years 1988-1990, Page 21; Quarterly Results, Page 31; Page 34 and the list of store locations on Page 35 of Registrant's 1993 Annual Report to Shareholders are incorporated herein by reference. Registrant was incorporated in Minnesota in 1902.

ITEM 2. PROPERTIES.

Leases, Page 25; Long-Term Debt, Page 27 and the list of store locations on Page 35 of Registrant's 1993 Annual Report to Shareholders are incorporated herein by reference.

ITEM 3. LEGAL PROCEEDINGS.

Paragraph 2 of Commitments and Contingencies, Page 25 of Registrant's 1993 Annual Report to Shareholders is incorporated herein by reference.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY-HOLDERS.

Not Applicable.

ITEM X. EXECUTIVE OFFICERS OF THE REGISTRANT.

The executive officers of the Registrant as of April 1, 1994 and their positions and ages, are as follows:

Name	Title	Age
Kenneth A. Macke*	Chairman of the Board, Chief Executive Officer, Chairman of the Executive Committee and Director of Registrant	55
Stephen E. Watson	President and Director of Registrant; Chairman and Chief Executive Officer of the Department Store Division (a division of Registrant)	49
Henry T. DeNero	Vice Chairman	48
James T. Hale	Senior Vice President and Secretary	53
Douglas A. Scovanner	Senior Vice President and Treasurer	38
Robert J. Ulrich*	Chairman and Chief Executive Officer of Target (a division of Registrant) and Director of Registrant	50
Joseph C. Vesce	Chairman and Chief Executive Officer of Mervyn's (a subsidiary of Registrant)	45
Edwin H. Wingate	Senior Vice President	61
JoAnn Bogdan	Controller and Chief Accounting Officer	41

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*Mr. Macke was Chief Executive Officer of Registrant until April 13, 1994. Mr. Ulrich was elected Chief Executive Officer of Registrant on April 13, 1994.

Each officer is elected by and serves at the pleasure of the Board of Directors. There is no family relationship between any of the officers named nor is there any arrangement or understanding pursuant to which any person was selected as an officer. The period of service of each officer in the positions listed and other business experience as of April 1, 1994 is set forth below.

Kenneth A. Macke Chairman of the Executive Committee of Registrant since 1985, Chairman of the Board of Registrant since 1984 and Chief Executive Officer of Registrant since 1983.

Stephen E. Watson President of Registrant since 1990. Chairman and Chief Executive Officer of the Department Store Division from 1985 to 1989 and since 1991. Executive Vice President of Registrant in 1989.

Henry T. DeNero Vice Chairman of Registrant since 1992. Director of McKinsey & Company, Inc. (a management consulting firm) from 1985-1992.

James T. Hale Senior Vice President, Secretary and General Counsel of Registrant since 1981.

Douglas A. Scovanner Senior Vice President and Treasurer of Registrant since 1994. Senior Vice President, Finance of Fleming Companies, Inc. (a food wholesaler) from 1992 to 1994. Vice President and Treasurer of Coca-Cola Enterprises, Inc. (a soft drink bottler) from 1986 to 1992.

Robert J. Ulrich Chairman and Chief Executive Officer of Target since 1987.

Joseph C. Vesce Chairman of Mervyn's since 1993. Chief Executive Officer of Mervyn's since 1992. President of Mervyn's from 1988 to 1993.

Edwin H. Wingate Senior Vice President of Registrant since 1980.

JoAnn Bogdan Controller and Chief Accounting Officer of Registrant since 1993. Assistant Controller of Registrant from 1988 to 1993.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Shareholder Return, Page 18 and Dividends Declared Per Share and Common Stock Price, Page 31 of Registrant's 1993 Annual Report to Shareholders are incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA.

The data on years 1989-1993 in the Summary Financial and Operating Data (excluding Other Data), Page 33; Notes and Analysis, Pages 21, 23, 25, 27 and 29-31 (excluding years 1988-1990 on page 21) and the Report of Independent Auditors, Page 32 of Registrant's 1993 Annual Report to Shareholders are incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Financial Policies and Debt Ratio, Pages 17-18; Capital Expenditures, Page 18; Analysis of Operations, Pages 19-20, paragraph 2 of Income Taxes, Page 23; Commitments and Contingencies, Page 25; Analysis of Cash Flow and Lines of Credit, Page 27; the fourth texual paragraph of Pension Plans, Page 29; the second and third texual paragraphs of Postretirement Health Care Benefits, Page 30 and LIFO Provision, Page 31 of Registrant's 1993 Annual Report to Shareholders are incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Pages 21-31 and 33 (excluding years 1988-1990 on Page 21 and years 1983-1988 and Other Data in the Summary Financial and Operating Data on Page 33) and the Report of Independent Auditors, Page 32 of Registrant's 1993 Annual Report to Shareholders are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not Applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Election of Directors, Pages 1-6 and Compliance with Section 16(a) of the Securities Exchange Act of 1934, Page 28 of Registrant's Proxy Statement dated April 20, 1994, is incorporated herein by reference. See also Item X of Part I hereof.

ITEM 11. EXECUTIVE COMPENSATION.

Executive Compensation, Pages 7-13 and Director Compensation, Pages 17-18 of Registrant's Proxy Statement dated April 20, 1994, are incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Outstanding Shares and Voting Rights, Pages 26-28 of Registrant's Proxy Statement dated April 20, 1994, is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Not Applicable.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

a) FINANCIAL STATEMENTS:

Consolidated Results of Operations for the Years Ended January 29, 1994, January 30, 1993 and February 1, 1992.

Consolidated Statements of Financial Position at January 29, 1994 and January 30, 1993.

Consolidated Statements of Cash Flows for the Years Ended January 29, 1994, January 30, 1993 and February 1, 1992.

Consolidated Statements of Common Shareholders' Investment for the Years Ended January 29, 1994, January 30, 1993 and February 1, 1992.

Information which is an integral part of the financial statements: Notes and Analysis on Pages 21, 23, 25, 27 and 29-31, excluding years 1988-1990 on Page 21, and the Report of Independent Auditors on Page 32 in Registrant's 1993 Annual Report to Shareholders.

FINANCIAL STATEMENT SCHEDULES:

For the Years Ended January 29, 1994, January 30, 1993 and February 1, 1992

V - Property and Equipment

VI - Accumulated Depreciation of Property and Equipment

VIII - Valuation and Qualifying Accounts

IX - Short-Term Borrowings

X - Supplementary Income Statement Information

b) REPORTS ON FORM 8-K

Not Applicable.

c) EXHIBITS

(2) Not Applicable

(3)A. Articles of Incorporation
Incorporated by reference to Exhibit (3)A. to Registrant's Form 10-K Report for the year ended January 30, 1993 ("1993 10-K").

B. By-Laws
Incorporated by reference to Exhibit (3)B. to Registrant's 1993 10-K.

(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.

(9) Not Applicable

(10)A. Executive Incentive Plan (PTOC) (a)

B. Executive Incentive Plan (ROI) (b)

C. Executive Incentive Plan (Personal Score)

D. Excess Benefit Plan (c)

E. Excess Benefit Plan II (d)

F. Executive Long-Term Incentive Plan of 1981, as amended and restated. Amendment dated April 14, 1993 (e)

G. Supplemental Pension Plan I (f)

H. Supplemental Pension Plan II (g)

I. Deferred Compensation Plan (h)

J. Deferred Compensation Plan for Directors (i)

K. Income Continuance Policy (j)

L. SMG Income Continuance Policy (k)

(11) Statements re Computation of Per Share Earnings

(12) Computations of Ratios

(13) 1993 Annual Report to Shareholders (only those portions specifically incorporated by reference herein shall be deemed filed with the Commission)

(18) Letter re Change in Accounting Principles

(19) Not Applicable

(21) List of Subsidiaries

(22) Not Applicable

(23) Consent of Independent Auditors

(24) Powers of Attorney

(28) Not Applicable

(29) Not Applicable

(99)(I) Registrant's 11-K Report (filed under Form SE)

(II) Registrant's Proxy Statement dated April 20, 1994 (only those portions specifically incorporated by reference shall be deemed filed with the Commission) (l)

(III) Schedule of Operating Profit and LIFO Provision

Copies of Exhibits (10)A.-(10)L., (21), (99)(I) and (99)(III) will be furnished upon written request and payment of Registrant's reasonable expenses in furnishing the exhibits.

(a) Incorporated by reference to Exhibit A to Registrant's Proxy Statement dated April 20, 1994.
(b) Incorporated by reference to Exhibit B to Registrant's Proxy Statement dated April 20, 1994.
(c) Incorporated by reference to Exhibit (10)D. to Registrant's 1993 10-K.
(d) Incorporated by reference to Exhibit (10)E. to Registrant's 1993 10-K.
(e) Incorporated by reference to Exhibit (10)F. to Registrant's 1993 10-K.
(f) Incorporated by reference to Exhibit (10)G. to Registrant's 1993 10-K.
(g) Incorporated by reference to Exhibit (10)H. to Registrant's 1993 10-K.
(h) Incorporated by reference to Exhibit (10)I. to Registrant's 1993 10-K.
(i) Incorporated by reference to Exhibit (10)J. to Registrant's 1993 10-K.
(j) Incorporated by reference to Exhibit (10)A. to Registrant's 1993 10-K.
(k) Incorporated by reference to Exhibit (10)B. to Registrant's 1993 10-K.
(l) Incorporated by reference to Registrant's Proxy Statement dated April 20, 1994 (only those portions specifically incorporated by reference shall be deemed filed with the Commission).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

By /s/ Henry T. DeNero

Henry T. DeNero
Vice Chairman and Chief Financial Officer

Dated: April 19, 1994

Pursuant to the requirements of the Securities Exchange Act of 1934, the report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

	/s/ Bob Ulrich Robert J. Ulrich
Dated: April 19, 1994	Chief Executive Officer
	/s/ Henry T. DeNero Henry T. DeNero Vice Chairman and
Dated: April 19, 1994	Chief Financial Officer
	/s/ J.A. Bogdan JoAnn Bogdan Controller and
Dated: April 19, 1994	Chief Accounting Officer

RAND V. ARASKOG	MICHELE J. HOOPER	
ROBERT A. BURNETT	KENNETH A. MACKE	
LIVIO D. DESIMONE	MARY PATTERSON MCPHERSON	
ROGER A. ENRICO	ROBERT J. ULRICH	
WILLIAM W. GEORGE	JOHN R. WALTER	
ROGER L. HALE	STEPHEN E. WATSON	Directors
BETTY RUTH HOLLANDER		

Henry T. DeNero, by signing his name hereto, does hereby sign this document pursuant to powers of attorney duly executed by the Directors named, filed with the Securities and Exchange Commission on behalf of such Directors, all in the capacities and on the date stated, such persons being a majority of the Directors of the Registrant.

By /s/ Henry T. DeNero

Henry T. DeNero
Attorney-in-Fact

Dated: April 19, 1994

DAYTON HUDSON CORPORATION AND SUBSIDIARIES
SCHEDULE V - PROPERTY AND EQUIPMENT
FISCAL YEARS 1993, 1992 AND 1991
(MILLIONS OF DOLLARS)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
CLASSIFICATION	BALANCE AT BEGINNING OF PERIOD	(1) ADDITIONS	RETIREMENTS	OTHER CHANGES	BALANCE AT END OF PERIOD
1993:					
Land.........................	$ 998	$ 130	$ 8	$-	$1,120
Buildings and Improvements...	4,342	460	49	-	4,753
Fixtures and Equipment.......	2,197	363	398	-	2,162
Construction-in-Progress.....	223	25	-	-	248
	$7,760	$ 978	$455	$-	$8,283
1992:					
Land.........................	$ 897	$ 105	$ 4	$-	$ 998
Buildings and Improvements...	3,883	473	14	-	4,342
Fixtures and Equipment.......	1,983	335	121	-	2,197
Construction-in-Progress.....	198	25	-	-	223
	$6,961	$ 938	$139	$-	$7,760
1991:					
Land.........................	$ 723	$ 175	$ 1	$-	$ 897
Buildings and Improvements...	3,455	466	38	-	3,883
Fixtures and Equipment.......	1,745	387	149	-	1,983
Construction-in-Progress.....	210	(12)	-	-	198
	$6,133	$1,016	$188	$-	$6,961

(1) Represents acquisitions of fixed assets and additions to and transfers from construction-in-progress.

DAYTON HUDSON CORPORATION AND SUBSIDIARIES

SCHEDULE VI - ACCUMULATED DEPRECIATION OF PROPERTY AND EQUIPMENT

FISCAL YEARS 1993, 1992 AND 1991

(MILLIONS OF DOLLARS)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
CLASSIFICATION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COSTS AND EXPENSES	RETIREMENTS	OTHER CHANGES	BALANCE AT END OF PERIOD
1993:					
Buildings and Improvements.....	$1,125	$200	$ 37	$-	$1,288
Fixtures and Equipment.........	1,072	298	322	-	1,048
	$2,197	$498	$359	$-	$2,336
1992:					
Buildings and Improvements.....	$ 950	$183	$ 8	$-	$1,125
Fixtures and Equipment.........	909	276	113	-	1,072
	$1,859	$459	$121	$-	$2,197
1991:					
Buildings and Improvements.....	$ 800	$161	$ 11	$-	$ 950
Fixtures and Equipment.........	808	249	148	-	909
	$1,608	$410	$159	$-	$1,859

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Depreciation is computed using the straight-line method and the following lives:

Land improvements.......................	20 years
Buildings and building improvements.....	8 to 55 years
Leasehold improvements..................	Lease term or useful life of asset, whichever is less
Fixtures and equipment..................	3 to 8 years

DAYTON HUDSON CORPORATION AND SUBSIDIARIES
SCHEDULE VIII - VALUATION AND QUALIFYING ACCOUNTS
FISCAL YEARS 1993, 1992 AND 1991
(MILLIONS OF DOLLARS)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
DESCRIPTIONS	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COSTS AND EXPENSES	(1) DEDUCTIONS	BALANCE AT END OF PERIOD
Allowance for Doubtful Accounts				
1993	$37	$53	$55	$35
1992	46	56	65	37
1991	44	65	63	46

(1) Accounts determined to be uncollectible are charged against reserve, net of collections on accounts previously charged against reserve.

DAYTON HUDSON CORPORATION AND SUBSIDIARIES
SCHEDULE IX - SHORT-TERM BORROWINGS
FISCAL YEARS 1993, 1992 AND 1991
(MILLIONS OF DOLLARS)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
CATEGORY OF AGGREGATE SHORT-TERM BORROWINGS	BALANCE AT END OF PERIOD	WEIGHTED AVERAGE INTEREST RATE	MAXIMUM AMOUNT OUTSTANDING DURING THE PERIOD	AVERAGE AMOUNT OUTSTANDING DURING THE PERIOD	WEIGHTED AVERAGE INTEREST RATE DURING THE PERIOD
1993:					
Commercial paper	$200	3.0%	$ 896	$298	3.2%
Short-term bank borrowings	-	-	-	-	-
1992:					
Commercial paper (1)	$223	3.1%	$1,211	$460	3.7%
Short-term bank borrowings	-	-	41	5	4.2%
1991:					
Commercial paper (1)	$465	4.2%	$ 941	$365	5.7%
Short-term bank borrowings	-	-	220	37	5.5%

(1) $200 million of the commercial paper outstanding at the end of 1992 and 1991 was classified as long-term debt in the Consolidated Statements of Financial Position, as explained in the Commercial Paper note in Registrant's 1993 Annual Report to Shareholders.

DAYTON HUDSON CORPORATION AND SUBSIDIARIES
SCHEDULE X - SUPPLEMENTARY INCOME STATEMENT INFORMATION
FISCAL YEARS 1993, 1992 AND 1991
(MILLIONS OF DOLLARS)

COLUMN A	COLUMN B		
	1993	1992	1991
	CHARGED TO COSTS AND EXPENSES		
Taxes other than income taxes (1)			
Real and personal property taxes.	$141	$125	$110
Payroll taxes....................	190	178	164
Other............................	12	10	9
	$343	$313	$283
Advertising costs................	$494	$437	$423
	Included in Revenues		
Sales by leased departments.......	$165	$163	$153
Finance charge revenue............	192	186	182

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(1) Taxes paid as Lessee in accordance with certain lease agreements have been included in cost of retail sales, buying and occupancy and are not included herein.

Amounts for maintenance and repairs, depreciation and amortization of intangible assets, pre-operating costs and similar deferrals, and royalties are not presented as such amounts are less than 1% of total revenues.

EXHIBIT (10)C.

DAYTON HUDSON CORPORATION
EXECUTIVE INCENTIVE PLAN
(PERSONAL SCORE)

Article I

Sec. 1.1 Name. The name of the short term incentive plan set forth herein is "Dayton Hudson Corporation Executive Incentive Plan (Personal Score)". It is sometimes hereinafter referred to as the "Plan". "Company" refers to Dayton Hudson Corporation and its subsidiaries. Division refers to an operating company, test strategy, staff group or other subdivision of the Company.

Sec. 1.2 Compensation Policy and Plan Intent. The Plan has been designed to provide financial incentives ("incentive bonuses") to designated upper level executive employees, who through their efforts directly and significantly impact the achievement of Company goals and objectives. Such incentive bonuses are intended to reflect the executive's personal achievements.

Sec. 1.3 Eligibility. Participation in this Plan is restricted to those upper level executive employees who, through their position and performance, have a decided impact upon the performance of the Company and/or a Division, and therefore upon the operating results of the Company. The Compensation Committee shall determine which individuals or groups of individuals by title or position or rank shall participate in the Plan.

Divisions which participate in the Plan shall at times hereinafter be referred to as "Participating Divisions". Executives participating in the Plan are referred to as "participants" at times herein.

Those Divisions which do not participate in this Plan shall at times hereinafter be referred to as "Non-Participating Divisions".

Sec. 1.4 Transfer and Termination. A participant who transfers to another Division or the Company, or who terminates employment for the purpose of early or normal retirement from the Company, or who dies or becomes disabled shall be eligible for incentive compensation at Plan Year end if they were an actual participant in the plan at the commencement of such Plan Year. The incentive bonus, when determined, pursuant to the provisions hereof shall be prorated to reflect that portion of the Plan Year (including all if such is the case) during which the participant was enrolled and participating in the Plan as a participant. Participants in this category will be treated in accordance with the following guidelines:

a. Transfers Between Participating Divisions. In the event of a transfer between then Participating Divisions, a pro rata share of the incentive bonus shall be contributed by each Participating Division if the participant has been designated as such in each Participating Division from the commencement of the Plan Year, or in the case of the successor Participating Division, from his/her commencement of employment to Plan Year end.

b. Transfers Between Participating Division and Non-Participating Division and Retirement, Death or Disability of Participating Executive. In the event a participant transfers from a Participating Division to a Non-Participating Division, a pro rata incentive bonus calculated on the basis of the number of months (a major portion of a month to be considered a whole month) during the Plan Year the executive was a Participant in the Plan, over 12, will be awarded in the due course of the Plan's administration. The same formula shall be utilized for executives who transfer from a Non-Participating Division to a Participating Division. The same method of calculating an incentive bonus shall also be utilized in calculating incentive bonuses for participants who die, become disabled or who retire from the Company during the year. Any such incentive bonuses would be paid only in the normal course of administration of the Plan.

c. New Executive Employees. Upon recommendation of the Chief Administrative Officer or the Chief Executive Officer of a Division, whichever is applicable, and following approval thereof by the Chairman of the Company, a new executive employee who will have been employed by a Participating Division prior to the end of a Plan Year may be designated as a participant in the Plan, subject to the conditions of the Plan.

d. Termination Other Than Retirement, Death or Disability. A participant who terminates his/her employment during the Plan Year for any reason other than retirement, death or disability, shall not be eligible for and shall not receive an incentive bonus for the subject Plan Year. A participant who terminates following the completion of the subject Plan Year, but prior to the payout of such incentive bonus shall receive the incentive bonus under procedures which would, only for such purpose, treat them as still employed at the time of the Plan payout.

e. Promotion or Job Change. A participant who has a promotion and/or a job change during a Plan Year will have his/her incentive bonus calculated using each grade level separately. The score and grade level shall determine the bonus percentage and that percentage shall be applied to the Midpoint of Salary Range while in the grade level. The total incentive bonus will be the sum of the bonuses for each grade level.

f. Market Pricing Adjustment. A participant whose grade level is adjusted during the Plan Year due to a "market pricing adjustment" will have his/her bonuses calculated for the entire period using the adjusted grade. If a, b and/or e are applicable, those sections shall also apply and this section f shall be applicable only for the period that the "market pricing adjustment" relates to.

Sec. 1.5 Process For Determination of Incentive Bonuses

a. Compensation Policy and Intent of Plan

Incentive bonuses under the Plan are based on the participant's individual accomplishments in his/her assigned job during the Plan Year.

b. Defined Incentive Bonus Terms

"Bonus Matrix"

The "Bonus Matrix" is a table setting forth figures which indicate, at varying participant scoring levels and interrelated with varying job grade level classifications, the percentage of incentive bonus attributable to each score in relationship to the participant's Midpoint of Salary Range. The "Bonus Matrix" may be changed from time to time at the election of the Compensation Committee but any change in the Bonus Matrix shall have prospective application only.

"Midpoint of Salary Range"

The "Midpoint of Salary Range" of a participant during the related incentive bonus fiscal year is the midpoint for his/her job grade as set forth in the salary range by job grade that is applicable.

c. Determination of Bonus

(1) Non-Pooled

Incentive bonuses for each participant will be calculated by taking the participant's bonus percentage from the Bonus Matrix, using his/her personal score above the specified minimum and job grade and multiplying it by his/her Midpoint of Salary Range.

(2) Pooled

A bonus pool is calculated by multiplying the percentage from the Bonus Matrix using the personal score for each participant above the specified minimum by the participant's Midpoint of Salary Range.

The bonus for each participant will be based on a ratio of his/her bonus to do all bonuses paid under the Executive Incentive Plan (Personal Score). The percentage determined by that ratio will be multiplied by the bonus pool.

d. Maximum Bonus

The maximum bonus payable under the Plan is equal to 250% of the salary of the Chief Executive Officer (the "CEO") or named executive officer, as the case may be, set forth in the previous year's Proxy Statement. If the CEO or named executive officer held a different office or was not employed in his/her position for the full year covered by that Proxy Statement, the maximum bonus is 250% of the highest salary rate reported in such year. Provided, however, in either case the aggregate of all bonuses paid to the CEO or named executive officer under any combination of the Plan, ROI Plan and PTOC Plan may not exceed 250% of the relevant salary. The aggregate of all bonuses paid to any other executive not listed above under any combination of the Plan, ROI Plan and PTOC Plan may not exceed 250% of his/her base salary.

Article II

Sec. 2.1 Payment of Bonus. Normally the total incentive bonus for a Fiscal Year will be paid in cash as soon as administratively feasible after the amount of the incentive bonus has been computed.

However, any participant who is a participant in a deferred compensation plan or arrangement of the Company, may have his/her incentive bonus deferred pursuant to that plan or arrangement.

Article III

Sec. 3.1 Beneficiary. Any incentive bonus payments which become distributable after the death of a participant shall be distributed as they become due to such person or persons, or other legal entity as the participant may have designated in writing delivered to his/her Participating Division's personnel office on an approved form. The participant may, from time to time, revoke or change any such designation by writing delivered to such Participating Division's personnel office on an approved form. If there is no unrevoked designation on file with such corporate personnel office at the participant's death, or if the person or persons designated therein shall have all predeceased the participant, such distributions shall be made to the participant's spouse, or in the absence of a spouse, children and if the participant has no spouse or children, to the participant's estate. If a participant has deferred his/her incentive bonus pursuant to a plan or arrangement, the plan or arrangement shall govern the beneficiary designation.

Article IV

Sec. 4.1 Administration and Interpretation of Plan. This Plan shall be interpreted by the Compensation Committee of the Company and its interpretations shall be final and binding on participants, Participating Divisions, and all other parties in interest.

The Plan shall be administered by the Compensation Committee selected by the Board of Directors. The Plan Committee reserves the right, from time to time, to prescribe rules and regulations, not inconsistent with the provisions of the Plan, and to modify or revoke such rules and regulations at such time and in such manner as it may deem proper. A copy of this Plan and all such rules and regulations will be supplied to each person participating in the Plan and a copy of the then current Plan shall be maintained in the Company's personnel office and at the personnel office of each Participating Division and shall be available, upon request, for review by any participant or his duly authorized agent. All persons in the Plan shall be bound by the terms of the Plan and of all rules and regulations pursuant thereto, all as now in effect or hereafter amended, promulgated or passed which shall likewise be maintained at the Company and each Participating Division personnel office.

Article V

Sec. 5.1 Rights of Participants and Beneficiaries. The Plan is not an employment agreement and does not assure or evidence to any degree the continued employment or the claim to continued employment of any participant for any time or period or job.

No participant or beneficiary shall, by virtue of this Plan, have any interest in any specific asset or assets of the Company or any Participating Division. A participant or beneficiary has only an unsecured contract right to receive cash payments in accordance with and at the times specified by the Plan.

No participant shall have the right or ability to assign, pledge, or otherwise dispose of any part of an incentive bonus hereunder (except as provided in Section 3.1 hereof).

Article VI

Sec. 6.1 Overview. It is specifically understood that the Chairman of the Board and Chief Executive Officer of the Company shall at all times retain the authority to veto or rescind any appointment or designation of an individual as a participant (except an Executive Officer) under this Plan but it is the intent of the Plan that such authority shall be exercised with restraint and only for circumstances deemed by said officer to be of importance for preserving the integrity of the Plan's policy and/or its performance.

Article VII

Sec. 7.1 Termination of Plan. This Plan may be amended or terminated at any time by the Board of Directors of the Company. Such amendment or termination, will not, without the participant's written consent, affect his/her incentive bonus or bonuses previously earned.

Article VIII

Sec. 8.1 Miscellaneous Definitions.

a. "Compensation Committee": shall mean that committee of the Board of Directors of the Company designated as such on January 12, 1994 or as it is thereafter designated during the term hereof and if during the term hereof no such named committee shall be designated by the Board of Directors it shall mean the Committee of the Board most nearly performing the duties of the Compensation Committee as defined at the time of its elimination as a Board Committee.

b. "Plan Year": Plan Year shall be the applicable financial "Fiscal Year" of the Company.

c. "Retire or Retirement": Retire or Retirement means a termination of employment pursuant to an arrangement contained in any formal private retirement plan or written agreement then in effect by the Company or any participating Division relative to the subject participant.

d. "Chairman": Chairman shall at all times refer to the incumbent Chairman of the Board of Directors of the Dayton Hudson Corporation.

Article IX

Sec. 9.1 Miscellaneous Provisions

a. Headings. Headings at the beginning of sections hereof are for convenience of reference, shall not be considered a part of the text of the Plan, and shall not influence its construction.

b. Capitalized Definitions. Capitalized terms used in the Plan shall have their meaning as defined in the Plan unless the context clearly indicates to the contrary.

c. Gender. Any references to gender also include the opposite gender.

d. Use of Compounds of Word "Here". Use of the words "hereof", "herein", "hereunder", or similar compounds of the word "here" shall mean and refer to the entire Plan unless the context clearly indicates to the contrary.

e. Construed as a Whole. The provisions of the Plan shall be construed as a whole in such manner as to carry out the provisions thereof and shall not be construed separately without relation to the context.

EXHIBIT (11)

DAYTON HUDSON CORPORATION
COMPUTATION OF PER SHARE EARNINGS

(IN MILLIONS, EXCEPT PER-SHARE DATA)

	Year Ended					
	January 29, 1994		January 30, 1993		February 1, 1992	
Primary Computation	Earnings	Shares	Earnings	Shares	Earnings	Shares
Net Earnings	$ 375		$ 383		$ 301	
Less: Dividend requirements on ESOP preferred shares a/	(17)		(24)		(25)	
Adjusted net earnings	$ 358		$ 359		$ 276	
Average common shares outstanding		71.5		71.3		71.2
Average number of common share equivalents:						
Stock options		0.1		0.2		0.2
Performance shares		0.2		0.1		0.1
Adjusted common equivalent shares outstanding-primary		71.8		71.6		71.5
PRIMARY EARNINGS PER SHARE	$4.99		$5.02		$3.86	
Fully Diluted Computation						
Net Earnings	$ 375		$ 383		$ 301	
Less: Earnings impact of ESOP preferred share conversion a/	(12)		(17)		(19)	
Adjusted net earnings	$ 363		$ 366		$ 282	
Average common and common equivalent shares-primary		71.8		71.6		71.5
Assumed conversion of ESOP preferred shares		4.3		4.3		4.4
Adjusted common equivalent shares outstanding-fully diluted		76.1		75.9		75.9
FULLY DILUTED EARNINGS PER SHARE	$4.77		$4.82		$3.72	

a/ At the beginning of 1993, with the adoption of Statement of Financial Accounting Standard No.109, "Accounting for Income Taxes", the tax benefit to the Corporation for dividends paid on ESOP preferred stock was limited to allocated shares of ESOP preferred stock. Average allocated ESOP preferred shares outstanding were 1.6 million for the year ended January 29, 1994.

EXHIBIT (12)

DAYTON HUDSON CORPORATION
COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES
FOR THE FIVE YEARS ENDED JANUARY 29, 1994

(MILLIONS OF DOLLARS)

	January 29, 1994	January 30, 1993	February 1, 1992	February 2, 1991	February 3, 1990
Earnings:					
Consolidated net earnings............	$ 375	$ 383	$ 301	$ 412	$ 410
Income taxes.........................	232	228	171	249	268
Total earnings....................	607	611	472	661	678
Fixed charges:					
Interest expense.....................	459	454	421	333	283
Dividends on preferred stock (pre-tax basis)............................	39	39	39	39	2
Interest portion of rental expense...	45	43	39	46	45
Total fixed charges...............	543	536	499	418	330
Less:					
Dividends on preferred stock (pre-tax basis)............................	(39)	(39)	(39)	(39)	(2)
Capitalized interest.................	(5)	(6)	(11)	(8)	(10)
Fixed charges in earnings.........	499	491	449	371	318
Earnings available for fixed charges...	$1,106	$1,102	$ 921	$1,032	$ 996
Ratio of earnings to fixed charges.....	2.04	2.06	1.85	2.47	3.02

Financial Review

(Millions of Dollars, Except Per-Share Data)

FINANCIAL POLICIES

Our principal financial policies are as follows:

MAINTAIN STRONG INVESTMENT GRADE DEBT RATINGS. Our long-term debt ratings are A+, A3 and A from Duff & Phelps, Moody's and Standard & Poor's, respectively. Our commercial paper debt ratings are D-1+, P-2 and A-1 from Duff & Phelps, Moody's and Standard & Poor's, respectively.

MAINTAIN A YEAR-END DEBT RATIO WITHIN A RANGE OF 45% TO 65%. This debt ratio range enables management to take advantage of changes in the economy and the retail environment.

Our debt ratio declined to 59% at the end of 1993 and we expect it to move toward the middle of the range over time while continuing to support our expansion.

DEBT RATIO	1993	1992	1991
DEBT AND EQUIVALENTS			
Notes payable and current portion of long-term debt*	$ 373	$ 394	$ 453
Long-term debt*	4,279	4,330	4,227
Present value of operating leases	504	419	411
Total debt and equivalents	$5,156	$5,143	$5,091
CAPITALIZATION			
Debt and equivalents	$5,156	$5,143	$5,091
Deferred income taxes and other	536	450	381
Convertible preferred stock	368	374	377
Common shareholders' investment	2,737	2,486	2,231
Total capitalization	$8,797	$8,453	$8,080
YEAR-END DEBT RATIO	59%	61%	63%

* Includes capital leases.

(Millions of Dollars, Except Per-Share Data)

FINANCIAL POLICIES continued

FUNDING OF CAPITAL EXPENDITURES. Capital expenditure commitments are limited to what can be financed by projected internally-generated funds and committed financing.

CAPITAL EXPENDITURES

Capital expenditures totaled $978 million in 1993 and are expected to be approximately $1.3 billion in 1994. Capital expenditure priorities are as follows:

KEEP existing facilities fresh and exciting to maintain and grow current market share.

IMPROVE distribution and systems to cost-effectively support sales growth.

BUILD new stores in existing markets to increase market share and leverage our existing expense structure.

BUILD stores in new markets to enhance growth and increase market share.

Due to sufficient capital resources, we were able to maintain our capital expenditure priorities while allocating the majority of our spending towards new store growth. Most new store capital continues to be allocated to Target due to its proven record of successful expansion and profitable growth.

In order to retain flexibility, the majority of our planned capital spending for the next several years remains uncommitted.

SHAREHOLDER RETURN

DIVIDENDS. To support our objective of providing shareholders with an attractive total return on their investment, it is our policy to make regular annual increases in dividends declared on common stock. Dividends declared in 1993 increased 5% to $1.62 per share, compared with $1.54 per share declared in 1992. The quarterly dividend paid in the first quarter of 1994 was increased to $.42 per share, indicating an annualized dividend of $1.68 per share.

MARKET VALUE PER SHARE. The common stock price reflects the market's view of our performance and future prospects, as well as industry and general economic conditions. At March 24, 1994 there were 11,787 shareholders of record and the common stock price was $74.75 per share.

Analysis of Operations

(Millions of Dollars, Except Per-Share Data)

Our 1993 financial performance did not meet our expectations. Net earnings were $375 million compared with $383 million in 1992 and $301 million in 1991. The shortfall from our expectations was primarily due to poor performance at Mervyn's.

Despite not meeting our net earnings expectations, total operating profit reached a record $1,109 million compared with $1,086 million in 1992 and $910 million in 1991. Target posted a 15% increase in operating profit and the Department Store Division (DSD) reported an 18% increase. Mervyn's declined 37%. Operating profit in 1993 was aided by a substantial LIFO credit, mainly due to Mervyn's and DSD's adoption of internally-generated price indices (see discussion on page 31).

TARGET'S record operating profit improved strongly from 1992, reflecting solid revenue growth and improved expense control somewhat offset by a lower gross margin rate.

MERVYN'S operating profit declined significantly as a result of lower revenues, a lower gross margin rate and a higher operating expense rate.

DSD achieved record operating profit due to higher revenues and improved gross margin and operating expense rates.

Fully diluted earnings per share were $4.77 in 1993 versus $4.82 in 1992 and $3.72 in 1991. Target, our primary growth vehicle, has contributed the largest share to overall earnings in the past three years. Due to the significant growth at Target, our lowest margin division, overall revenue growth and the operating expense rate were favorably affected, while the gross margin rate was unfavorably affected. The table below identifies the major factors in the change in earnings per share:

VARIANCE ANALYSIS	1993	1992	1991
Prior year's earnings per share	$4.82	$3.72	$ 5.20
Change due to:			
Revenues (a)	.59	.81	.75
Gross margin rate (b)	(.52)	(.77)	(1.27)
Operating expense rate (c)	.16	1.32	(.09)
Start-up expenses (d)	.06	(.03)	(.14)
Interest expense, net	(.08)	(.31)	(.54)
Corporate expense and other, net (e)	(.03)	.08	(.19)
Unusual items (primarily earthquake)	(.23)	-	-
EARNINGS PER SHARE	$4.77	$4.82	$ 3.72

(a) Includes sales, finance charge revenue and other.
(b) Excludes buying and occupancy costs.
(c) Includes buying and occupancy costs, portions of selling, publicity and administrative expense, depreciation and taxes other than income taxes.
(d) Includes costs associated with opening new stores and remodeling existing stores; included in selling, publicity and administrative expense.
(e) Includes corporate headquarters expense, corporate charitable contributions and other miscellaneous items.

REVENUES

The Corporation reported a 7% increase in total revenues and a 1% increase in comparable-store revenues in 1993 despite deflation of retail prices at all operating divisions. Target's solid revenue increase was primarily due to its new store expansion and continued success of its value-pricing strategy. Mervyn's revenue decline reflects the slow process of re-orienting the consumer from a heavy promotional shopping environment to a more balanced value-pricing and promotional strategy. Additionally, both Target and Mervyn's have a substantial presence in the California market, which remained depressed throughout 1993. DSD's revenues were up slightly due primarily to added promotional events.

Revenue growth in 1992 was the result of expanding the value-pricing strategy at Target, along with new store growth, increased promotions and increases in base business at all operating divisions. Revenue growth in 1991 was driven by new store expansion and the full-year contribution of Marshall Field's operations. Overall price changes in 1992 and 1991 were minimal and, as a result, reported comparable-store revenue increases closely approximate real growth.

REVENUE GROWTH	1993		1992		1991	
	ALL STORES	COMP. STORES*	All Stores	Comp. Stores*	All Stores	Comp. Stores*
Target	13%	5%	15%	5%	11%	4%
Mervyn's	(2)	(6)	9	3	2	(1)
DSD	1	1	3	2	17	1
Total	7%	1%	11%	4%	9%	2%

*Comparable-store revenues are revenues from stores open longer than a year.

One measure used to evaluate store productivity is revenues per square foot. Higher revenues per square foot at Target reflect increased base business, partially offset by the inherent lower productivity of new stores. DSD's growth was due to enhanced productivity, especially at the Marshall Field's stores. Mervyn's decline reflects lower revenues.

REVENUES PER SQUARE FOOT* (dollars)	1993	1992	1991
Target	$213	$209	$205
Mervyn's	204	223	224
DSD	221	219	215

*Thirteen-month average retail square footage.

(Millions of Dollars, Except Per-Share Data)

GROSS MARGIN RATE

Our gross margin rate declined in 1993, reflecting our lowering of opening retail prices to meet the needs of the value-conscious consumer, partially offset by a LIFO credit. Also, the 1993 holiday season was one of the most promotional. Looking forward, with accelerated growth from Target and strategies focusing on value at all the operating divisions, the gross margin rate may continue to decline.

TARGET'S gross margin rate declined slightly in 1993, reflecting the ongoing impact of its value-pricing strategy. This impact was partially offset by a corresponding improvement in the promotional markdown rate along with a LIFO credit.

MERVYN'S 1993 gross margin rate declined reflecting higher clearance markdowns associated with reducing inventories. Also, implementation of a value strategy pressured the gross margin rate despite an improvement in the promotional markdown rate.

DSD'S gross margin rate increased in 1993 reflecting a lower cost of merchandise, in addition to a LIFO credit. Implementation of a value-pricing strategy and higher promotional markdowns partially offset the improvement.

The gross margin rate in 1992 declined slightly reflecting increased consumer value-consciousness in a competitive retail environment. The 1991 gross margin rate declined reflecting a weak economy and strong customer response to advertised merchandise.

OPERATING EXPENSE RATE

Our overall operating expense rate continued to improve in 1993 with expense management at each of the operating divisions and the benefit of cross-divisional synergies in technology, logistics and advertising. Operating expense rate reductions will continue to be a major focus in 1994.

TARGET'S operating expense rate improved in 1993, reflecting sales leverage and expense efficiencies within the stores.

MERVYN'S operating expense rate deteriorated substantially in 1993 despite its continued focus on expense disciplines. The rate increase reflects slightly higher operating expenses on lower revenues.

DSD'S operating expense rate improved in 1993 due to distribution expense efficiencies, partially offset by increased advertising expenses associated with incremental promotional events.

In 1992, the operating expense rate improved significantly through disciplined expense management at each operating division. The 1991 operating expense rate increased slightly, reflecting weak comparable-store revenue growth at Mervyn's and DSD.

START-UP EXPENSES

Start-up expenses declined in 1993 due to a reduction in the number of new stores opened. Start-up expenses increased in 1992 and 1991 due to Target's accelerated store growth and ongoing remodeling programs at all the operating divisions. A total of 62 new stores were opened in 1993 compared with 68 in 1992 and 63 in 1991. Start-up expenses are recognized evenly throughout the year in which the expenses are incurred.

INTEREST EXPENSE

Total interest expense increased in 1993, 1992 and 1991 due to an increase in average debt required to finance the business. Lower interest rates somewhat offset the impact of increased average debt levels.

COMPONENTS OF INTEREST EXPENSE, NET	1993	1992	1991
Interest on debt	$438	$431	$397
Interest on capital leases	15	15	14
Interest cost capitalized	(5)	(6)	(11)
Interest income	(2)	(3)	(2)
Interest expense, net	$446	$437	$398

UNUSUAL ITEMS

In January 1994, 11 Target stores and 13 Mervyn's stores sustained various levels of damage associated with the Los Angeles earthquake. The portion of uninsured losses included in operating profit and recorded in selling, publicity and administrative expense, were $7 million and $15 million for Target and Mervyn's, respectively.

The Tax Reform Act of 1993 required a one-time after-tax charge to earnings of $4 million, or $.05 per share, as a result of applying the higher tax rate to deferred tax balances (see page 23).

(Millions of Dollars, Except Per-Share Data)

BUSINESS SEGMENTS	1993	1992	1991
REVENUES			
Target	$11,743	$10,393	$ 9,041
Mervyn's	4,436	4,510	4,143
Department Store Division	3,054	3,024	2,931
Other	-	-	-
Total	$19,233	$17,927	$16,115
OPERATING PROFIT			
Target	$ 662	$ 574	$ 458
Mervyn's	179	284	284
Department Store Division	268	228	168
Total	1,109	1,086	910
Interest expense, net	446	437	398
Corporate and other	56	38	40
EARNINGS BEFORE INCOME TAXES	$ 607	$ 611	$ 472
OPERATING PROFIT AS A PERCENT OF REVENUES			
Target	5.6%	5.5%	5.1%
Mervyn's	4.0	6.3	6.9
Department Store Division	8.8	7.5	5.7
ASSETS			
Target	$ 5,495	$ 4,913	$ 4,393
Mervyn's	2,750	3,042	2,686
Department Store Division	2,240	2,292	2,317
Corporate and other	293	90	89
Total	$10,778	$10,337	$ 9,485
DEPRECIATION			
Target	$ 263	$ 236	$ 208
Mervyn's	146	135	117
Department Store Division	88	87	84
Corporate and other	1	1	1
Total	$ 498	$ 459	$ 410
CAPITAL EXPENDITURES			
Target	$ 716	$ 571	$ 605
Mervyn's	180	294	303
Department Store Division	80	72	106
Corporate and other	2	1	2
Total	$ 978	$ 938	$ 1,016

Operating profit is LIFO earnings from operations before corporate expense, interest and income taxes.

Consolidated Results of Operations

(Millions of Dollars, Except Per-Share Data)	1993	1992	1991
REVENUES	$19,233	$17,927	$16,115
COSTS AND EXPENSES			
Cost of retail sales, buying and occupancy	14,164	13,129	11,751
Selling, publicity and administrative	3,175	2,978	2,801
Depreciation	498	459	410
Interest expense, net	446	437	398
Taxes other than income taxes	343	313	283
Total Costs and Expenses	18,626	17,316	15,643
Earnings Before Income Taxes	607	611	472
Provision for Income Taxes	232	228	171
NET EARNINGS	$ 375	$ 383	$ 301
PRIMARY EARNINGS PER SHARE	$ 4.99	$ 5.02	$ 3.86
FULLY DILUTED EARNINGS PER SHARE	$ 4.77	$ 4.82	$ 3.72
AVERAGE COMMON SHARES OUTSTANDING (MILLIONS):			
Primary	71.8	71.6	71.5
Fully Diluted	76.1	75.9	75.9

The financial statements should be read in conjunction with the Notes and Analysis contained throughout pages 21-32.

(Millions of Dollars, Except Per-Share Data)

FINANCE CHARGE REVENUES

Finance charge revenues on internal credit sales were $192 million on sales of $3.5 billion in 1993, $186 million on sales of $3.5 billion in 1992 and $182 million on sales of $3.3 billion in 1991.

INCOME TAXES

At the beginning of 1993, the Corporation adopted Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes," which requires the use of the liability method of accounting for deferred income taxes. Prior-year financial statements have not been restated for the provisions of SFAS No. 109. The cumulative and the current-year effects of the adoption were not significant. Income taxes for 1992 and 1991 were calculated according to SFAS No. 96, "Accounting for Income Taxes," which was superseded by SFAS No. 109.

The Corporation's effective tax rate was 38.2% for 1993 compared with 37.3% for 1992 and 36.3% for 1991. The increase in the 1993 tax rate over 1992 reflects the one percentage point increase in the federal statutory tax rate and the associated one-time adjustment to increase deferred tax balances, partially offset by tax savings from the reenactment of the Targeted Jobs Tax Credit. Also, with the adoption of SFAS No. 109, the financial reporting deductibility of ESOP preferred stock dividends earned was reduced to shares allocated to participant accounts versus all outstanding ESOP shares. The higher effective tax rate in 1992 over 1991 was primarily due to increased state tax rates.

Effective tax rates vary from the federal statutory rate as follows:

PERCENT OF EARNINGS BEFORE INCOME TAXES	1993	1992	1991
Statutory rate	35.0%	34.0%	34.0%
State income taxes, net of federal tax benefit	4.6	4.7	4.0
Cumulative effect of adopting SFAS No. 109	(1.4)	-	-
Dividends on preferred stock	(.5)	(1.5)	(2.0)
Other	.5	.1	.3
Effective tax rate	38.2%	37.3%	36.3%

INCOME TAXES continued

The components of the provision for income taxes were:

INCOME TAX PROVISION	1993	1992	1991
Current:			
Federal	$166	$176	$112
State	37	41	25
	203	217	137
Deferred:			
Federal	23	8	31
State	6	3	3
	29	11	34
Total	$232	$228	$171

The components of the net deferred tax liability were:

NET DEFERRED TAX LIABILITY	JANUARY 29, 1994	January 30, 1993
Gross deferred tax assets:		
Deferred compensation	$ 55	$ 47
Self-insured benefits	69	44
Postretirement health care obligation	41	38
Other	59	74
	224	203
Gross deferred tax liabilities:		
Inventory	37	-
Property and equipment	304	290
Purchase accounting differences	33	33
Other	34	35
	408	358
Net deferred tax liability	$184	$155

EARNINGS PER SHARE

Primary earnings per share equal net earnings, less dividend requirements on ESOP preferred stock (net of tax benefits in 1993 related to unallocated shares associated with the adoption of SFAS No. 109), divided by the average number of common shares and common stock equivalents outstanding during the period.

Fully diluted earnings per share are computed based on the average number of common shares and common stock equivalents outstanding during the period. The computation assumes conversion of the ESOP preferred stock into common stock. Net earnings also are adjusted for the additional expense required to fund the ESOP debt service (net of tax benefits in 1993 related to unallocated shares associated with the adoption of SFAS No. 109), which results from the assumed replacement of the ESOP preferred dividends with common stock dividends.

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

Consolidated Statements of Financial Position

(Millions of Dollars)	JANUARY 29, 1994	JANUARY 30, 1993
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 321	$ 117
Accounts receivable	1,536	1,514
Merchandise inventories	2,497	2,618
Other	157	165
Total Current Assets	4,511	4,414
PROPERTY AND EQUIPMENT		
Land	1,120	998
Buildings and improvements	4,753	4,342
Fixtures and equipment	2,162	2,197
Construction-in-progress	248	223
Accumulated depreciation	(2,336)	(2,197)
Net Property and Equipment	5,947	5,563
OTHER	320	360
TOTAL ASSETS	$10,778	$10,337
LIABILITIES AND COMMON SHAREHOLDERS' INVESTMENT		
CURRENT LIABILITIES		
Notes payable	$ 200	$ 23
Accounts payable	1,654	1,596
Accrued liabilities	903	849
Income taxes payable	145	125
Current portion of long-term debt	173	371
Total Current Liabilities	3,075	2,964
LONG-TERM DEBT	4,279	4,330
DEFERRED INCOME TAXES AND OTHER	536	450
CONVERTIBLE PREFERRED STOCK	368	374
LOAN TO ESOP	(217)	(267)
COMMON SHAREHOLDERS' INVESTMENT		
Common stock	72	71
Additional paid-in capital	73	58
Retained earnings	2,592	2,357
Total Common Shareholders' Investment	2,737	2,486
TOTAL LIABILITIES & COMMON SHAREHOLDERS' INVESTMENT	$10,778	$10,337

The financial statements should be read in conjunction with the Notes and Analysis contained throughout pages 21-32.

(Millions of Dollars, Except Per-Share Data)

CASH EQUIVALENTS

Cash equivalents represent short-term investments with a maturity of three months or less at the time of purchase. Short-term investments are recorded at cost, which approximates fair value.

ACCOUNTS RECEIVABLE

Customer accounts receivable are classified as current assets and include some which are due after one year, consistent with industry practice. Accounts receivable generally are written off when any portion of the balance is 12 months past due, or when the required payments have not been received for six consecutive months. The allowance for doubtful accounts was $35 million and $37 million at year-end 1993 and 1992, respectively.

CREDIT CARD SUBSIDIARY

Retailers National Bank (the Bank), a national credit card bank and a wholly owned subsidiary, was chartered on January 7, 1994. The Bank, at inception, acquired the outstanding accounts receivable of DSD and Target. It issues DSD-named credit cards, which are accepted at DSD and Target stores. Net earnings for the Bank were insignificant for 1993. The following is the condensed statement of financial position for the Bank.

	JANUARY 29, 1994
Accounts receivable, net	$668
Other assets	16
Total Assets	$684
Liabilities, principally deposit due to the Corporation	$634
Investment of the Corporation	50
Total Liabilities and Investment	$684

INVENTORIES

Inventories and the related cost of sales are accounted for by the retail inventory accounting method using the last-in, first-out (LIFO) basis. Under this method, the cost of retail sales, as reported in the Consolidated Results of Operations, represents current cost, thereby reflecting the effect of changing prices. The accumulated LIFO provision was $80 million and $171 million at year-end 1993 and 1992, respectively (see page 31 for further discussion of the LIFO provision).

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost less accumulated depreciation. For financial reporting purposes, depreciation on property is computed using the straight-line method over estimated useful lives. Accelerated depreciation methods generally are used for income tax purposes.

ACCOUNTS PAYABLE

Outstanding drafts included in accounts payable were $239 million and $372 million at year-end 1993 and 1992, respectively.

LEASES

Assets held under capital leases are included in property and equipment and are charged to depreciation and interest over the life of the lease. Operating leases are not capitalized and lease rentals are expensed. Rent expense on buildings, included in buying and occupancy, includes percentage rents which are based on a percentage of retail sales over stated levels. Total rent expense was $100 million, $94 million and $92 million in 1993, 1992 and 1991, respectively.

Many of the long-term leases include options to renew, with renewal terms varying from five to 30 years. Certain leases also include options to purchase the property. Future minimum lease payments required under noncancelable lease agreements existing at the end of 1993 were:

FUTURE MINIMUM LEASE PAYMENTS	Operating Leases	Capital Leases
1994	$ 99	$ 20
1995	98	20
1996	91	19
1997	71	19
1998	64	18
After 1998	501	189
Total future minimum lease payments	924	285
Less: Interest*	(411)	(153)
Executory costs	(9)	(5)
Present value of minimum lease payments	$504	$127**

* Calculated using the average interest rate in the year of inception for each lease (weighted average interest rate - 9.6%).
** Includes current portion of $5 million.

COMMITMENTS AND CONTINGENCIES

Commitments for the purchase of real estate, construction of new facilities, remodeling of existing facilities and other equipment purchases over the next year amounted to approximately $186 million at January 29, 1994.

The Corporation is exposed to claims and litigation arising out of the ordinary course of business. Considering the insurance coverage in place for a major portion of the claims and litigation, and noting that the ultimate resolutions cannot be accurately predicted, management, after consulting with legal counsel, believes that the presently identified claims and litigation will not have a material adverse effect on the Corporation's results of operations or its financial condition.

Consolidated Statements of Cash Flows

(Millions of Dollars)	1993	1992	1991
OPERATING ACTIVITIES			
Net earnings	$ 375	$383	$ 301
Reconciliation to cash flow:			
Depreciation	498	459	410
Deferred tax provision	29	11	34
Other noncash items affecting earnings	60	48	26
Changes in operating accounts providing/(requiring) cash:			
Accounts receivable	(22)	(84)	(23)
Merchandise inventories	121	(237)	(365)
Accounts payable	58	272	57
Accrued liabilities	63	142	59
Income taxes payable	20	27	(62)
Other	17	(37)	-
Cash Flow Provided by Operations	1,219	984	437
INVESTING ACTIVITIES			
Expenditures for property and equipment	(969)	(918)	(1,009)
Disposals of property and equipment	79	10	19
Cash Flow Required for Investing Activities	(890)	(908)	(990)
Net Financing Sources/(Requirements)	329	76	(553)
FINANCING ACTIVITIES			
(Decrease)/increase in notes payable	(23)	(242)	161
Additions to long-term debt	528	550	756
Reductions of long-term debt	(581)	(290)	(280)
Principal payments received on loan to ESOP	61	58	49
Dividends paid	(138)	(133)	(128)
Other	28	2	(1)
Cash Flow (Used)/Provided by Financing Activities	(125)	(55)	557
Net Increase in Cash and Cash Equivalents	204	21	4
Cash and Cash Equivalents at Beginning of Year	117	96	92
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 321	$117	$ 96

The reclassification of $200 million of long-term debt to notes payable, associated with the subsequent event discussed on page 27, is not reflected in financing activities in the Statements of Cash Flows because it did not involve cash. Amounts in these statements are presented on a cash basis and therefore may differ from those shown in other sections of this annual report.

Cash paid for interest (including interest capitalized) was $441 million, $438 million and $389 million in 1993, 1992 and 1991, respectively. Income taxes paid were $183 million, $189 million and $200 million in 1993, 1992 and 1991, respectively.

The financial statements should be read in conjunction with the Notes and Analysis contained throughout pages 21-32.

(Millions of Dollars, Except Per-Share Data)

ANALYSIS OF CASH FLOW (Unaudited)

OPERATING ACTIVITIES. The improvement in 1993 cash flow from operations reflects a decline in working capital, primarily Mervyn's inventories. Internally-generated funds represent an important component of our capital resources.

INVESTING ACTIVITIES. The Corporation's investing activities reflect strategic capital spending in all three operating divisions, primarily Target. Approximately 73% of 1993 capital expenditures were made by Target, 19% by Mervyn's and 8% by DSD. Nearly 63% of total expenditures were for building new stores, with the balance spent on store remodeling, systems and distribution. Capital expenditures for 1994 are expected to be approximately $1.3 billion. The 1994 store opening plans are for approximately 60 new Target stores and 10 new Mervyn's stores, while the remodel program includes approximately 45 stores.

FINANCING ACTIVITIES. Cash flow from operations and proceeds from the issuance of debt are generally used to fund the Corporation's capital expenditures, working capital needs, dividend payments and debt maturities and redemptions. Internally-generated funds were sufficient to finance the Corporation's investment activities in 1993 and 1992, while a portion of the Corporation's needs were met by financing activities in 1991. (Refer to the Lines of Credit note on this page for information regarding the Corporation's available credit.)

LINES OF CREDIT

At year-end, two revolving credit agreements totaling $1 billion were available from various lending institutions. There were no balances outstanding at January 29, 1994. A fee is paid for the availability under these agreements and the Corporation may borrow at various specified rates. Fees paid under these agreements were $2 million each in 1993, 1992 and 1991.

NOTES PAYABLE

At January 29, 1994, $200 million in commercial paper was outstanding. The average amount of commercial paper outstanding during the year was $298 million, at a weighted average interest rate of 3.2%.

Interest rate swaps were used to reduce interest rate exposure by effectively fixing the rate on $200 million of variable-rate commercial paper at approximately 8.6% until 1999. Subsequent to year end, the interest rate swaps were terminated at a premium of $22 million. The premium will be amortized into interest expense through 1999. It is anticipated that future interest rate savings will offset the premium amortization. At January 30, 1993,

NOTES PAYABLE CONTINUED

$200 million of commercial paper, which supported the underlying obligation of the swaps, was classified as long-term debt. Long-term revolving credit agreements backed the commercial paper.

LONG-TERM DEBT

During 1993, $528 million of long-term debt was issued with maturities of 1996 to 2023 at rates ranging from 4.65% to 7.875%, with an average interest rate of 7.1%. At year-end, the weighted average interest rate on total long-term debt was 9.0% with an average maturity of 15 years. In 1993, the Corporation called $300 million of notes and debentures at 7.875% to 10.75% due 1996 to 2013. The replacement of this debt at lower interest rates results in current and future expense savings.

Long-term debt due beyond one year was:

LONG-TERM DEBT	JANUARY 29, 1994	JANUARY 30, 1993
Swapped commercial paper backed by revolving credit	$ -	$ 200
4.65% to 10.0% unsecured notes and sinking fund notes and debentures due 1995 to 2023, and other debt	4,157	4,004
Capital lease obligations	122	126
Total	$4,279	$4,330

At January 29, 1994, the fair value of the $4,157 million 4.65% to 10.0% unsecured notes, sinking fund notes and debentures, and other debt was approximately $4,799 million. The fair value of the $200 million swapped commercial paper was approximately $231 million at year-end. The fair value of the long-term debt and swaps was estimated using discounted cash flow analysis, based on the Corporation's current incremental borrowing rates for similar types of financial instruments. The carrying amounts of the Corporation's other borrowings, including the current portion of long-term debt, approximate their fair values.

As a condition of certain borrowings, related land, buildings and equipment have been pledged as collateral. At year end, approximately $67 million of property and equipment served as collateral for these loans.

Required principal payments on long-term debt over the next five years, excluding capital lease obligations, will be $168 million in 1994, $204 million in 1995, $68 million in 1996, $123 million in 1997 and $200 million in 1998.

Consolidated Statements of Common Shareholders' Investment

(Millions of Dollars)	Common Stock	Additional Paid-in Capital	Retained Earnings	Total
FEBRUARY 2, 1991	$71	$41	$1,936	$2,048
Consolidated net earnings	-	-	301	301
Dividends declared	-	-	(128)	(128)
Conversion of preferred stock	-	2	-	2
Stock option activity	-	8	-	8
FEBRUARY 1, 1992	71	51	2,109	2,231
Consolidated net earnings	-	-	383	383
Dividends declared	-	-	(135)	(135)
Conversion of preferred stock	-	3	-	3
Stock option activity	-	4	-	4
JANUARY 30, 1993	71	58	2,357	2,486
Consolidated net earnings	-	-	375	375
Dividends declared	-	-	(140)	(140)
Tax benefit on unallocated preferred share dividends	-	6	-	6
Conversion of preferred stock	-	6	-	6
Stock option activity	1	3	-	4
JANUARY 29, 1994	$72	$73	$2,592	$2,737

COMMON STOCK

Authorized 500,000,000 shares, $1.00 par value; 71,525,082 shares issued and outstanding at January 29, 1994; 71,383,880 shares issued and outstanding at January 30, 1993.

PREFERRED STOCK

Authorized 5,000,000 shares; Series B ESOP Convertible Preferred Stock $.01 par value, 425,979 shares issued and outstanding at January 29, 1994; 432,014 shares issued and outstanding at January 30, 1993. Each share converts into ten shares of the Corporation's common stock, has voting rights equal to the equivalent number of common shares, and is entitled to cumulative annual dividends of $56.20. Under certain circumstances, the shares may be redeemed at the election of the Corporation or the ESOP.

JUNIOR PREFERRED STOCK RIGHTS

The Corporation declared a distribution of shares of preferred share purchase rights in 1986. Terms of the plan provide for a distribution of one preferred share purchase right for each outstanding share of Dayton Hudson common stock. Each right will entitle shareholders to buy one-hundredth of a share of a new series of junior participating preferred stock at an exercise price of $150, subject to adjustment. The rights will be exercisable only if a person or group acquires ownership of 20% or more of Dayton Hudson common stock or announces a tender offer to acquire 30% or more of the common stock.

The financial statements should be read in conjunction with the Notes and Analysis contained throughout pages 21-32.

(Millions of Dollars, Except Per-Share Data)

STOCK OPTION PLAN

The Corporation has a stock option plan for key employees. Grants have included stock options, performance shares and, beginning in 1993, restricted stock awards. Options have included Incentive Stock Options, Non-Qualified Stock Options or a combination of the two. Twelve months after the grant date 25% of the majority of options granted become exercisable with another 25% after each succeeding 12 months. These options are cumulatively exercisable and expire no later than 10 years after the date of the grant. Stock options are awarded at fair market value on the grant date. When exercised, proceeds are credited to common shareholders' investment and no expense is incurred.

Beginning in 1993, the performance shares earned and restricted stock awarded generally vest at the end of a four-year period, at which time common stock is issued and placed in escrow, subject to further restrictions. Prior to 1993, performance shares earned were paid in cash and common stock. Compensation expense on performance shares and restricted stock awards is recorded based on the current market price of the Corporation's common stock and the extent to which certain goals are being met. Performance share and restricted stock award expense was less than $1 million in 1993, compared with $3 million and $1 million of performance share expense in 1992 and 1991, respectively.

The number of shares of unissued common stock reserved for future grants under the plan was 3,106,901 at the end of 1993 and 3,396,070 at the end of 1992.

OPTIONS, PERFORMANCE SHARES AND RESTRICTED STOCK AWARDS OUTSTANDING

	OPTIONS				
	NUMBER OF SHARES	PRICE PER SHARE	SHARES EXER-CISABLE	PERFOR-MANCE SHARES	RESTRICTED STOCK AWARDS
Feb. 2, 1991	1,072,349	$14.30-$75.50	571,948	219,091	-
Granted	190,513	73.81- 75.19			
Canceled	(49,706)	30.25- 75.50			
Exercised	(141,990)	14.30- 69.56			
Feb. 1, 1992	1,071,166	17.44- 75.50	561,774	190,215	-
Granted	198,027	59.81- 67.63			
Canceled	(14,666)	17.44- 75.50			
Exercised	(100,109)	17.44- 53.19			
Jan. 30, 1993	1,154,418	30.25- 75.50	590,807	207,758	-
Granted	205,268	65.25- 83.25			
Canceled	(16,856)	53.00- 78.00			
Exercised	(70,009)	30.25- 75.50			
JAN. 29, 1994	1,272,821	$30.25-$83.25	654,624	247,689	30,494

PENSION PLANS

The Corporation has three defined benefit pension plans which cover all employees who meet certain requirements of age, length of service and hours worked per year. The benefits provided are based upon years of service and the employee's compensation.

Contributions to the pension plans are made solely by the Corporation. To compute net pension cost, the Corporation's actuarial consulting firm estimates the total benefits which will ultimately be paid to eligible employees and then allocates these costs to service periods.

The period over which unrecognized pension costs and credits are amortized, including prior service costs and actuarial gains and losses, is based on the remaining service period for those employees expected to receive pension benefits.

COMPONENTS OF NET PENSION EXPENSE	1993	1992	1991
Service cost-benefits earned during the period	$22	$19	$18
Interest cost on projected benefit obligation	32	30	26
Return on assets-current	(50)	(30)	(79)
-deferred	14	(1)	50
Amortization of transitional asset	-	-	(7)
Net pension expense	$18	$18	$ 8

ACTUARIAL ASSUMPTIONS	1993	1992	1991
Discount rate	7-1/4%	8-1/2%	8-1/2%
Expected long-term rate of return on plan assets	9-1/2	9-1/2	9-1/2
Average assumed rate of compensation increase	5-1/4	7	7

During 1993, the Corporation changed certain actuarial assumptions used in the calculation of its projected benefit obligation for the defined benefit plans. The net effect of these changes on future years' pension expense is not expected to be significant.

FUNDED STATUS	December 31, 1993	December 31, 1992
Actuarial present value of:		
Vested benefit obligation	$385	$297
Accumulated benefit obligation	411	316
Projected benefit obligation	466	380
Fair market value of plans' assets*	454	403
Plans' assets (less than)/in excess of projected benefit obligation	(12)	23
Unrecognized prior service cost	4	5
Unrecognized net actuarial loss/(gain)	42	(4)
Prepaid pension asset	$ 34	$ 24

*Plans' assets consist primarily of equity and fixed income securities.

(Millions of Dollars, Except Per-Share Data)

SUPPLEMENTAL RETIREMENT PLAN

The Corporation sponsors a defined contribution employee benefit plan. Employees who meet certain eligibility requirements of age, length of service and hours worked per year can participate in the plan by investing up to 15% of their compensation.

The Corporation's match equals 100% of each employee's contribution up to 5% of each participant's total compensation, within ERISA limits. The Corporation's contribution to the plan is invested in the ESOP.

In 1989, the Corporation lent $379 million to the ESOP at a 9% interest rate with an estimated maturity of 15 years. Proceeds from the loan were used by the ESOP to purchase 438,353 shares of Series B ESOP Convertible Preferred Stock of the Corporation. The original issue value of the ESOP preferred stock of $864.60 per share is guaranteed by the Corporation.

The Corporation's contributions to the ESOP, plus dividends paid on preferred stock held by the ESOP, are used to repay the loan principal and interest. Cash contributed to the ESOP was $61 million each in 1993 and 1992, and $53 million in 1991. Dividends earned on shares held by the ESOP were $24 million each in 1993 and 1992, and $25 million in 1991. Benefits expense, calculated based on the shares allocated method, was $33 million, $28 million and $25 million in 1993, 1992 and 1991, respectively.

In November 1993, the American Institute of Certified Public Accountants issued Statement of Position (SOP) 93-6 "Employers' Accounting for Employee Stock Ownership Plans." The statement is effective for fiscal years beginning after December 15, 1993. Within the SOP, the Corporation may continue its current accounting.

POSTRETIREMENT HEALTH CARE BENEFITS

Certain health care benefits are provided for retired employees. Employees eligible for retirement become eligible for these benefits if they meet minimum age and service requirements and agree to contribute a portion of the cost. The Corporation has the right to modify or terminate these benefits.

POSTRETIREMENT HEALTH CARE BENEFITS CONTINUED

ACCUMULATED POSTRETIREMENT BENEFIT OBLIGATION	December 31, 1993	1992
Retirees	$51	$52
Fully eligible active plan participants	26	30
Other active plan participants	14	14
Prior service cost	(7)	(6)
Unrecognized gain	14	4
Total accumulated postretirement benefit obligation	$98	$94

NET PERIODIC COST	1993	1992	1991
Service cost - benefits earned during the period	$1	$1	$1
Interest cost on accumulated benefit	8	8	7
Net cost	$9	$9	$8

An increase in the cost of covered health care benefits of 9.5% is assumed for fiscal 1994. The rate is assumed to decrease incrementally to 6% in the year 2000 and remain at that level thereafter. The health care cost trend rate assumption has a significant effect on the amounts reported. For example, a 1% increase in the health care trend rate would increase the accumulated postretirement benefit obligation by $7 million at year-end 1993 and the net periodic cost by $1 million for the year. The discount rate used in determining the accumulated postretirement benefit obligation was 7.25% for 1993 and 8.5% for 1992.

During 1993, the Corporation changed certain actuarial assumptions used in the calculation of its projected benefit obligation for the postretirement health care benefits. The net effect of these changes on future years' results for the postretirement health care benefits is not expected to be significant.

SUMMARY OF OTHER ACCOUNTING POLICIES

CONSOLIDATION. The financial statements include the accounts of the Corporation after elimination of material intercompany balances and transactions. All subsidiaries are wholly owned.

FISCAL YEAR. Our fiscal year ends on the Saturday nearest January 31.

FISCAL YEAR	Ended	Weeks
1993	January 29, 1994	52
1992	January 30, 1993	52
1991	February 1, 1992	52

Unless otherwise stated, references to years in this report relate to fiscal years rather than to calendar years.

Notes and Analysis

(Millions of Dollars, Except Per-Share Data)

QUARTERLY RESULTS (Unaudited)

The same accounting policies are followed in preparing quarterly financial data as are followed in preparing annual data. Costs directly associated with revenues, such as cost of goods sold and percentage rent on leased stores, are allocated based on revenues. Certain other costs not directly associated with revenues, such as benefit plan expenses, bonuses and real estate taxes, are allocated evenly throughout the year.

The table below summarizes results by quarter for 1993 and 1992:

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Total Year	
	1993	1992	1993	1992	1993	1992	1993	1992	1993	1992
Revenues	$4,040	$3,719	$4,287	$3,967	$4,625	$4,340	$6,281	$5,901	$19,233	$17,927
Gross Profit(a)	$1,067	$1,009	$1,107	$1,068	$1,208	$1,151	$1,687	$1,570	$ 5,069	$ 4,798
Net Earnings	$ 30	$ 35	$ 24	$ 42	$ 43	$ 57	$ 278	$ 249	$ 375	$ 383
Earnings Per Share(b)	$ .35	$ .40	$ .28	$ .50	$ .53	$ .70	$ 3.62	$ 3.22	$ 4.77	$ 4.82
Fully Diluted Average Common Shares Outstanding (Millions)	76.1	75.9	76.0	75.9	76.1	76.0	76.1	76.0	76.1	75.9
Dividends Declared Per Share	$ .40	$ .38	$ .40	$ .38	$ .40	$ .38	$ .42	$ .40	$ 1.62	$ 1.54
Common Stock Price(c)										
High	$ 83-3/4	$ 70	$ 75	$ 69	$ 71-7/8	$ 78-3/8	$ 74-3/4	$ 79-1/8	$ 83-3/4	$ 79-1/8
Low	69-1/8	60	63-1/4	59	65	61-7/8	65-7/8	72-1/2	63-1/4	59

(a) Gross profit is revenues less cost of retail sales, buying and occupancy.
(b) Earnings per share are computed independently for each of the quarters presented. The sum of the quarterly earnings per share may not equal the total-year amount due to the impact of changes in average quarterly shares outstanding.
(c) Dayton Hudson Corporation's common stock is listed on the New York Stock Exchange and the Pacific Stock Exchange.

LIFO PROVISION

The following table shows the quarterly pre-tax LIFO provision and its impact on earnings per share:

LIFO Expense/(Credit)*	1993		1992		1991	
Quarter (Unaudited)	Total	Per Share	Total	Per Share	Total	Per Share
First	$ 6	$ .05	$13	$.11	$ 16	$ .13
Second	6	.05	15	.12	13	.11
Third	3	.02	3	.02	3	.02
Fourth	(106)	(.87)	(22)	(.18)	(70)	(.59)
Total year	$(91)	$(.75)	$ 9	$.07	$(38)	$(.32)

*LIFO expense/(credit) per share is computed based on fully diluted average shares outstanding during each period. The sum of quarterly LIFO expense per share may not equal the total-year amount due to the impact of changes in average shares outstanding.

The fourth quarter 1993 LIFO credit was primarily the result of the adoption of internally-generated price indices at Mervyn's and DSD. Previously, Mervyn's and DSD used the Bureau of Labor Statistics' Department Stores Inventory Price Index to estimate retail price changes.

These internal price indices capture the inventory valuation impact of lower retail prices resulting from our value-pricing strategies. This change generated a LIFO credit of $77 million, or $.63 per share. The cumulative and prior years' effects of this change are not determinable. In addition to this change, the 1993 LIFO credit was affected by a lower-than-expected internally-generated price index at Target, partially offset by a substantial decline in inventory levels at Mervyn's.

The 1992 LIFO expense, as compared with the 1991 credit, was primarily due to a higher internal price index at Target, partially offset by lower inflation at Mervyn's and DSD. The 1991 LIFO credit primarily reflects Target's adoption of an internally-generated price index.

The LIFO provision is adjusted each quarter for estimated changes in year-end retail inflation rates, inventory levels and markup levels. A final adjustment is recorded in the fourth quarter for the difference between the prior quarters' estimates and actual total year LIFO expense.

Report of Independent Auditors

Board of Directors and Shareholders
Dayton Hudson Corporation

We have audited the accompanying consolidated statements of financial position of Dayton Hudson Corporation and subsidiaries as of January 29, 1994 and January 30, 1993 and the related consolidated results of operations, cash flows and common shareholders' investment for each of the three years in the period ended January 29, 1994. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Dayton Hudson Corporation and subsidiaries at January 29, 1994 and January 30, 1993, and the consolidated results of their operations and their cash flows for each of the three years in the period ended January 29, 1994, in conformity with generally accepted accounting principles.

As discussed in the notes to the financial statements, the Corporation changed its method of estimating retail price indices used in its LIFO inventory valuation for Mervyn's and the Department Store Division in 1993.

/s/ Ernst & Young

Minneapolis, Minnesota
March 18, 1994

Summary Financial and Operating Data

(Millions of Dollars, Except Per-Share Data)		1993	1992	1991	1990	1989(a)
INCOME STATEMENT DATA						
Revenues		$19,233	17,927	16,115	14,739	13,644
Cost of retail sales, buying and occupancy		$14,164	13,129	11,751	10,652	9,890
Selling, publicity and administrative		$ 3,175	2,978	2,801	2,478	2,264
Depreciation		$ 498	459	410	369	315
Interest expense, net		$ 446	437	398	325	267
Earnings from continuing operations before income taxes		$ 607	611	472	659	678
Income taxes		$ 232	228	171	249	268
Net earnings:	Continuing (b)	$ 375	383	301	412	410
	Consolidated	$ 375	383	301	412	410
FINANCIAL POSITION DATA						
Working capital		$ 1,436	1,450	1,452	1,236	912
Property and equipment		$ 5,947	5,563	5,102	4,525	3,523
Total assets		$10,778	10,337	9,485	8,524	6,684
Long-term debt		$ 4,279	4,330	4,227	3,682	2,510
Convertible preferred stock		$ 368	374	377	379	379
Common shareholders' investment		$ 2,737	2,486	2,231	2,048	1,753
PER COMMON SHARE DATA						
Fully diluted net earnings per share:	Continuing (b)	$ 4.77	4.82	3.72	5.20	5.35
	Consolidated	$ 4.77	4.82	3.72	5.20	5.35
Cash dividend declared		$ 1.62	1.54	1.46	1.35	1.17
Market price - high		$ 83-3/4	79-1/8	80	78-1/8	66-3/8
Market price - low		$ 63-1/4	59	56-3/8	47	43
Market price - close		$ 65-7/8	77-3/4	65-1/8	65-3/4	61-3/4
Common shareholders' investment		$ 38.27	34.83	31.31	28.82	24.73

The Summary Financial and Operating Data should be read in conjunction with the Financial Statements, Notes and Analysis on pages 21-32.

(a) Consisted of 53 weeks.
(b) Includes cumulative income effect of two accounting changes, net, of $2 million ($.03 per share) in 1990.

DAYTON HUDSON CORPORATION 1993 FACTS

- One of America's largest general merchandise retailers with revenues of $19.2 billion.
- More than 80% of revenues derived from discount and moderate-price retailing.
- Serves a wide range of consumers through 893 stores housing 94 million square feet of retail space in 33 states.
- Among America's 20 largest private employers, with a workforce totaling 174,000.
- Largest commitment to community giving of any major general merchandise retailer with 1993 giving of $24.0 million. Only major retailer to invest five percent of its federally taxable income in social action and arts programs in store communities.

TARGET

Target is an upscale discounter which provides quality merchandise at attractive prices in clean, spacious and customer-friendly stores. It has 554 stores coast-to-coast.

(Millions of Dollars)	1993	1992	1991
Revenues	$11,743	$10,393	$9,041
Operating Profit	$ 662	$ 574	$ 458
Stores	554	506	463
Retail Square Feet*	58,087	52,211	47,086

MERVYN'S

Mervyn's is a moderate-priced family department store chain specializing in soft goods. The division operates 276 stores in 15 states in the Northwest, West, Southwest, Southeast, and Michigan.

(Millions of Dollars)	1993	1992	1991
Revenues	$4,436	$4,510	$4,143
Operating Profit	$ 179	$ 284	$ 284
Stores	276	265	245
Retail Square Feet*	22,273	21,305	19,479

DEPARTMENT STORES

The Department Store Division emphasizes fashion leadership, quality merchandise and superior customer service. The Division operates 63 full-service, full-line department stores through three store groups predominantly in nine Midwestern states: 19 Dayton's stores, 21 Hudson's stores and 23 Marshall Field's stores.

(Millions of Dollars)	1993	1992	1991
Revenues	$3,054	$3,024	$2,931
Operating Profit	$ 268	$ 228	$ 168
Stores	63	63	62
Retail Square Feet*	13,824	13,846	13,744

*In thousands, reflects total square feet less office, warehouse and vacant space.

TARGET LOCATIONS

	Retail Sq. Ft. in thousands	No. of stores
Arizona	1,921	18
Arkansas	186	2
California	12,127	115
Colorado	1,887	18
Florida	4,822	44
Georgia	1,469	15
Idaho	309	3
Illinois	3,211	28
Indiana	2,692	30
Iowa	1,554	17
Kansas	305	3
Kentucky	556	6
Louisiana	202	2
Michigan	3,563	34
Minnesota	4,467	38
Missouri	840	8
Montana	182	2
Nebraska	597	6
Nevada	842	8
New Mexico	403	4
North Carolina	479	5
North Dakota	416	4
Ohio	809	7
Oklahoma	779	8
Oregon	828	8
South Carolina	297	3
South Dakota	391	4
Tennessee	1,298	13
Texas	6,713	63
Washington	1,835	18
Wisconsin	1,925	18
Wyoming	182	2
Total	58,087	554

MAJOR MARKETS	
Greater Los Angeles	60
Minneapolis/St. Paul	28
Chicago	18
Dallas/Ft. Worth	17
Detroit	17
Houston	17
San Francisco Bay Area	17
Atlanta	14
Miami/Ft. Lauderdale	13
Phoenix	13
Denver	12
San Diego	12
Seattle/Tacoma	10

MERVYN'S LOCATIONS

	Retail Sq. Ft. in thousands	No. of stores
Arizona	1,154	14
California	9,558	123
Colorado	927	12
Florida	1,634	18
Georgia	487	6
Idaho	83	1
Louisiana	538	7
Michigan	1,175	15
Nevada	412	6
New Mexico	180	2
Oklahoma	270	3
Oregon	479	6
Texas	3,331	41
Utah	678	7
Washington	1,367	15
Total	22,273	276

MAJOR MARKETS	
Greater Los Angeles	47
San Francisco Bay Area	22
Dallas/Ft. Worth	13
Miami/Ft. Lauderdale	13
San Diego	11
Phoenix	10
Detroit	9
Houston	9
Seattle/Tacoma	8
Atlanta	6
Denver	7
Salt Lake City	6
Sacramento	7

DEPARTMENT STORE LOCATIONS

	Retail Sq. Ft. in thousands	No. of stores
DAYTON'S		
Minnesota	2,748	12
North Dakota	299	3
South Dakota	102	1
Wisconsin	349	3
HUDSON'S		
Indiana	246	2
Michigan	4,315	18
Ohio	187	1
MARSHALL FIELD'S		
Illinois	3,944	15
Ohio	201	1
Texas	721	4
Wisconsin	712	3
Total	13,824	63
MAJOR MARKETS		
Chicago	14	
Minneapolis/St. Paul	10	
Detroit	9	

Ernst & Young
1400 Pillsbury Center
Minneapolis, Minnesota 55402
Phone: 612 343 1000

EXHIBIT (18)

March 18, 1994

Mr. Douglas A. Scovanner
Senior Vice President & Treasurer
Dayton Hudson Corporation
777 Nicollet Mall
Minneapolis, Minnesota 55402

Dear Mr. Scovanner:

The notes to consolidated financial statements of Dayton Hudson Corporation included in its Annual Report on Form 10-K for the year ended January 29, 1994 state that internally-generated indices were used in the valuation of the LIFO inventories of the Department Store Division and Mervyn's instead of the Bureau of Labor Statistics indices previously used. You have advised us that you believe the change is to a preferable method in your circumstances because it better represents the price changes being experienced at the Department Store Division and Mervyn's.

There are no authoritative criteria for determining a "preferable" LIFO inventory method based on the particular circumstances. However, we conclude that the change in the method of estimating retail price indices is to an acceptable alternative method which is preferable in your circumstances based on your business judgment to make this change for the reason cited above.

Very truly yours,
/s/ Ernst & Young

EXHIBIT (21)

SUBSIDIARIES OF REGISTRANT

As of April 1, 1994, the following are wholly-owned subsidiaries of the Registrant and are Minnesota corporations except as otherwise indicated:

Bullseye Corporation (Delaware)
Dayton Credit Company
Dayton Development Company
Dayton's Commercial Interiors, Inc.
Dayton's Iron Horse Liquors, Inc.
Dayton's Travel Service, Inc.
Eighth Street Development Company
Mervyn's (California)
Mervyn's, Inc. (Delaware)
Retailers National Bank (national association)
Rooftop, Inc.
Seatamatic, Inc. (Nevada)
Target Stores, Inc.

Capitol Lounge Corp. (Wisconsin)
Clybourn Trading Corp. (Wisconsin)
Commercial Interiors, Inc. (Delaware)
Creative Fields, Inc. (Nevada)
DHC Milwaukee, Inc. (Wisconsin)
DHC Wine & Liquor Shop, Inc. (Wisconsin)
DHC Wisconsin, Inc. (Wisconsin)
Fieldridge, Inc. (Wisconsin)
Greener Fields, Inc. (Texas)
MAFCO, Inc. (Delaware)
Marshall Field & Company (Delaware)
Marshall Field's Chicago, Inc. (Delaware)
Marshall Field's Direct Response Company, Inc. (Illinois)
Marshall Field Direct Response Supply Company, Inc. (Illinois)
Marshall Field of Columbus, Inc. (Ohio)
Marshall Field's Mayfair, Inc. (Wisconsin)
Marshall Field Stores, Inc. (Delaware)
Windows on Wisconsin, Inc. (Wisconsin)

EXHIBIT (23)

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Annual Report (Form 10-K) of Dayton Hudson Corporation of our report dated March 18, 1994, included in the 1993 Annual Report to Shareholders of Dayton Hudson Corporation.

Our audits also included the financial statement schedules of Dayton Hudson Corporation listed in Item 14(a). These schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in Registration Statement Numbers 33-42364 and 33-59008 on Form S-3 and Post-Effective Amendment No. 1 to Registration Statement Number 2-72549 and Registration Statement Numbers 33-6918 and 33-66050 on Form S-8 of our report dated March 18, 1994, with respect to the consolidated financial statements incorporated herein by reference and our report included in the preceding paragraph with respect to the financial statement schedules included in this Annual Report (Form 10-K) of Dayton Hudson Corporation.

/s/ Ernst & Young

Minneapolis, Minnesota
April 19, 1994

EXHIBIT (24)

DAYTON HUDSON CORPORATION

Power of Attorney
of Director and/or Officer

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of DAYTON HUDSON CORPORATION, a Minnesota corporation, does hereby make, constitute and appoint KENNETH A. MACKE, STEPHEN E. WATSON, HENRY T. DeNERO, and DOUGLAS A. SCOVANNER, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director and/or officer of said Corporation to a Form 10-K, Annual Report, pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, for the fiscal year ended January 29, 1994, or other applicable form, including any and all Exhibits, Schedules, Supplements and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Supplemental Retirement, Savings, and Employee Stock Ownership Plan and similar plans pursuant to Section 15(d) of the Securities Exchange Act of 1934, and all amendments, supplementations and corrections thereto, to be filed by said Corporation with the Securities and Exchange Commission, Washington, D.C. as required in connection with its registration under the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 9th day of March, 1994.

/s/ Rand V. Araskog

Rand V. Araskog

DAYTON HUDSON CORPORATION

Power of Attorney
of Director and/or Officer

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of DAYTON HUDSON CORPORATION, a Minnesota corporation, does hereby make, constitute and appoint KENNETH A. MACKE, STEPHEN E. WATSON, HENRY T. DeNERO, and DOUGLAS A. SCOVANNER, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director and/or officer of said Corporation to a Form 10-K, Annual Report, pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, for the fiscal year ended January 29, 1994, or other applicable form, including any and all Exhibits, Schedules, Supplements and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Supplemental Retirement, Savings, and Employee Stock Ownership Plan and similar plans pursuant to Section 15(d) of the Securities Exchange Act of 1934, and all amendments, supplementations and corrections thereto, to be filed by said Corporation with the Securities and Exchange Commission, Washington, D.C. as required in connection with its registration under the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 9th day of March, 1994.

/s/ Robert A. Burnett

Robert A. Burnett

DAYTON HUDSON CORPORATION

Power of Attorney
of Director and/or Officer

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IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 9th day of March, 1994.

/s/ Livio D. DeSimone

Livio D. DeSimone

DAYTON HUDSON CORPORATION

Power of Attorney
of Director and/or Officer

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of DAYTON HUDSON CORPORATION, a Minnesota corporation, does hereby make, constitute and appoint KENNETH A. MACKE, STEPHEN E. WATSON, HENRY T. DeNERO, and DOUGLAS A. SCOVANNER, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director and/or officer of said Corporation to a Form 10-K, Annual Report, pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, for the fiscal year ended January 29, 1994, or other applicable form, including any and all Exhibits, Schedules, Supplements and supporting documents thereto, including, but not limited to, the Form 11-K Annual Reports of the Supplemental Retirement, Savings, and Employee Stock Ownership Plan and similar plans pursuant to Section 15(d) of the Securities Exchange Act of 1934, and all amendments, supplementations and corrections thereto, to be filed by said Corporation with the Securities and Exchange Commission, Washington, D.C. as required in connection with its registration under the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 9th day of March, 1994.

/s/ Roger A. Enrico

Roger A. Enrico

DAYTON HUDSON CORPORATION

Power of Attorney
of Director and/or Officer

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IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 9th day of March, 1994.

/s/ William W. George

William W. George

DAYTON HUDSON CORPORATION

Power of Attorney
of Director and/or Officer

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IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 9th day of March, 1994.

/s/ Roger L. Hale

Roger L. Hale

DAYTON HUDSON CORPORATION

Power of Attorney
of Director and/or Officer

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IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 9th day of March, 1994.

/s/ Betty Ruth Hollander

Betty Ruth Hollander

DAYTON HUDSON CORPORATION

Power of Attorney
of Director and/or Officer

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IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 9th day of March, 1994.

/s/ Michele J. Hooper

Michele J. Hooper

DAYTON HUDSON CORPORATION

Power of Attorney
of Director and/or Officer

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IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 9th day of March, 1994.

/s/ Kenneth A. Macke

Kenneth A. Macke

DAYTON HUDSON CORPORATION

Power of Attorney
of Director and/or Officer

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IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 9th day of March, 1994.

/s/ Mary Patterson McPherson

Mary Patterson McPherson

DAYTON HUDSON CORPORATION

Power of Attorney
of Director and/or Officer

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IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 9th day of March, 1994.

/s/ Robert J. Ulrich

Robert J. Ulrich

DAYTON HUDSON CORPORATION

Power of Attorney
of Director and/or Officer

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IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 9th day of March, 1994.

/s/ John R. Walter

John R. Walter

DAYTON HUDSON CORPORATION

Power of Attorney
of Director and/or Officer

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IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 9th day of March, 1994.

/s/ Stephen E. Watson

Stephen E. Watson

EXHIBIT (99)(III)

DAYTON HUDSON CORPORATION
SCHEDULE OF OPERATING PROFIT AND LIFO PROVISION

(MILLIONS OF DOLLARS)

	1993	1992	1991
Operating Profit			
Target	$ 662	$ 574	$ 458
Mervyn's	179	284	284
Dept. Store Division	268	228	168
Total	$1,109	$1,086	$ 910
LIFO (Expense)/Credit			
Target	$ 62	$ (2)	$ 44*
Mervyn's	7*	4	(13)
Dept. Store Division	22*	(11)	7
Total	$ 91	$ (9)	$ 38

* Reflects adoption of an internally-generated price index to estimate the change in its retail prices.