

TARGET CORP  
 Form 424B2  
 January 16, 2008

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Title of Each Class of Securities Offered	Maximum Aggregate Offering Price	Filed Pursuant to Rule 424(b)(2) File No. 333-139870	
		Amount of Aggregate Registration Fee(1)	
5.125% Notes due 2013	\$ 500,000,000	\$	
6.000% Notes due 2018	\$ 1,250,000,000	\$	
7.000% Notes due 2038	\$ 2,250,000,000	\$	
Total	\$ 4,000,000,000	\$	157,200

(1) The filing fee of \$157,200 is calculated in accordance with Rule 457(r) of the Securities Act of 1933. Pursuant to Rule 457(p) under the Securities Act of 1933, the \$101,200 remaining of the filing fee previously paid with respect to unsold securities registered pursuant to a Registration Statement on Form S-3 (No. 333-82500) filed by Target Corporation on February 11, 2002 is being carried forward, of which \$16,775 is offset against the registration fee due for this offering and none of which will be available for future registration fees. The remaining fee of \$140,425 will be paid by wire transfer within the time required by Rule 456(b) of the Securities Act of 1933.

Prospectus Supplement to Prospectus dated January 9, 2007.

**\$4,000,000,000****Target Corporation****\$500,000,000 5.125% Notes due 2013****\$1,250,000,000 6.000% Notes due 2018****\$2,250,000,000 7.000% Notes due 2038**

Target Corporation will pay interest on the notes on January 15 and July 15 of each year, beginning July 15, 2008. The 2013 notes will mature on January 15, 2013, the 2018 notes will mature on January 15, 2018 and the 2038 notes will mature on January 15, 2038. We may redeem the notes at our option at any time, either in whole or in part, at the redemption prices described in this prospectus supplement. If a change of control triggering event as described herein occurs, unless we have exercised our option to redeem the notes, we will be required to offer to repurchase the notes at the price described in this prospectus supplement.

The notes are being offered for sale in the United States and certain jurisdictions outside the United States in which it is lawful to make such offers. The notes will not be listed on any securities exchange.

**Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed on the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.**

	Public offering price	Underwriting discount	Proceeds, before expenses, to Target Corporation
Per 2013 note	99.674%	0.350%	\$ 496,620,000
Per 2018 note	99.194%	0.450%	\$ 1,234,300,000
Per 2038 note	99.318%	0.875%	\$ 2,214,967,500
Total			\$ 3,945,887,500

The public offering prices set forth above do not include accrued interest, if any. Interest on the notes will accrue from January 17, 2008.

The notes will be delivered in book-entry form only through the facilities of The Depository Trust Company, including for the accounts of Euroclear Bank S.A./N.V., as operator of the Euroclear System, or Clearstream Banking, société anonyme, against payment in New York on or about January 17, 2008.

*Joint Book-Running Managers*

**Banc of America Securities LLC Citi Lehman Brothers**

**Goldman, Sachs & Co. JPMorgan Merrill Lynch & Co.**

**BNP PARIBAS HSBC Mitsubishi UFJ Securities Mizuho Securities USA Inc.**

**Piper Jaffray Wachovia Securities Wells Fargo Securities**

Prospectus Supplement dated January 14, 2008.

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You should read this prospectus supplement along with the accompanying prospectus dated January 9, 2007. This prospectus supplement and the accompanying prospectus form one single document and both contain information you should consider when making your investment decision. You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with information that is different. If the information contained in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement. The information in this prospectus supplement and the accompanying prospectus may only be accurate as of their respective dates.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement and the accompanying prospectus come should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

**The notes have not been offered or sold, and will not be offered or sold to persons in the United Kingdom, except to persons permitted to carry on regulated activity in the United Kingdom by the UK Financial Services Authority under the Financial Services and Markets Act 2000 (as amended), persons whose ordinary activities for the purpose of their businesses involve them in buying, selling, subscribing for or underwriting securities or making arrangements for another person to do so (whether as principal or agent) or advising on investments or other persons who are Investment Professionals within the meaning given in paragraph 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. Persons that are not permitted to carry on such activities may not rely on this document.**

## THE COMPANY

Target Corporation operates large-format general merchandise discount stores in the United States. As of January 10, 2008, we operated 1,591 stores in 47 states. Our credit card operation represents an integral component of our core retail business. We also operate Target.com, an online business which provides important benefits to our stores and to our credit card operation.

When we refer to "our company," "we," "our" and "us" in this prospectus supplement, we mean only Target Corporation, and not Target Corporation together with its subsidiaries, unless the context indicates otherwise.

## DESCRIPTION OF NOTES

The following discussion of the terms of the notes supplements the description of the general terms and provisions of the debt securities contained in the accompanying prospectus and identifies any general terms and provisions described in the accompanying prospectus that will not apply to the notes. Certain terms used but not defined in this prospectus supplement have the meanings specified in the accompanying prospectus. In this prospectus supplement, we refer to the 5.125% Notes due 2013 as the "2013 notes," the 6.000% Notes due 2018 as the "2018 notes" and the 7.000% Notes due 2038 as the "2038 notes." We also refer to the 2013 notes, the 2018 notes and the 2038 notes as, collectively, the "notes."

### General

The 2013 notes will be issued in an initial aggregate principal amount of \$500,000,000, the 2018 notes will be issued in an initial aggregate principal amount of \$1,250,000,000 and the 2038 notes will be issued in an initial aggregate principal amount of \$2,250,000,000. We will issue the notes under an indenture, dated as of August 4, 2000 between us and The Bank of New York Trust Company, N.A. (as successor in interest to Bank One Trust Company, N.A.), as trustee, as supplemented by the first supplemental indenture dated as of May 1, 2007 (the "indenture"). You should read the accompanying prospectus for a general discussion of the terms and provisions of the indenture.

The 2013 notes will mature at 100% of their principal amount on January 15, 2013, the 2018 notes will mature at 100% of their principal amount on January 15, 2018 and the 2038 notes will mature at 100% of their principal amount on January 15, 2038. The notes will not be listed on any securities exchange.

### Interest

The 2013 notes will bear interest at a rate of 5.125% per annum, the 2018 notes will bear interest at a rate of 6.000% per annum and the 2038 notes will bear interest at a rate of 7.000% per annum, in each case from January 17, 2008 or from the most recent interest payment date on which we paid or provided for interest on the applicable notes. The interest payment dates for the notes will be each January 15 and July 15, beginning July 15, 2008. See "Description of Debt Securities Interest and Principal Payments" and " Fixed Rate Debt Securities" in the accompanying prospectus.

### Optional Redemption

We may redeem the notes, at our option, in whole or in part, as described under "Description of Debt Securities Redemption and Repayment of Debt Securities Optional Redemption By Us" and " Optional Make-Whole Redemption of Debt Securities" in the accompanying prospectus at a redemption price equal to the greater of the following amounts, plus, in each case, accrued and unpaid interest thereon to the redemption date:

100% of the principal amount of the notes to be redeemed; and

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the sum of the present values of the remaining scheduled payments, such payments to be discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) using a discount rate equal to the treasury rate applicable to the 2013 notes, the 2018 notes or the 2038 notes, as the case may be, plus 30 basis points in the case of the 2013 notes, plus 35 basis points in the case of the 2018 notes and plus 40 basis points in the case of the 2038 notes.

The quotation agent will be Citigroup Global Markets Inc. or another primary treasury dealer selected by us.

### **Change of Control Offer**

If a change of control triggering event occurs with respect to the 2013 notes, the 2018 notes or the 2038 notes, unless we have exercised our option to redeem such notes as described above, we will be required to make an offer (a "change of control offer") to each holder of the series of notes with respect to which such change of control triggering event has occurred to repurchase all or any part (equal to \$100,000 or an integral multiple of \$1,000 in excess thereof) of that holder's notes on the terms set forth in such notes. In a change of control offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of notes repurchased, plus accrued and unpaid interest, if any, on the notes repurchased to the date of repurchase (a "change of control payment"). Within 30 days following any change of control triggering event or, at our option, prior to any change of control, but after public announcement of the transaction that constitutes or may constitute the change of control, a notice will be mailed to holders of the 2013 notes, the holders of the 2018 notes and/or to the holders of the 2038 notes, as the case may be, describing the transaction that constitutes or may constitute the change of control triggering event and offering to repurchase such notes on the date specified in the applicable notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed (a "change of control payment date"). The notice will, if mailed prior to the date of consummation of the change of control, state that the change of control offer is conditioned on the change of control triggering event occurring on or prior to the applicable change of control payment date.

On each change of control payment date, we will, to the extent lawful:

accept for payment all notes or portions of notes properly tendered pursuant to the applicable change of control offer;

deposit with the paying agent an amount equal to the change of control payment in respect of all notes or portions of notes properly tendered; and

deliver or cause to be delivered to the trustee the notes properly accepted together with an officers' certificate stating the aggregate principal amount of notes or portions of notes being repurchased.

We will not be required to make a change of control offer upon the occurrence of a change of control triggering event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and the third party repurchases all notes properly tendered and not withdrawn under its offer. In addition, we will not repurchase any notes if there has occurred and is continuing on the change of control payment date an event of default under the indenture, other than a default in the payment of the change of control payment upon a change of control triggering event.

We will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a change of control triggering event. To the extent that the provisions of any such securities laws or

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regulations conflict with the change of control offer provisions of the notes, we will comply with those securities laws and regulations and will not be deemed to have breached our obligations under the change of control offer provisions of the notes by virtue of any such conflict.

For purposes of the change of control offer provisions of the notes, the following terms will be applicable:

**"Change of control"** means the occurrence of any of the following: (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or more series of related transactions, of all or substantially all of our assets and the assets of our subsidiaries, taken as a whole, to any person, other than our company or one of our subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of our outstanding voting stock or other voting stock into which our voting stock is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares; (3) we consolidate with, or merge with or into, any person, or any person consolidates with, or merges with or into, us, in any such event pursuant to a transaction in which any of our outstanding voting stock or the voting stock of such other person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of our voting stock outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the voting stock of the surviving person or any direct or indirect parent company of the surviving person immediately after giving effect to such transaction; (4) the first day on which a majority of the members of our Board of Directors are not continuing directors; or (5) the adoption of a plan relating to our liquidation or dissolution. Notwithstanding the foregoing, a transaction will not be deemed to involve a change of control under clause (2) above if (i) we become a direct or indirect wholly-owned subsidiary of a holding company and (ii)(A) the direct or indirect holders of the voting stock of such holding company immediately following that transaction are substantially the same as the holders of our voting stock immediately prior to that transaction or (B) immediately following that transaction no person (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the voting stock of such holding company. The term "person," as used in this definition, has the meaning given thereto in Section 13(d)(3) of the Exchange Act.

**"Change of control triggering event"** means the occurrence of both a change of control and a rating event.

**"Continuing directors"** means, as of any date of determination, any member of our Board of Directors who (1) was a member of such Board of Directors on the date the notes were issued or (2) was nominated for election, elected or appointed to such Board of Directors with the approval of a majority of the continuing directors who were members of such Board of Directors at the time of such nomination, election or appointment (either by a specific vote or by approval of our proxy statement in which such member was named as a nominee for election as a director, without objection to such nomination).

**"Fitch"** means Fitch Inc., and its successors.

**"Investment grade rating"** means a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, and the equivalent investment grade credit rating from any replacement rating agency or rating agencies selected by us.

**"Moody's"** means Moody's Investors Service, Inc., and its successors.

**"Rating agencies"** means (1) each of Fitch, Moody's and S&P; and (2) if any of Fitch, Moody's or S&P ceases to rate the notes or fails to make a rating of the notes publicly available for reasons outside of our control, a "nationally recognized statistical rating organization" within the meaning of

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Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by us (as certified by a resolution of our Board of Directors) as a replacement agency for Fitch, Moody's or S&P, or all of them, as the case may be.

"Rating event" means (A) with respect to the 2013 notes, the rating on the 2013 notes is lowered by at least two of the three rating agencies and the 2013 notes are rated below an investment grade rating by at least two of the three rating agencies, (B) with respect to the 2018 notes, the rating on the 2018 notes is lowered by at least two of the three rating agencies and the 2018 notes are rated below an investment grade rating by at least two of the three rating agencies, and (C) with respect to the 2038 notes, the rating on the 2038 notes is lowered by at least two of the three rating agencies and the 2038 notes are rated below an investment grade rating by at least two of the three rating agencies, in any case on any day during the period (which period will be extended so long as the rating of the applicable notes is under publicly announced consideration for a possible downgrade by any of the rating agencies) commencing 60 days prior to the first public notice of the occurrence of a change of control or our intention to effect a change of control and ending 60 days following consummation of such change of control.

"S&P" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., and its successors.

"Voting stock" means, with respect to any specified "person" (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date, the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

### **Events of Default**

The events of default with respect to the notes will be those events described under "Description of Debt Securities Events of Default" in the accompanying prospectus, except that the outstanding principal amount of indebtedness set forth in the fifth bullet point of the definition of event of default under "Description of Debt Securities Events of Default" will be \$100 million (rather than \$20 million).

## UNDERWRITING

We and the underwriters for the offering named below have entered into an underwriting agreement dated as of January 14, 2008, with respect to the notes. Subject to certain conditions, each underwriter has severally agreed to purchase, and we have agreed to sell to each underwriter, the total principal amount of notes shown in the following table.

Underwriter	Principal Amount of 2013 Notes	Principal Amount of 2018 Notes	Principal Amount of 2038 Notes
Banc of America Securities LLC	\$ 100,000,000	\$ 250,000,000	\$ 450,000,000
Citigroup Global Markets Inc.	100,000,000	250,000,000	450,000,000
Lehman Brothers Inc.	100,000,000	250,000,000	450,000,000
Goldman, Sachs & Co.	55,000,000	137,500,000	247,500,000
J.P. Morgan Securities Inc.	55,000,000	137,500,000	247,500,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	55,000,000	137,500,000	247,500,000
BNP Paribas Securities Corp.	5,000,000	12,500,000	22,500,000
HSBC Securities (USA) Inc.	5,000,000	12,500,000	22,500,000
Mitsubishi UFJ Securities International plc	5,000,000	12,500,000	22,500,000
Mizuho Securities USA Inc.	5,000,000	12,500,000	22,500,000
Piper Jaffray & Co.	5,000,000	12,500,000	22,500,000
Wachovia Capital Markets LLC	5,000,000	12,500,000	22,500,000
Wells Fargo Securities, LLC	5,000,000	12,500,000	22,500,000
Total	\$ 500,000,000	\$ 1,250,000,000	\$ 2,250,000,000

Notes sold by the underwriters to the public initially will be offered at the public offering prices set forth on the cover of this prospectus supplement. Any notes sold by the underwriters to securities dealers may be sold at discounts from the applicable public offering prices of up to 0.200% of the principal amount of 2013 notes, 0.250% of the principal amount of 2018 notes and 0.500% of the principal amount of 2038 notes. Any such securities dealers may resell any notes purchased from the underwriters to certain other brokers or dealers at discounts from the applicable public offering prices of up to 0.100% of the principal amount of 2013 notes, 0.125% of the principal amount of 2018 notes and 0.250% of the principal amount of 2038 notes. If all the notes are not sold at the applicable public offering price, the underwriters may change such offering price and the other selling terms.

The notes are a new issue of securities with no established trading market. We have been advised that certain of the underwriters intend to make a market in the notes, but they are not obligated to do so and may discontinue such market-making at any time without notice. No assurance can be given as to the liquidity of the trading market for the notes.

In connection with the offering, the underwriters may purchase and sell the notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of notes than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because another underwriter



has repurchased notes sold by or for the account of such underwriter in stabilizing or short covering transactions.

Stabilizing transactions may have the effect of preventing or retarding a decline in the market price of the notes, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the notes. As a result, the price of the notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected in the over-the-counter market or otherwise.

In addition to the underwriting discounts payable to the underwriters as set forth on the cover page of this prospectus supplement, we estimate that our expenses for this offering will be approximately \$750,000.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

The notes are offered for sale in the United States and certain jurisdictions outside the United States in which such offer and sale is permitted.

Mitsubishi UFJ Securities International plc is not a U.S. registered broker-dealer and, therefore, will not effect any sales of the notes in the United States.

Each of the underwriters has represented and agreed that in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), it has not made, and will not make, an offer of notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of notes to the public in that Relevant Member State at any time: (i) to legal entities which are authorized or regulated to operate in the financial markets, or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities; or (ii) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year, (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts. For the purpose of the foregoing, the term "an offer of notes to the public" means, in relation to any notes in any Relevant Member State, the communication in any form and by any means of sufficient information of the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the term "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

This prospectus supplement has been prepared on the basis that all offers of the notes within the European Economic Area will be made pursuant to an exemption under Article 3(2) of the Prospectus Directive, as implemented in Relevant Member States of the European Economic Area, from the requirement to produce a prospectus for offers of the notes. Accordingly, any person making or intending to make any offer of the notes within the European Economic Area should only do so in circumstances in which no obligation arises for us, our affiliates or any of the underwriters to produce a prospectus for such offer. Neither we nor any of the underwriters have authorized, nor do we or they authorize, the making of any offer of the notes through any financial intermediary, other than offers

made by the underwriters which constitute the final placement of the notes contemplated in this prospectus supplement.

Each of the underwriters has represented and agreed and undertaken that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to us; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes, in, from or otherwise involving the United Kingdom.

The notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

The filing of a securities registration statement under Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan with respect to the solicitation for the purchase of the notes has not been and will not be made, pursuant to an exemption under Article 2, Paragraph 3, Item 2, Sub-Item A of the Financial Instruments and Exchange Law of Japan. Pursuant to the Financial Instruments and Exchange Law of Japan, transfer of the notes will be restricted to "qualified institutional investors" (TEKIKAKU-KIKAN-TOSHIKA) as defined under Article 2, Paragraph 3, Item 1 of the Financial Instruments and Exchange Law of Japan. The holders of the notes agree not to sell or otherwise dispose of the notes except to another qualified institutional investor. When a holder of the notes sells the notes to another qualified institutional investor, it must provide written notice to such qualified institutional investor stating the same herein prior to or simultaneous with such transfer.

This prospectus supplement and the accompanying prospectus have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and the accompanying prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose

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is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the notes under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

In the ordinary course of their respective businesses and in exchange for customary fees, certain of the underwriters and their respective affiliates have in the past provided, currently provide, and may in the future from time to time provide, investment banking and general financing and commercial banking services to us and certain of our affiliates. A member of our Board of Directors is a director of Citigroup Inc., an affiliate of Citigroup Global Markets Inc., which is one of the underwriters; another member of our Board of Directors is a director of The Goldman Sachs Group Inc., an affiliate of Goldman, Sachs & Co., which is one of the underwriters; two members of our Board of Directors are directors of Wells Fargo & Company, an affiliate of Wells Fargo Securities, LLC, which is one of the underwriters; and one of our executive officers is a director of Piper Jaffray Companies, an affiliate of Piper Jaffray & Co., which is one of the underwriters.

### LEGAL OPINIONS

The validity of the notes will be passed upon for us by Faegre & Benson LLP, Minneapolis, Minnesota, and for the underwriters by Simpson Thacher & Bartlett LLP, New York, New York. Simpson Thacher & Bartlett LLP may rely on Faegre & Benson LLP as to matters of Minnesota law.

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PROSPECTUS

1000 Nicollet Mall  
Minneapolis, Minnesota 55403  
(612) 304-6073

**Debt Securities  
Preferred Stock  
Depositary Shares  
Common Stock  
Securities Warrants**

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We will provide the specific terms of these securities in supplements to this prospectus.  
You should read this prospectus and the applicable supplement carefully before you invest.

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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This prospectus is dated January 9, 2007.

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission using a "shelf" registration procedure. Under this shelf procedure, we may sell

debt securities,

preferred stock,

depository shares,

common stock, and

securities warrants,

either separately or in units, in one or more offerings. This prospectus provides you with a general description of those securities. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read this prospectus and the applicable prospectus supplement together with the additional information described under the heading "Where You Can Find More Information."

We may also prepare free writing prospectuses to describe the terms of particular securities, which terms may vary from those described in this prospectus. Any free writing prospectus should therefore be carefully reviewed in connection with this prospectus and with any prospectus supplement referred to therein. A free writing prospectus will not constitute a part of this prospectus.

The registration statement that contains this prospectus (including the exhibits to the registration statement) contains additional information about our company and the securities offered under this prospectus. That registration statement can be read at the SEC web site or at the SEC offices mentioned under the heading "Where You Can Find More Information."

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and special reports, proxy statements and other information with the SEC. Our SEC filings are available to the public through the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street, N.E., Washington, D.C. 20549. You can also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities. Our SEC filings are also available at the office of the New York Stock Exchange. For further information on obtaining copies of our public filings at the New York Stock Exchange, you should call (212) 656-5060.

We "incorporate by reference" into this prospectus the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus. Some information contained in this prospectus updates the information incorporated by reference into this prospectus, and information that we file subsequently with the SEC will automatically update information in this prospectus as well as our other filings with the SEC. In other words, in the case of a conflict or inconsistency between information set forth in this prospectus and/or information incorporated by reference into this prospectus, you should rely on the information contained in the document that was filed later. We incorporate by reference the documents listed below and any filings we make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 after the initial

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filing of the registration statement that contains this prospectus and prior to the time that we sell all the securities offered under this prospectus:

Annual Report on Form 10-K for the year ended January 28, 2006 (including information specifically incorporated by reference into our Form 10-K from our 2005 Annual Report to Shareholders and our definitive Notice and Proxy Statement for our 2006 Annual Meeting of Shareholders);

Quarterly Reports on Form 10-Q for the quarters ended April 29, 2006, July 29, 2006 and October 28, 2006;

Current Reports on Form 8-K filed February 16, 2006, March 10, 2006, July 6, 2006, July 14, 2006, August 10, 2006, October 5, 2006, November 14, 2006 and December 28, 2006; and

the description of the Company's common stock contained in the Registration Statement on Form 8-A filed in connection with the Company's common stock.

You may request a copy of these filings (other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing) at no cost, by writing to or telephoning us at the following address:

Corporate Secretary  
Target Corporation  
1000 Nicollet Mall  
Minneapolis, Minnesota 55403-2467  
(612) 304-6073

You should rely only on the information incorporated by reference or set forth in this prospectus or the applicable prospectus supplement. We have not authorized anyone else to provide you with additional or different information. We may only use this prospectus to sell securities if it is accompanied by a prospectus supplement. We are only offering these securities in states where the offer is permitted. You should not assume that the information in this prospectus or the applicable prospectus supplement is accurate as of any date other than the dates on the front of those documents.

**THE COMPANY**

Target Corporation operates large-format general merchandise discount stores in the United States. As of November 29, 2006, we operated 1,494 stores in 47 states. Our credit card operation represents an integral component of our core retail business. We also operate Target.com, an online business which provides important benefits to our stores and to our credit card operation.

When we refer to "our company," "we," "our" and "us" in this prospectus under the headings "The Company," "Use of Proceeds" and "Ratios of Earnings to Fixed Charges," we mean Target Corporation and its subsidiaries. When these terms are used elsewhere in this prospectus, we refer only to Target Corporation unless the context indicates otherwise.

**USE OF PROCEEDS**

Unless otherwise specified in the applicable prospectus supplement, the net proceeds from the sale of the offered securities will be added to our general funds and may be used to:

meet our working capital requirements;

fund capital expenditures relating to the construction and fixturing of our new stores;

remodel our existing stores;

refinance debt; and

finance share repurchases and acquisitions of real estate, other assets and companies.

Until the net proceeds have been used, they will be invested in short-term marketable securities.

**RATIOS OF EARNINGS TO FIXED CHARGES**

	Fiscal Year Ended				
	February 2, 2002	February 1, 2003	January 31, 2004	January 29, 2005	January 28, 2006
Ratio of Earnings to Fixed Charges*	4.07	4.33	5.07	5.35	7.21

\* Ratios are based on our results from continuing operations.

For purposes of calculating the ratios, fixed charges consist of:

interest on debt;

amortization of discount on debt; and

the interest portion of rental expense on operating leases.

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The ratio of earnings to fixed charges is calculated as follows:

$$\frac{(\text{income from continuing operations before income taxes}) + (\text{fixed charges}) - (\text{capitalized interest})}{(\text{fixed charges})}$$

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## DESCRIPTION OF DEBT SECURITIES

This section describes the general terms and provisions of the debt securities. A prospectus supplement will describe the specific terms of the debt securities offered through that prospectus supplement and any general terms outlined in this section that will not apply to those debt securities.

Unless otherwise specified in the applicable prospectus supplement, the debt securities will be issued under an indenture dated as of August 4, 2000 between us and The Bank of New York Trust Company, N. A. (successor to Bank One Trust Company, N.A.), as trustee, referred to herein as the "indenture." As used in this prospectus, "debt securities" means the debentures, notes, bonds and other evidences of indebtedness that we issue and the trustee authenticates and delivers under the indenture.

We have summarized the material terms and provisions of the indenture in this section. We have also filed the indenture as an exhibit to the registration statement of which this prospectus is a part. You should read the indenture for additional information before you buy any debt securities. The summary that follows includes references to section numbers of the indenture so that you can more easily locate these provisions.

### General

The debt securities will be our direct, senior, unsecured obligations. The indenture does not limit the amount of debt securities that we may issue and permits us to issue debt securities from time to time. Debt securities issued under the indenture will be issued as part of a series that has been established by us under the indenture. (Section 301) Unless a prospectus supplement relating to debt securities states otherwise, the indenture and the terms of the debt securities will not contain any covenants designed to afford holders of any debt securities protection in a highly leveraged or other transaction involving us that may adversely affect holders of the debt securities.

A prospectus supplement relating to a series of debt securities being offered will include specific terms relating to the offering. (Section 301) These terms will include some or all of the following:

the title and type of the debt securities;

any limit on the total principal amount of the debt securities;

the price at which the debt securities will be issued;

the date or dates on which the principal of and premium, if any, on the debt securities will be payable;

the maturity date or dates of the debt securities;

if the debt securities will bear interest:

the interest rate on the debt securities or the method by which the interest rate can be determined;

the date from which interest will accrue;

the record and interest payment dates for the debt securities;

the first interest payment date; and

any circumstances under which we may defer interest payments;

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if the amount of principal or interest payable on the debt securities will be determined by reference to one or more indices, securities or baskets of securities, commodities or baskets of

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commodities, currency exchange rates, or any other market measure, information as to such indices, securities, commodities, baskets, currencies, or other market measures;

any place or places where

we can make payments on the debt securities,

the debt securities can be surrendered for registration of transfer or exchange, and

notices and demands can be given to us relating to the debt securities or under the indenture,

in addition to those specified herein;

any optional redemption provisions that would permit us or the holders of debt securities to elect redemption of the debt securities prior to their final maturity;

any sinking fund provisions that would obligate us to redeem the debt securities prior to their final maturity;

the currency or currencies in which the debt securities will be denominated and payable, if other than U.S. dollars;

any provisions that would permit us or the holders of the debt securities to elect the currency or currencies in which the debt securities are paid;

whether the provisions described under the heading " Defeasance" below will not apply to the debt securities;

any changes to or additional events of default or covenants;

if the debt securities will be issued in whole or in part in the form of global securities, the extent to which the description of the book-entry procedures described below under " Book-Entry, Delivery and Form" will not apply to such global securities a "global security" means a debt security that we issue in accordance with the indenture to represent all or part of a series of debt securities;

if the debt securities will be convertible into or exchangeable for our common stock, preferred stock, or other debt securities at our option or the option of the holders, the provisions relating to such conversion or exchange;

any special tax implications of the debt securities; and

any other terms of the debt securities.

A "holder" means, with respect to a registered security, the person in whose name the registered security is registered in the security register. (Section 101)

Unless otherwise specified in the applicable prospectus supplement, we may, without the consent of the holders of a series of debt securities, issue additional debt securities of that series having the same interest rate, maturity date and other terms (except for the price to public and issue date) as such debt securities. Any such additional debt securities, together with the initial debt securities, will constitute a single series of debt securities under the indenture.

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Unless we specify otherwise in the applicable prospectus supplement, we will not pay any additional amounts on the debt securities offered thereby to compensate any beneficial owner for any United States tax withheld from payments on such debt securities.

## Exchange and Transfer

Any debt securities of a series may be exchanged for other debt securities of that series so long as the other debt securities are denominated in authorized denominations and have the same aggregate principal amount and same terms as the debt securities that were surrendered for exchange. The debt securities may be presented for registration of transfer, duly endorsed or accompanied by a satisfactory written instrument of transfer, at the office or agency maintained by us for that purpose in New York, New York or any other place of payment. However, holders of global securities may transfer and exchange global securities only in the manner and to the extent set forth under " Book Entry, Delivery and Form" below. There will be no service charge for any registration of transfer or exchange of the debt securities, but we may require holders to pay any tax or other governmental charge payable in connection with a transfer or exchange of the debt securities. (Sections 305, 1002) If the applicable prospectus supplement refers to any office or agency, in addition to the security registrar, initially designated by us where holders can surrender the debt securities for registration of transfer or exchange, we may at any time rescind the designation of any such office or agency or approve a change in the location. However, we will be required to maintain an office or agency in each place of payment for that series. (Section 1002)

We will not be required to:

register the transfer of or exchange debt securities to be redeemed for a period of fifteen calendar days preceding the mailing of the relevant notice of redemption; or

register the transfer of or exchange any registered debt security selected for redemption, in whole or in part, except the unredeemed or unpaid portion of that registered debt security being redeemed in part. (Section 305)

## Interest and Principal Payments

*Payments.* Holders may present debt securities for payment of principal, premium, if any, and interest, if any, register the transfer of the debt securities and exchange the debt securities at the office or agency maintained by us for that purpose. On the date of this prospectus, that office is located at c/o The Bank of New York, 101 Barclay Street, New York, New York 10286. We refer to The Bank of New York Trust Company, N.A., acting in this capacity for the debt securities, as the "paying agent."

Any money that we pay to the paying agent for the purpose of making payments on the debt securities and that remains unclaimed two years after the payments were due will, at our request, be returned to us and after that time any holder of a debt security can only look to us for the payments on the debt security. (Section 1003)

*Recipients of Payments.* The paying agent will pay interest to the person in whose name the debt security is registered at the close of business on the applicable record date. Unless otherwise specified in the applicable prospectus supplement, the "record date" means, for any interest payment date, the date 15 calendar days prior to that interest payment date, whether or not that day is a business day. However, upon maturity, redemption or repayment, the paying agent will pay any interest due to the person to whom it pays the principal of the debt security. The paying agent will make the payment on the date of maturity, redemption or repayment, whether or not that date is an interest payment date. An "interest payment date" means, for any debt security, a date on which, under the terms of that debt security, regularly scheduled interest is payable.

*Book-Entry Debt Securities.* The paying agent will make payments of principal, premium, if any, and interest, if any, to the account of The Depository Trust Company, referred to herein as "DTC," or any other depository specified in the applicable prospectus supplement, as holder of book-entry debt securities, by wire transfer of immediately available funds. We expect that the depository, upon receipt of any payment, will immediately credit its participants' accounts in amounts proportionate to their

respective beneficial interests in the book-entry debt securities as shown on the records of the depository. We also expect that payments by the depository's participants to owners of beneficial interests in the book-entry debt securities will be governed by standing customer instructions and customary practices and will be the responsibility of those participants.

*Certificated Debt Securities.* Except as indicated below for payments of interest at maturity, redemption or repayment, the paying agent will make payments of interest either:

by check mailed to the address of the person entitled to payment as shown on the security register; or

by wire transfer to an account designated by a holder, if the holder has given written notice not later than 10 calendar days prior to the applicable interest payment date. (Section 307)

Payments of principal, premium, if any, and interest, if any, upon maturity, redemption or repayment on a debt security will be made in immediately available funds against presentation and surrender of the debt security at the office of the paying agent.

*Discount Debt Securities.* Some debt securities may be considered to be issued with original issue discount, which for these purposes includes a debt security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of maturity. We refer to these debt securities as "discount notes." In the event of a redemption or repayment of any discount note or if the principal of any debt security that is considered to be issued with original issue discount is declared to be due and payable immediately as described under " Events of Default" below, the amount of principal due and payable on that debt security will be limited to:

the aggregate principal amount of the debt security multiplied by the sum of

its issue price, expressed as a percentage of the aggregate principal amount, plus

the original issue discount amortized from the date of issue to the date of declaration, expressed as a percentage of the aggregate principal amount.

For purposes of determining the amount of original issue discount that has accrued as of any date on which a redemption, repayment or acceleration of maturity occurs for a discount note, original issue discount will be accrued using a constant yield method. The constant yield will be calculated using a 30-day month, 360-day year convention, a compounding period that, except for the initial period (as defined below), corresponds to the shortest period between interest payment dates for the applicable discount note (with ratable accruals within a compounding period), and an assumption that the maturity of a discount note will not be accelerated. If the period from the date of issue to the first interest payment date for a discount note (the "initial period") is shorter than the compounding period for the discount note, a proportionate amount of the yield for an entire compounding period will be accrued. If the initial period is longer than the compounding period, then the period will be divided into a regular compounding period and a short period with the short period being treated as provided in the preceding sentence. The accrual of the applicable original issue discount discussed above may differ from the accrual of original issue discount for purposes of the Internal Revenue Code of 1986, as amended.

*Certain Definitions.* The following are definitions of certain terms we use in this prospectus when discussing principal and interest payments on the debt securities:

A "business day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in New York, New York.

The "depository" means the depository for global securities issued under the indenture and, unless provided otherwise in the applicable prospectus supplement, means DTC.

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"Euro LIBOR debt securities" means LIBOR debt securities for which the index currency is the euro.

"London banking day" means any day on which dealings in deposits in the relevant index currency are transacted in the London interbank market.

"TARGET Settlement Day" means any day on which the Trans-European Automated-Real-time Gross Settlement-Express Transfer System is open.

References in this prospectus to "U.S. dollar," "U.S.\$" or "\$" are to the currency of the United States of America. References in this prospectus to "euro" are to the single currency introduced at the commencement of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

### Fixed Rate Debt Securities

Each fixed rate debt security will bear interest from the date of issuance at the annual rate specified in the applicable prospectus supplement until the principal is paid or made available for payment. Unless otherwise specified in the applicable prospectus supplement, the following provisions will apply to fixed rate debt securities offered pursuant to this prospectus.

*How Interest Is Calculated.* Interest on fixed rate debt securities will be computed on the basis of a 360-day year of twelve 30-day months.

*When Interest Is Paid.* Payments of interest on fixed rate debt securities will be made on the interest payment dates specified in the applicable prospectus supplement.

*Amount Of Interest Payable.* Interest payments for fixed rate debt securities will include accrued interest from and including the issue date (or any other date specified in the applicable prospectus supplement) or from and including the last interest payment date in respect of which interest has been paid or provided for, as the case may be, to but excluding the relevant interest payment date or date of maturity or earlier redemption or repayment, as the case may be.

*If A Payment Date Is Not A Business Day.* If any interest payment date is not a business day, we will pay interest on the next business day, and no interest will accrue as a result of the delay. If the maturity date or date of redemption or repayment is not a business day, we will pay interest, if any, and principal and premium, if any, on the next business day, and no interest will accrue as a result of the delay.

### Floating Rate Debt Securities

Unless otherwise specified in the applicable prospectus supplement, the following provisions will apply to floating rate debt securities offered pursuant to this prospectus.

Each floating rate debt security will bear interest at a floating rate determined by reference to an interest rate or interest rate formula, which we refer to as the "base rate." The base rate may be one or more of the following:

the CD rate;

the commercial paper rate;

the federal funds rate;

LIBOR;

the prime rate;

the Treasury rate;

the CMT rate; or



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any other rate or interest rate formula specified in the applicable prospectus supplement.

*Formula For Interest Rates.* The interest rate on each floating rate debt security will be calculated by reference to:

the specified base rate based on the index maturity;

plus or minus the spread, if any; and/or

multiplied by the spread multiplier, if any.

For any floating rate debt security, "index maturity" means the period of maturity of the instrument or obligation from which the base rate is calculated and will be specified in the applicable prospectus supplement. The "spread" is the number of basis points (one one-hundredth of a percentage point) specified in the applicable prospectus supplement to be added to or subtracted from the base rate for a floating rate debt security. The "spread multiplier" is the percentage specified in the applicable prospectus supplement to be applied to the base rate for a floating rate debt security.

*Limitations On Interest Rate.* A floating rate debt security may also have either or both of the following limitations on the interest rate:

a maximum limitation, or ceiling, on the rate of interest which may accrue during any interest reset period, which we refer to as the "maximum interest rate"; and/or

a minimum limitation, or floor, on the rate of interest that may accrue during any interest reset period, which we refer to as the "minimum interest rate."

Any applicable maximum interest rate or minimum interest rate will be set forth in the applicable prospectus supplement.

In addition, the interest rate on a floating rate debt security may not be higher than the maximum rate permitted by Minnesota law, as that rate may be modified by United States law of general application. Under current Minnesota law, no maximum rate would apply to the debt securities.

*How Floating Interest Rates Are Reset.* The interest rate in effect from the issue date to the first interest reset date for a floating rate debt security will be the initial interest rate specified in the applicable prospectus supplement. We refer to this rate as the "initial interest rate." The interest rate on each floating rate debt security may be reset daily, weekly, monthly, quarterly, semiannually or annually. This period is the "interest reset period," and the first day of each interest reset period is the "interest reset date." The "interest determination date" for any interest reset date is the day to which the calculation agent will refer when determining the new interest rate at which a floating rate will reset, and will be as follows:

for federal funds rate debt securities, the interest reset date;

for prime rate debt securities, the business day prior to the interest reset date;

for CD rate debt securities, commercial paper rate debt securities and CMT rate debt securities, the second business day prior to the interest reset date;

for Euro LIBOR debt securities, the second TARGET Settlement Day prior to the interest reset date;

for LIBOR debt securities (other than Euro LIBOR debt securities), the second London banking day prior to the interest reset date, except that the interest determination date pertaining to the interest reset date for a LIBOR debt security for which the index currency is pounds sterling will be the interest reset date;



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for Treasury rate debt securities, the day of the week in which the interest reset date falls on which Treasury bills would normally be auctioned. Treasury bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that the auction may be held on the preceding Friday. If, as a result of a Monday being a legal holiday, an auction is held on the preceding Friday, that Friday will be the interest determination date; and

for debt securities with two or more base rates, the latest business day that is at least two business days before the applicable interest reset date on which each base rate is determinable.

The interest reset dates will be specified in the applicable prospectus supplement. If an interest reset date for any floating rate debt security falls on a day that is not business day, it will be postponed to the following business day, except that, in the case of a LIBOR debt security, if that business day is in the next calendar month, the interest reset date will be the immediately preceding business day.

In the detailed descriptions of the various base rates which follow, the "calculation date" for an interest determination date means the earlier of (i) the tenth calendar day after that interest determination date or, if that day is not a business day, the next business day, and (ii) the business day immediately preceding the applicable interest payment date or maturity date or, for any principal amount to be redeemed or repaid, any redemption or repayment date.

*How Interest Is Calculated.* Interest on floating rate debt securities will accrue from and including the most recent interest payment date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from and including the issue date or any other date specified in a prospectus supplement on which interest begins to accrue. Interest will accrue to but excluding the next interest payment date or, if earlier, the date on which the principal has been paid or duly made available for payment, except as described below under " If A Payment Date Is Not A Business Day."

Unless otherwise specified in the applicable prospectus supplement, the calculation agent for any issue of floating rate debt securities will be The Bank of New York Trust Company, N.A. We may appoint a successor calculation agent with the written consent of the paying agent (which consent shall not be unreasonably withheld). Upon the request of the holder of any floating rate debt security, the calculation agent will provide the interest rate then in effect and, if determined, the interest rate that will become effective on the next interest reset date for the floating rate debt security. The calculation agent will notify the paying agent of each determination of the interest rate applicable to any floating rate debt security promptly after the determination is made.

For a floating rate debt security, accrued interest will be calculated by multiplying the principal amount of the floating rate debt security by an accrued interest factor. This accrued interest factor will be the sum of the interest factors calculated for each day in the period for which interest is being paid. The interest factor for each day is computed by dividing the interest rate applicable to that day:

by 360, in the case of CD rate debt securities, commercial paper rate debt securities, federal funds rate debt securities, LIBOR debt securities, except for LIBOR debt securities denominated in pounds sterling, and prime rate debt securities;

by 365 (or 366 if the last day of the interest period falls in a leap year), in the case of LIBOR debt securities denominated in pounds sterling; or

by the actual number of days in the year, in the case of Treasury rate debt securities and CMT rate debt securities.

For these calculations, the interest rate in effect on any interest reset date will be the applicable rate as reset on that date. The interest rate applicable to any other day is the interest rate from the immediately preceding interest reset date or, if none, the initial interest rate.

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All percentages used in or resulting from any calculation of the rate of interest on a floating rate debt security will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with .000005% rounded up to .00001%, and all U.S. dollar amounts used in or resulting from these calculations on floating rate debt securities will be rounded to the nearest cent, with one-half cent rounded upward.

*When Interest Is Paid.* We will pay interest on floating rate debt securities on the interest payment dates specified in the applicable prospectus supplement.

*If A Payment Date Is Not A Business Day.* If any interest payment date, other than the maturity date or any earlier redemption or repayment date, for any floating rate debt security falls on a day that is not a business day, such interest payment date will be postponed to the following business day, except that, in the case of a LIBOR debt security, if that business day would fall in the next calendar month, the interest payment date will be the immediately preceding business day. If the maturity date or any earlier redemption or repayment date of a floating rate debt security falls on a day that is not a business day, the payment of principal, premium, if any, and interest, if any, will be made on the next business day, and no interest will accrue as a result of the delay.

### *Base Rates.*

CD Rate Debt Securities. CD rate debt securities will bear interest at the interest rates specified in the applicable prospectus supplement. Those interest rates will be based on the CD rate and any spread and/or spread multiplier and will be subject to the minimum interest rate and the maximum interest rate, if any.

The "CD rate" means, for any interest determination date, the rate on that date for negotiable U.S. dollar certificates of deposit having the index maturity specified in the applicable prospectus supplement as published by the Board of Governors of the Federal Reserve System in "Statistical Release H. 15 (519), Selected Interest Rates," or any successor publication of the Board of Governors of the Federal Reserve System ("H.15 (519)") under the heading "CDs (Secondary Market)."

The following procedures will be followed if the CD rate cannot be determined as described above:

If the above rate is not published in H.15(519) by 3:00 p.m., New York City time, on the calculation date, the CD rate will be the rate on that interest determination date set forth in the daily update of H.15(519), available through the website of the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/h15/update>, or any successor site or publication or other recognized source used for the purpose of displaying the applicable rate, which is commonly referred to as the "H.15 Daily Update," for the interest determination date for certificates of deposit having the index maturity specified in the applicable prospectus supplement, under the caption "CDs (Secondary Market)."

If the above rate is not yet published in either H.15(519) or the H.15 Daily Update by 3:00 p.m., New York City time, on the calculation date, the calculation agent will determine the CD rate to be the arithmetic mean of the secondary market offered rates as of 10:00 a.m., New York City time, on that interest determination date of three leading nonbank dealers in negotiable U.S. dollar certificates of deposit in New York, New York, which may include the underwriters or agents for the debt securities or their affiliates, selected by the calculation agent, after consultation with us, for negotiable U.S. dollar certificates of deposit of major U.S. money center banks of the highest credit standing in the market for negotiable certificates of deposit with a remaining maturity closest to the index maturity specified in the applicable prospectus supplement in an amount that is representative for a single transaction in that market at that time.

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If the dealers selected by the calculation agent are not providing quotations as set forth above, the CD rate in effect immediately before that interest determination date will not change and will remain the CD rate in effect on that interest determination date.

Commercial Paper Rate Debt Securities. Commercial paper rate debt securities will bear interest at the interest rates specified in the applicable prospectus supplement. Those interest rates will be based on the commercial paper rate and any spread and/or spread multiplier and will be subject to the minimum interest rate and the maximum interest rate, if any.

The "commercial paper rate" means, for any interest determination date, the money market yield, calculated as described below, of the rate on that date for U.S. dollar commercial paper having the index maturity specified in the applicable prospectus supplement, as that rate is published in H.15(519), under the heading "Commercial Paper Nonfinancial."

The following procedures will be followed if the commercial paper rate cannot be determined as described above:

If the above rate is not published by 3:00 p.m., New York City time, on the calculation date, then the commercial paper rate will be the money market yield of the rate on that interest determination date for commercial paper of the index maturity specified in the applicable prospectus supplement as published in the H.15 Daily Update, or other recognized electronic source used for the purpose of displaying the applicable rate, under the heading "Commercial Paper Nonfinancial."

If by 3:00 p.m., New York City time, on that calculation date the rate is not yet published in either H.15(519) or the H.15 Daily Update, or other recognized electronic source used for the purpose of displaying the applicable rate, then the calculation agent will determine the commercial paper rate to be the money market yield of the arithmetic mean of the offered rates as of 11:00 a.m., New York City time, on that interest determination date of three leading dealers of U.S. dollar commercial paper in New York, New York, which may include the underwriters or agents for the debt securities or their affiliates, selected by the calculation agent, after consultation with us, for commercial paper of the index maturity specified in the applicable prospectus supplement, placed for an industrial issuer whose bond rating is "Aa," "AA," or the equivalent, from a nationally recognized statistical rating agency.

If the dealers selected by the calculation agent are not providing quotations as set forth above, the commercial paper rate in effect immediately before that interest determination date will not change and will remain the commercial paper rate in effect on that interest determination date.

The "money market yield" will be a yield calculated in accordance with the following formula:

$$\text{money market yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable annual rate for commercial paper quoted on a bank discount basis and expressed as a decimal and "M" refers to the actual number of days in the interest period for interest is being calculated.

Federal Funds Rate Debt Securities. Federal funds rate debt securities will bear interest at the interest rates specified in the applicable prospectus supplement. Those interest rates will be based on the federal funds rate and any spread and/or spread multiplier and will be subject to the minimum interest rate and the maximum interest rate, if any.

The "federal funds rate" means, for any interest determination date, the rate with respect to that date for U.S. dollar federal funds as published in H.15(519) under the heading "Federal Funds

(Effective)" as displayed on Moneyline Telerate, or any successor service, on page 120 or any other page as may replace the applicable page on that service, which is commonly referred to as "Telerate Page 120."

The following procedures will be followed if the federal funds rate cannot be determined as described above:

If the above rate is not published by 3:00 p.m., New York City time, on the calculation date, the federal funds rate will be the rate with respect to that interest determination date as published in the H.15 Daily Update, or other recognized electronic source used for the purpose of displaying the applicable rate, under the heading "Federal Funds (Effective)."

If the above rate is not yet published in either H.15(519) or the H.15 Daily Update, or other recognized electronic source used for the purpose of displaying the applicable rate, by 3:00 p.m., New York City time, on the calculation date, the calculation agent will determine the federal funds rate to be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds prior to 9:00 a.m., New York City time, on the business day following that interest determination date, by each of three leading brokers of U.S. dollar federal funds transactions in New York, New York, which may include the underwriters or agents for the debt securities or their affiliates, selected by the calculation agent, after consultation with us.

If the brokers selected by the calculation agent are not providing quotations as set forth above, the federal funds rate in effect immediately before that interest determination date will not change and will remain the federal funds rate in effect on that interest determination date.

LIBOR Debt Securities. LIBOR debt securities will bear interest at the interest rates specified in the applicable prospectus supplement. That interest rate will be based on London Interbank Offered Rate, which is commonly referred to as "LIBOR." and any spread and/or spread multiplier and will be subject to the minimum interest rate and the maximum interest rate, if any.

The calculation agent will determine LIBOR for each interest determination date as follows:

As of the interest determination date, LIBOR will be the rate for deposits in the index currency having the index maturity designated in the applicable prospectus supplement, commencing on the second London banking day immediately following that interest determination date or, if pounds sterling is the index currency, commencing on that interest determination date, that appears on the Designated LIBOR Page at approximately 11:00 a.m., London time, on that interest determination date.

If no rate appears, then the calculation agent will request the principal London offices of each of four major banks in the London interbank market, as selected by the calculation agent, to provide the calculation agent with its offered quotation for deposits in the index currency for the period of the index maturity specified in the applicable prospectus supplement commencing on the second London banking day immediately following the interest determination date or, if pounds sterling is the index currency, commencing on that interest determination date, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that interest determination date and in a principal amount that is representative of a single transaction in that index currency in that market at that time.

If at least two quotations are provided, LIBOR determined on that interest determination date will be the arithmetic mean of those quotations. If fewer than two quotations are provided, LIBOR will be determined for the applicable interest reset date as the arithmetic mean of the rates quoted at approximately 11:00 a.m., or some other time specified in the applicable prospectus supplement, in the applicable principal financial center for the country of the index currency on that interest determination date, by three major banks in that principal financial

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center selected by the calculation agent for loans in the index currency to leading European banks, having the index maturity specified in the applicable prospectus supplement and in a principal amount that is representative of a single transaction in that index currency in that market at that time.

If the banks so selected by the calculation agent are not providing quotations as set forth above, LIBOR in effect immediately before that interest determination date will not change and will remain LIBOR in effect on that interest determination date.

The "index currency" means the currency specified in the applicable prospectus supplement as the currency for which LIBOR will be calculated or, if the euro is substituted for that currency, the index currency will be the euro. If that currency is not specified in the applicable prospectus supplement, the index currency will be U.S. dollars.

"Designated LIBOR Page" means the display on Moneyli