

Edgar Filing: TARGET CORP - Form 424B2

TARGET CORP  
Form 424B2  
August 03, 2007

Filed Pursuant to Rule 424(b)(2)  
File No. 333-139870

| <b>Title of Each Class of Securities Offered</b> | <b>Maximum Aggregate Offering Price</b> | <b>Amount of Registration Fee(1)</b> |
|--|---|--------------------------------------|
| Floating Rate Notes due 2009                     | \$ 500,000,000                          | \$ 15,350                            |

(1) The filing fee of \$15,350 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 \$15,350 is offset against the registration fee due for this offering and of which \$55,150 remains available for future registration fees. No additional registration fee has been paid with respect to this offering.

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Prospectus Supplement to Prospectus dated January 9, 2007.

**\$500,000,000**

## **Target Corporation**

### **Floating Rate Notes due 2009**

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Target Corporation will pay interest on the notes at a rate equal to three-month LIBOR plus 0.125%, and will pay such interest on February 7, May 7, August 7 and November 7 of each year, beginning November 7, 2007. The notes will mature on August 7, 2009. If a change of control triggering event as described herein occurs, 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.

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**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.**

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|  | <b>Per Note</b> | <b>Total</b>   |
|--|-----------------|----------------|
| Public offering price                            | 100.00 %        | \$ 500,000,000 |
| Underwriting discount                            | 0.20 %          | \$ 1,000,000   |
| Proceeds, before expenses, to Target Corporation | 99.80 %         | \$ 499,000,000 |

The public offering price set forth above does not include accrued interest, if any. Interest on the notes will accrue from August 7, 2007.

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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 August 7, 2007.

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*Joint Book-Running Managers*

**Citi**

**Goldman, Sachs & Co.**

**Merrill Lynch & Co.**

**Banc of America Securities LLC**

**JP Morgan**

**Lehman Brothers**

**Prospectus Supplement dated August 2, 2007.**

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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.

**We have not offered or sold, and will not offer or sell, any of the notes referred to in this prospectus supplement and the accompanying prospectus 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 who do not have professional experience in matters relating to investments should not rely on this document.**

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## THE COMPANY

Target Corporation operates large-format general merchandise discount stores in the United States. As of July 7, 2007, we operated 1,500 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.

### General

The notes will be issued in an initial aggregate principal amount of \$500,000,000. 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 notes will mature at 100% of their principal amount on August 7, 2009. The notes will not be redeemable by us prior to maturity. The notes will not be listed on any securities exchange.

### Interest

The notes will bear interest from August 7, 2007 or from the most recent interest payment date on which we have paid or provided for interest on the notes. The interest rate per annum for the notes will be reset quarterly on the first day of each interest reset period and will be equal to the base rate of LIBOR plus 0.125%, as determined by the calculation agent. The index maturity will be three months. For purposes of determining LIBOR, the Designated LIBOR Page is Reuters Page LIBOR01 or any other page as may replace that page. The interest payment dates for the notes will be each February 7, May 7, August 7 and November 7, commencing November 7, 2007. The interest reset dates will be each February 7, May 7, August 7 and November 7, commencing November 7, 2007. See Description of Debt Securities Interest and Principal Payments and Floating Rate Debt Securities in the accompanying prospectus. The initial interest rate will be equal to three-month LIBOR plus 0.125%, determined two London banking days prior to August 7, 2007.

### Change of Control Offer

If a change of control triggering event occurs, we will be required to make an offer (the change of control offer ) to each holder of the notes 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 the notes. In the change of control offer, we will be required to offer payment in cash equal to 100% of the aggregate principal amount of notes repurchased, plus accrued and unpaid interest, if any, on the notes repurchased to the date of repurchase (the 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 notes describing the transaction that constitutes or may constitute the change of control triggering event and offering to repurchase the notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the change of control payment date ). The notice will, if mailed prior to the date of consummation of the change of control, state that the offer to purchase is conditioned on the change of control triggering event occurring on or prior to the change of control payment date.

On the 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 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 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 consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person (as that term is used in Section 13(d)(3) of the Exchange Act) (other than our company or one of our subsidiaries) 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 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; (2) the direct or indirect sale, 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 one or more persons (as that term is defined in the indenture) (other than our company or one of our subsidiaries); or (3) the first day on which a majority of the members of our Board of Directors are not continuing directors. Notwithstanding the foregoing, a transaction will not be deemed to involve a change of control if (1) we become a direct or indirect wholly-owned subsidiary of a holding company and (2)(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.

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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 Ratings.

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 additional rating agency or rating agencies selected by us.

Moody's means Moody's Investors Service Inc.

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 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 the rating on the notes is lowered by each of the rating agencies and the notes are rated below an investment grade rating by each of the rating agencies on any day within the 60-day period (which 60-day period will be extended so long as the rating of the notes is under publicly announced consideration for a possible downgrade by any of the rating agencies) after the earlier of (1) the occurrence of a change of control and (2) public notice of the occurrence of a change of control or our intention to effect a change of control; *provided, however*, that a rating event otherwise arising by virtue of a particular reduction in rating will not be deemed to have occurred in respect of a particular change of control (and thus will not be deemed a rating event for purposes of the definition of change of control triggering event) if the rating agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the trustee in writing at our or its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable change of control (whether or not the applicable change of control has occurred at the time of the rating event).

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

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 August 2, 2007, with respect to the notes. Subject to certain conditions, each underwriter has severally agreed to purchase the total principal amount of notes shown in the following table.

| <b>Underwriters</b>                                   | <b>Principal<br/>Amount of Notes</b> |
|---|--------------------------------------|
| Citigroup Global Markets Inc.                         | \$ 141,667,000                       |
| Goldman, Sachs & Co.                                  | 141,666,000                          |
| Merrill Lynch, Pierce, Fenner & Smith<br>Incorporated | 141,667,000                          |
| Banc of America Securities LLC                        | 25,000,000                           |
| J.P. Morgan Securities Inc.                           | 25,000,000                           |
| Lehman Brothers Inc.                                  | 25,000,000                           |
| <b>Total</b>  | <b>\$ 500,000,000</b>                |

Notes sold by the underwriters to the public initially will be offered at the public offering price set forth on the cover of this prospectus supplement. Any notes sold by the underwriters to securities dealers may be sold at a discount from the public offering price of up to 0.12% of the principal amount of notes. Any such securities dealers may resell any notes purchased from the underwriters to certain other brokers or dealers at a discount from the public offering price of up to 0.08% of the principal amount of notes. If all the notes are not sold at the public offering price, the underwriters may change the offering price and the other selling terms.

The notes are a new issue of securities with no established trading market. We have been advised by the underwriters that they 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 discount 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 \$400,000.

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.

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 have not been and will not be registered under the Securities and Exchange Law of Japan (the Securities and Exchange Law) and each underwriter has agreed that it will not offer or sell any notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan,



except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

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 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.

#### **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,
- depositary 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),

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14, or 15(d) of the Securities Exchange Act of 1934 after the initial 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**

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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**

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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,<br>2002 | February 1,<br>2003 | January 31,<br>2004 | January 29,<br>2005 | January 28,<br>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.

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

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



## 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;
- 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 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
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