

**EXHIBIT**  
Postretirement Healthcare Benefits for the Target Corporation

	(in millions)		
<i>Change in Projected Benefit Obligation</i>			
	<b>2005</b>	<b>2004</b>	
Benefit obligation at beginning of period	\$ 107	\$ 123	
Service cost	2	3	
Interest cost	6	7	
Actuarial loss	3	(6)	
Benefits paid	(13)	(13)	
Plan amendments	—	(7)	
Benefit obligation at end of period	<u>\$ 105</u>	<u>\$ 107</u>	
<i>Change in Plan Assets</i>			
	<b>2005</b>	<b>2004</b>	
Fair value of plan assets at beginning of period	\$ —	\$ —	
Actual return on plan assets	—	—	
Employer contribution	13	13	
Benefits paid	(13)	(13)	
Fair value of plan assets at end of period	<u>\$ —</u>	<u>\$ —</u>	
Funded status	(\$ 105)	(\$ 107)	
Unrecognized actuarial loss	8	6	
Net amount recognized	<u>(\$ 97)</u>	<u>(\$ 101)</u>	
<i>Net Healthcare Benefits Expense</i>			
	<b>2005</b>	<b>2004</b>	<b>2003</b>
Service cost benefits earned during the period	\$ 2	\$ 3	\$ 2
Interest cost on projected benefit obligation	6	7	8
Expected return on assets	—	—	—
Recognized losses	1	1	1
Settlement/curtailment charges	—	(7)	—
Total	\$ 9	\$ 4	\$ 11
<i>Assumptions</i>			
Weighted average assumptions used to determine benefit obligations:			
	<b>2005</b>	<b>2004</b>	
Discount rate	5.75%	5.75%	
Weighted average assumptions used to determine net periodic benefit cost:			
	<b>2005</b>	<b>2004</b>	
Discount rate	5.75%	6.25%	

**Note:** The discount rate used to measure net periodic benefit cost is the rate as of the beginning of the year (i.e., prior measurement date). An increase in the cost of covered healthcare benefits of 10% was assumed for 2005; the rate is assumed to fall by 1% annually to 5% in 2010 and thereafter.

A 1% change in assumed healthcare cost trend rates would have the following effects:

	<b>1% increase</b>	<b>1% decrease</b>
Effect on total service and interest cost components of OPEB Expense:	\$ —	\$ —
Effect on the healthcare component of the OPEB obligation:	\$ 5	(\$ 4)