

Target Announces Settlement Agreement with MasterCard; Estimated Costs Already Reflected in Previously Reported Results
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Target Corporation (NYSE: TGT) today announced that it has entered into a Settlement Agreement with MasterCard International Incorporated relative to the data breach that Target experienced during the fourth quarter of 2013.

Under the agreement, alternative recovery offers will be made by MasterCard to eligible MasterCard issuers worldwide that issued MasterCard-branded payment cards claimed to have been affected by the data breach, and MasterCard will recommend that such eligible issuers accept their offers.

Target has agreed to fund up to \$19 million pre-tax in alternative recovery payments, depending on the extent of eligible issuer acceptances. The settlement is conditioned on issuers of at least 90% of the eligible MasterCard accounts accepting their alternative recovery offers, either directly or through their sponsoring issuers, by May 20, 2015. The estimated costs of this settlement are already reflected in the data breach liabilities that Target established during fiscal 2013 and 2014.

Scott Kennedy, President, Financial & Retail Services at Target, stated "We are hopeful that Target's agreement to pay up to \$19 million to settle the claims of MasterCard and its issuers will result in a high level of issuer acceptance. Target intends to continue to defend itself vigorously against any assessments made by MasterCard on behalf of MasterCard issuers that do not accept their offers."

Assuming that all conditions to consummation of the settlement have been satisfied, accepting issuers will be paid by the end of the second quarter of 2015. Each accepting eligible issuer will, on behalf of itself and any affiliated or sponsored issuer of such eligible issuer on whose behalf the eligible issuer accepts an offer, release and indemnify Target and its acquiring banks with respect to any claims that such eligible issuer and affiliated and sponsored issuers may have with respect to the data breach, including but not limited to any claims in the putative class actions relating to the data breach that are pending in federal court.

All eligible issuers will soon receive notification from MasterCard will full details of the Settlement Agreement and how to accept their alternative recovery offers before the offers expire.

About Target

Minneapolis-based Target Corporation (NYSE: TGT) serves guests at 1,795 stores and at Target.com. Since 1946, Target has given 5 percent of its profit to communities, that giving equals more than \$4 million a week. For more information, visit Target.com/Pressroom. For a behind-the-scenes look at Target, visit Target.com/abullseyeview or follow [@TargetNews](https://twitter.com/TargetNews) on Twitter.

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