



PRESS RELEASE

Galeria Kaufhof head office to be modernized as new headquarters of HBC Europe

Lease in Cologne city center extended on a long-term basis until end of 2028

Cologne, 22 July 2016. The GALERIA Kaufhof headquarters, which has long been based in Cologne city center, will be remodeled into a modern service center over the course of the next 18 months, encompassing all of HBC Europe's banners. The first important steps have now been taken to allow this to go ahead. The Hudson's Bay Company (HBC), which has been the parent company of GALERIA Kaufhof GmbH since October 2015, has concluded a long-term lease agreement with an investment company of WealthCap, proprietor of the building complex on Leonhard-Tietz-Straße. The agreement runs for more than twelve years until the end of 2028.

At the leased premises, which measure around 38,000 square meters, the current headquarters will be developed into the central office of HBC's European department store business, bringing all of its banners that are active in Europe under one roof. HBC Europe currently operates in Germany and Belgium, and its department stores will be launched in the Netherlands in 2017 and Luxembourg in 2018. HBC's premium off-price business Saks OFF 5th will also be launched in Germany and the Netherlands in 2017, and this too will be managed from Cologne.

Donald Watros, President HBC International and Head of the Supervisory Board of Galeria Kaufhof, said: "The European business today represents about one third of the total HBC business. We are proud to further grow and strengthen our banners in Europe and to start new operations in the Netherlands and in Luxembourg. Cologne is the ideal backbone for our European expansion, providing central services like i.e. IT, logistics, personnel and finances."



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Kaufhof chief executive Olivier Van den Bossche, who is also leading HBC's European department store operations, stated with regard to the plans: "HBC's long-term commitment is a great opportunity both for our associates and for the city of Cologne. In collaboration with the owner of the property, we will be creating a modern and open working environment over the next 18 months. We are particularly looking forward to bringing our associates from departments which had been transferred to other buildings in Cologne back to the central office, thus creating a joint working environment under one roof. In the refurbished head office, we will have room for 2,000 work stations."

The renovation work will be implemented in three phases, and the company will respect the requirements of the listed building. The property owner WealthCap will share two-thirds of the investment costs for the modernization work.

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