



November 15, 2017

Hudson's Bay Company Responds to Appeal of TSX Conditional Approval for Rhône Capital Equity Investment

TORONTO & NEW YORK--(BUSINESS WIRE)-- HBC (TSX: HBC) today provided a regulatory update in respect of Rhône Capital's equity investment of U.S. \$500 million (C\$632 million) in the form of 8-year mandatory convertible preferred shares, which was previously announced as part of a series of interconnected and strategic transactions with Rhône Capital, WeWork Companies and certain of their affiliates.

HBC has received notice of an appeal filed with the Ontario Securities Commission by Land & Buildings regarding the previously announced Toronto Stock Exchange (TSX) decision to conditionally approve Rhône Capital's equity investment. HBC believes that there is no merit to this appeal, particularly in light of the fact that written consent in support of the equity investment, from sophisticated long-term shareholders representing well over 50% of HBC's outstanding common shares, has been provided to HBC and the TSX. These shareholders will benefit from, and be affected by, Rhône Capital's investment in the same manner as all other shareholders of HBC. HBC will therefore seek to have the TSX decision confirmed and the appeal dismissed on an expedited basis, and will continue to proceed with fulfilling all regulatory requirements to close the equity investment.

For previously announced details on this series of strategic transactions, visit investor.hbc.com/releases.cfm or [click here](#).

About HBC

HBC is a diversified global retailer focused on driving the performance of high quality stores and their all-channel offerings, growing through acquisitions, and unlocking the value of real estate holdings. Founded in 1670, HBC is the oldest company in North America. HBC's portfolio today includes formats ranging from luxury to premium department stores to off price fashion shopping destinations, with more than 480 stores and over 66,000 employees around the world.

HBC's leading banners across North America and Europe include Hudson's Bay, Lord & Taylor, Saks Fifth Avenue, Gilt, Saks OFF 5TH, Galeria Kaufhof, the largest department store group in Germany, and Belgium's only department store group Galeria INNO.

HBC has significant investments in real estate joint ventures. It has partnered with Simon Property Group Inc. in the HBS Global Properties Joint Venture, which owns properties in the United States and Germany. In Canada, it has partnered with RioCan Real Estate Investment Trust in the RioCan-HBC Joint Venture.

FORWARD-LOOKING STATEMENTS

Certain statements made in this news release are forward-looking statements within the meaning of applicable securities laws, including, but not limited to, statements with respect to HBC's strategic relationship with Rhône Capital, WeWork Companies and certain of their affiliates, including the transactions contemplated thereby, namely (i) Rhône Capital's U.S.\$500 million (C\$632 million) equity investment in HBC, (ii) the sale of the Lord & Taylor Fifth Avenue flagship building to WeWork Property Advisors in a transaction valued at U.S.\$850 million (C\$1.075 billion) comprising the purchase price and related rent reductions, and (iii) the entering into of leases with respect to select HBC department store locations, including, in each case, the satisfaction of applicable conditions, regulatory approvals and the timing thereof, expectations regarding the outcome of the appeal of the TSX decision to conditionally approve the equity investment, expectations regarding the timing of closing, and other statements that are not historical facts. Often but not always, forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology.

Although HBC believes that the forward-looking statements in this news release are based on information and assumptions that are current, reasonable and complete, these statements are by their nature subject to a number of factors that could cause actual results to differ materially from management's expectations and plans as set forth in such forward-looking statements, including, without limitation, the following factors, many of which are beyond HBC's control and the effects of which can be difficult to predict: (a) the failure to obtain or satisfy, in a timely manner or otherwise, required regulatory approvals and other conditions of closing necessary to complete the transactions; (b) the failure to obtain or satisfy, in a

timely manner or otherwise, conditions of closing necessary to complete the sale of the Lord & Taylor Fifth Avenue flagship building; (c) the possibility that the anticipated benefits from the strategic relationship cannot be realized in a timely manner or otherwise; (d) credit, market, currency, operational, real estate, liquidity and funding risks generally, including changes in economic conditions, interest rates or tax rates; (e) risks and uncertainties relating to information management, technology, supply chain, product safety, changes in law, competition, seasonality, commodity price and business and (h) other risks inherent to the Company's business and/or factors beyond its control which could have a material adverse effect on the company.

HBC cautions that the foregoing list of important factors and assumptions is not exhaustive and other factors could also adversely affect its results. For more information on the risks, uncertainties and assumptions that could cause HBC's actual results to differ from current expectations, please refer to the "Risk Factors" section of HBC's Annual Information Form dated April 28, 2017, the "Risk Factors" section of HBC's MD&A dated September 5, 2017, as well as HBC's other public filings, available at www.sedar.com and at www.hbc.com.

The forward-looking statements contained in this news release describe HBC's expectations at the date of this news release and, accordingly, are subject to change after such date. Except as may be required by applicable Canadian securities laws, HBC does not undertake any obligation to update or revise any forward-looking statements contained in this news release, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements.

Unless otherwise indicated, figures in this news release assume U.S.\$1 = C\$1.26 and C\$1 = U.S.\$0.79

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