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HBC Provides Update on Unsolicited Offer for its German Business

TORONTO, NEW YORK & COLOGNE, Germany--(BUSINESS WIRE)-- HBC (TSX: [HBC](#)) today announced that, after a careful review and consideration conducted in consultation with our financial and legal advisors which included an in-person meeting with SIGNA Holding GmbH and its advisors, its Board of Directors unanimously rejected the unsolicited proposal to acquire the Company's German business and related real estate assets. Additionally, SIGNA Holding GmbH has withdrawn its offer, thus concluding discussions.

"The Board has unanimously concluded that Signa's proposal is not in the best interest of HBC's shareholders. It significantly undervalues our German business and related real estate assets and is not supported by sufficient certainty of financing to warrant further consideration at this time," said David Leith, lead independent Director of the Board.

"Our European business and related real estate assets represent critical components of our long-term strategy and we continue to have a high degree of confidence in our ability to drive results across our iconic retail banners. Our diverse European real estate holdings add significant value to our global real estate assets and we remain committed to creating opportunities to improve the productivity of our portfolio. The Company appreciates the interest in its European business and real estate assets, which validates the Company's view of the considerable underlying value these assets provide to HBC's shareholders. As always, we remain committed to any and all opportunities to enhance shareholder value," said Richard Baker, HBC's Governor, Executive Chairman and interim CEO.

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 long-term strategy, ability to drive results and creating opportunities to improve the productivity of its portfolio 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) credit, market, currency, operational, real estate, liquidity and funding risks generally, including changes in economic conditions, interest rates or tax rates; (b) risks and uncertainties relating to information management, technology, supply chain, product safety, changes in law, competition, seasonality, commodity price and business and (c) 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 December 6, 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.

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