



May 11, 2017

HBC Announces Comparable Sales Results for the First Quarter Ended April 29, 2017

TORONTO & NEW YORK--(BUSINESS WIRE)-- HBC or the "Company" (TSX: [HBC](#)) today announced its comparable sales results for the first quarter ended April 29, 2017, as well as the release date and conference call details for first quarter 2017 financial results.

Jerry Storch, Chief Executive Officer, commented that "the first quarter of the year has remained difficult, particularly in the US, where we have seen lower store traffic across our banners. Compared to the fourth quarter of Fiscal 2016, constant currency comparable sales trended lower at our North American banners, while improving at our European banners. Apparel retail has been further impacted by a highly promotional environment, and the continued channel shift of in-store sales to online sales. These and other factors will negatively impact our first quarter earnings. While the start of the year has been disappointing, we are reacting quickly so that we can better face these challenges going forward. We continue to work diligently on our ongoing operational review, through which we expect to increase synergies across our portfolio of businesses, sharpen capabilities that give us a competitive edge and re-align our expenses to focus on better serving our customers. We will provide an update on this in conjunction with our first quarter financial results. Our team remains focused on our all-channel model: offering compelling merchandise in innovative online and in-store shopping environments. Most importantly, we are driving towards the seamless combination of both to deliver one powerful customer experience."

Comparable Sales⁽¹⁾

For the quarter beginning January 29, 2017 and ending April 29, 2017:

- | On a constant currency basis, consolidated comparable sales decrease of 2.9%
 - | DSG (Hudson's Bay, Lord & Taylor and Home Outfitters) comparable sales decrease of 2.4%
 - | Saks Fifth Avenue comparable sales decrease of 4.8%
 - | HBC Off Price (Saks OFF 5TH and Gilt) comparable sales decrease of 6.8%
 - | HBC Europe (Galeria Kaufhof, Galeria INNO and Sportarena) comparable sales remained flat
- | Comparable digital sales increase of 5.4% on a constant currency basis. Excluding Gilt, comparable digital sales increase of 13.2% on a constant currency basis.
- | Including the impacts of foreign exchange, consolidated comparable sales decrease of 3.8%.

(1) Comparable sales are a Non-IFRS measure. For the definition of comparable sales results, including those expressed on a constant currency basis, see "Non-IFRS Measures" below.

First Quarter 2017 Earnings Announcement

HBC intends to announce full financial results for the quarter ended April 29, 2017 after the market closes on June 8, 2017. Richard Baker, Governor and Executive Chairman, Jerry Storch, Chief Executive Officer, and Paul Beesley, Chief Financial Officer, will discuss financial results and other matters during a conference call on June 9, 2017 at 8:30 AM EST.

The conference call will be accessible by calling the participant operator assisted toll-free dial-in number (800) 535-7056 or international dial-in number (253) 237-1145. A live webcast of the conference call will be accessible on HBC's website at: <http://investor.hbc.com/events.cfm>. The audio replay also will be available via this link.

Non-IFRS Measures

This press release makes reference to certain comparable financial results expressed on a constant currency basis, including comparable sales and comparable digital sales. The Company calculates comparable sales on a year-over-year basis from stores operating for at least 13 months and includes digital sales and clearance store sales. In calculating the sales change, including digital sales, on a constant currency basis, prior year foreign exchange rates are applied to both current year and prior year comparable sales. Additionally, where an acquisition closed in the previous 12 months,

comparable sales change on a constant currency basis incorporates results from the pre-acquisition period. This enhances the ability to compare underlying sales trends by excluding the impact of foreign currency exchange rate fluctuations as well as by reflecting new acquisitions. Definitions and calculations of comparable sales differ among companies in the retail industry. The Company notes that results from acquisitions are only incorporated in the Company's reported consolidated financial results from and after the acquisition date.

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 within the meaning of applicable securities laws, including with respect to the anticipated impact of recent trends for first quarter earnings and the timing with respect to any future announcement on the Company's ongoing operational review, and other statements that are not historical facts, are forward-looking. 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 management believes 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 for a variety of reasons. These factors - many of which are beyond our control and the effects of which can be difficult to predict - include, among others, ability to execute all-channel retail strategies, ability to achieve comparable sales growth, changing consumer preferences with regards to fashion and preferred shopping habits, marketing and advertising program success, damage to brands, changes in the current retail environment, changes in general economic conditions, ability to make successful acquisitions and investments, ability to successfully integrate any acquisitions, ability to realize synergies and growth from strategic acquisitions, successful inventory management, ability to successfully compete with competitors and other risks inherent in the Company's business and/or factors beyond the Company's 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, 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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Hudson's Bay Company

INVESTOR RELATIONS:

Elliot Grundmanis, (646) 802 2469

elliott.grundmanis@hbc.com

or

MEDIA CONTACTS:

Andrew Blecher, (646) 802-4030

andrew.blecher@hbc.com

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