

RioCan-HBC Joint Venture to Explore Possible Sale of Vancouver Property

Expects to close \$200 million mortgage; proceeds to be distributed to HBC and RioCan Real Estate Investment Trust

TORONTO and NEW YORK, October 30, 2017 – RioCan-HBC JV (“JV”), a joint venture between HBC (TSX: HBC) and RioCan Real Estate Investment Trust (“RioCan”) (TSX:REI.UN) announced today that it has engaged CBRE and Brookfield Financial Real Estate Group to explore a possible sale of its Vancouver property located at 674 Granville Street and currently occupied under a long term lease by Hudson’s Bay.

Additionally, the JV expects to close on a \$200 million mortgage on the same property, the proceeds of which would be distributed on a pro-rata basis to the JV partners. The mortgage is expected to be for a term of four years at a rate of prime plus 1.0% and has no prepayment penalty in the event of a sale of the property. BMO Capital Markets Real Estate Inc. is acting as the exclusive advisor on this financing.

“We are exploring a sale of this flagship property as the Vancouver real estate market has appreciated significantly over the past several years. While no decision to sell has been made, we continue to explore opportunistic transactions to enhance shareholder value,” stated Richard Baker, HBC’s Governor, Executive Chairman and interim Chief Executive Officer. “We are committed to operating our Hudson’s Bay store at this location and any possible sale would include the continued operation of Hudson’s Bay at this property.”

About the RioCan-HBC Joint Venture

A limited partnership between HBC and RioCan Real Estate Investment, the RioCan-HBC Joint Venture owns or controls ten flagship properties in major cities across Canada, including Vancouver, Calgary, Ottawa, and Montreal, as well as a 50% interest in Oakville Place and Georgian Mall. Formed in 2015, the JV has a mandate to explore future acquisitions that would grow and diversify its real estate portfolio. As of June 30, 2017, the JV was owned 88.1% by HBC and 11.9% by RioCan.

For HBC Shareholders

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 the closing of a \$200 million mortgage on the JV’s Vancouver property located at 674 Granville Street and the expected distribution of proceeds on a pro-rata basis to the JV partners, the expectation that the mortgage will be for a term of four years at a rate of prime plus 1.0% and that the mortgage has no prepayment penalty in the event of a sale of the property, 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 possibility that the anticipated benefits from the JV are not realized; (b) the risk that the JV will not be able to close on the mortgage as described herein; (c) that there can be no assurance that any sale of the property by the JV will occur or at what price and upon what conditions, or for which the ultimate proceeds of which are used; and (d) credit, market, currency, operational, liquidity and funding risks generally, including changes in economic conditions, interest rates or tax rates. 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.

HBC

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