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HBC Provides Update on Previously-Announced Data Security Issue at Saks Fifth Avenue, Saks OFF 5TH and Lord & Taylor Locations in North America

NEW YORK & TORONTO--(BUSINESS WIRE)-- HBC (TSX:HBC) today provided an update on its investigation into the previously-disclosed data security issue involving customer payment card data at Saks Fifth Avenue, Saks OFF 5TH and Lord & Taylor locations in North America.

HBC contained the issue on March 31, 2018 and believes it no longer poses a risk to customers shopping at its stores. The company wants to reassure affected customers that they will not be liable for fraudulent charges that may result from this matter.

HBC CEO Helena Foulkes said, "Our customers are our top priority and we take the protection of their information very seriously. We deeply regret any concern this issue may have caused. Throughout this process, we have made it our goal to work quickly to provide support and information to our customers and we will continue to serve them with that same dedication."

As soon as HBC became aware of a potential issue, the company quickly engaged leading data security experts to conduct an investigation. HBC also has been working with law enforcement authorities to address this criminal activity and has been coordinating with the payment card companies. Based on the investigation to date, the company has determined the following:

- | Around July 1, 2017, malware began running on certain point of sale systems at potentially all Saks Fifth Avenue, Saks OFF 5TH and Lord & Taylor locations in North America.
- | Not all customers who shopped at the potentially impacted stores during the relevant time period are affected by this issue.
- | There is no indication that this issue affects the company's e-commerce or other digital platforms, or Hudson's Bay, Home Outfitters, or HBC Europe.
- | The malware was designed to collect customers' payment card information, including cardholder name, payment card number and expiration date. The company has no evidence that contact information, Social Security or Social Insurance numbers, driver's license numbers, or PINs associated with the cards were affected by this issue.
- | The investigation has found that this issue did not affect Saks Fifth Avenue credit cards, which are the 9-digit to 14-digit cards that can be used by customers only when shopping at Saks Fifth Avenue or Saks OFF 5TH.

HBC has arranged to provide potentially impacted customers with identity protection services, including credit and web monitoring, at no cost to them. Those customers can register for identity protection services at <https://hbc.allclearid.com/>. HBC encourages customers to review their account statements and contact their card issuer immediately if they identify an unauthorized charge on their card.

HBC has put in place a dedicated call center for customers to obtain more information about this matter. Customers with questions may call 1-855-270-9187, Monday through Saturday, 8:00 am to 8:00 pm CT. Updated information regarding this issue has been posted at <https://www.saksfifthavenue.com/security-information/notice.html>, <https://www.saksoff5th.com/security-information/notice.html>, and <https://www.lordandtaylor.com/security-information/notice.html>.

HBC directs investors to its public filings available at www.sedar.com and at www.hbc.com for additional information and risk factors.

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