



December 1, 2017

HBC Announces Agreement with Land & Buildings

TORONTO & NEW YORK--(BUSINESS WIRE)-- HBC (TSX: HBC) (the "Company") today announced that it has reached an agreement with Land & Buildings to withdraw its appeal of the Toronto Stock Exchange's (TSX) decision to conditionally approve the previously announced equity investment by Rhône Capital. HBC has otherwise fulfilled all regulatory requirements to complete the transaction and anticipates closing to take place on or about December 6, 2017.

As part of the agreement with Land & Buildings, HBC has agreed that if it determines to issue equity in a transaction that will trigger the one-year price protection feature under the mandatorily convertible preferred shares to be issued on closing to Rhône Capital, then it will do so by conducting a rights offering (by circular or prospectus) to all of its shareholders on a pro rata basis. As the Rhône Capital equity investment, together with the sale of the Lord & Taylor Fifth Avenue building to WeWork Property Advisors, are expected to provide HBC with enhanced liquidity and significantly strengthen its balance sheet, HBC currently does not anticipate that these price protection provisions will be triggered. Land and Buildings has also provided a customary standstill in favour of HBC for a period extending through HBC's 2018 annual general meeting of shareholders.

"We are excited to close the Rhône equity investment next week and commence our global, multi-faceted strategic relationship with WeWork," said Richard Baker, HBC's Governor, Executive Chairman and Interim CEO. "This unique set of transactions demonstrates our ability to successfully monetize our valuable real estate assets, while creating opportunities to improve productivity and utilization in our portfolio. As part of our ongoing board review, we will continue to review HBC's real estate portfolio with a view to maximizing shareholder value and the ongoing operations and business of HBC. We look forward to ongoing engagement with, and constructive input from, Land & Buildings and our other shareholders as we pursue additional opportunities."

"We invested in HBC because its world class real estate assets are substantially more valuable than the Company's current share price," said Jonathan Litt, Founder & CIO, Land & Buildings Investment Management LLC, "We appreciate our interaction with the HBC team and are pleased and encouraged that HBC's management and Board continues to take steps to monetize its highly valuable real estate assets, and we look forward to continuing to work collaboratively with the Company to ensure that shareholder value is maximized."

As per the Rhône agreement and prior disclosures, under certain circumstances, HBC has the right to convert the preferred shares after the third anniversary and will continue to make decisions and review all opportunities seriously using its business judgement.

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.

About Land & Buildings

Land & Buildings is a registered investment manager specializing in publicly traded real estate and real estate related securities. Land & Buildings seeks to deliver attractive risk adjusted returns by opportunistically investing in securities of global real estate and real estate related companies, leveraging its investment professionals' deep experience, research expertise and industry relationships.

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