



HBC Provides Update on Real Estate Transactions

February 4, 2019

TORONTO & NEW YORK--(BUSINESS WIRE)--Feb. 4, 2019-- HBC (TSX:HBC) today announced updates to two real estate transactions which are consistent with previously disclosed terms.

German Real Estate Transaction

HBC has completed the sale of a 50 percent stake in 18 German properties to a subsidiary of SIGNA Prime Selection valued at CAD \$375 million (\$288 million). The proceeds have been used to reduce borrowings under HBC's asset-based revolving facility.

In November 2018, HBC received CAD \$257 million (\$197 million) when HBC Europe and SIGNA's Karstadt Warenhaus GmbH combined retail operations and formed a real estate joint venture, which now includes the aforementioned 18 properties.

SIGNA's acquisition of the Galeria Kaufhof location in Cologne and the Carsch-Haus store in Duesseldorf is expected to occur in 2019, subject to customary closing conditions.

Lord & Taylor Fifth Avenue Building

WeWork Property Investors have exercised its option to convert CAD \$163 million (\$125 million) of the transaction value into an equity interest in the building to be held by HBC through a joint venture structure upon closing. All parties involved in the purchase and sale of the Lord & Taylor Fifth Avenue building are working diligently to close the transaction, which is expected to occur shortly.

About HBC

HBC is a diversified retailer focused on driving the performance of high quality stores and their omnichannel offerings 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 350 stores and more than 45,000 employees around the world. HBC's leading businesses across North America include Saks Fifth Avenue, Hudson's Bay, Lord & Taylor, and Saks OFF 5TH.

HBC also has significant investments in joint ventures. It has partnered with Simon Property Group Inc. in the HBS Global Properties Joint Venture, which owns properties in the United States. In Canada, it has partnered with RioCan Real Estate Investment Trust in the RioCan-HBC Joint Venture. HBC has partnered with SIGNA Retail Holdings for real estate and retail joint ventures in Europe.

Figures in this news release assume EUR:CAD = 1:1.5 and USD:CAD = 1:1.3.

Forward-looking Statements

Certain statements made in this news release, including, but not limited to, the expected timing of the closing of SIGNA's acquisition of the Galeria Kaufhof location in Cologne and the Carsch-Haus store in Duesseldorf and the sale of the Lord & Taylor Fifth Avenue building, and other statements that are not historical facts, are forward-looking. The completion of these transactions remain subject to a number of risks factors, including the failure to obtain or satisfy, in a timely manner or otherwise, conditions of closing necessary to complete such transactions and risks inherent to HBC's business and/or factors beyond its control and the failure to close such transactions in a timely manner, or at all, may have a material adverse effect on HBC. 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 May 4, 2018, 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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