



## **HBC Announces Closure of Home Outfitters Division in Canada and up to 20 Saks OFF 5TH Stores in the U.S.**

February 21, 2019

*Strategic Action Enables Focus on Businesses with the Greatest Potential*

TORONTO & NEW YORK--(BUSINESS WIRE)--Feb. 21, 2019-- HBC (TSX: HBC) today announced the closure of its Home Outfitters business in Canada and is performing a fleet review of Saks OFF 5TH's 133 stores, with an estimate of closing up to 20 locations in the U.S. These actions are part of the company's strategic plan to reduce costs, simplify the business and improve overall profitability.

"Further streamlining our retail portfolio enables even greater focus on our businesses with the strongest growth opportunities. The divestiture of Gilt, rightsizing of Lord & Taylor, the recent merger of our European retail operations in Germany, and today's announcement exemplify the bold strategic actions we are taking to set HBC up for long-term success," said Helena Foulkes, HBC's Chief Executive Officer. "We know this news is difficult for our associates. We are grateful for their ongoing efforts to serve our customers and we will work to find opportunities within HBC for impacted team members where possible," added Foulkes.

Home Outfitters is expected to close in 2019. The vast majority of markets in which it operates are served by Hudson's Bay, which includes best-in-class home furnishings departments and accepts Home Outfitters gift cards. The review and rationalization of the Saks OFF 5TH fleet allows the company to focus on its best locations and [saksoff5th.com](http://saksoff5th.com).

Once completed, the closures are expected to be slightly favorable to Adjusted EBITDA.

### **About HBC**

HBC is a diversified retailer focused on driving the performance of high quality stores and their omnichannel platforms 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 SIGMA Retail Holdings for real estate and retail joint ventures in Europe.

### **Forward-looking Statements**

Certain statements made in this news release, including, but not limited to, statements with respect to the expected timing of the closure of the Home Outfitters business, the anticipated number of Saks OFF 5TH locations to be closed, anticipated cost reductions, anticipated strategic opportunities, expectations for improved profitability and Adjusted EBITDA 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 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 many factors which are beyond HBC's control and the effects of which can be difficult to predict. 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](http://www.sedar.com) and at [www.hbc.com](http://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.

Source: Hudson's Bay Company

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