



Special Committee of the Board of HBC Provides Process Update

July 10, 2019

TORONTO & NEW YORK--(BUSINESS WIRE)--Jul. 10, 2019-- HBC (TSX: HBC) announced that the Special Committee of the Board of Directors has retained TD Securities Inc. as independent valuator to prepare a formal valuation of the common shares of the company in accordance with Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, and Centerview Partners LLC as special advisor. The Special Committee has also retained J.P. Morgan Securities as financial advisor and Blake, Cassels & Graydon LLP as legal counsel to assist the Special Committee in its process.

The Special Committee of the Board of Directors was formed to review and evaluate the June 10, 2019 proposal received from a group of HBC shareholders for the privatization of the company at a price of \$9.45 per share, payable in cash.

The Committee acknowledges shareholders' feedback expressing their perspectives about the proposed privatization transaction. The Committee takes this input seriously and intends to review the transaction proposal carefully with the assistance of its legal and financial advisors and the benefit of the independent valuation. The Committee intends to respond to the privatization proposal as promptly as practical.

HBC does not intend to comment on or disclose further developments regarding the Special Committee's evaluation unless and until it deems further disclosure is appropriate or required.

Forward-Looking Statements

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 privatization proposal received by the company, including the terms and conditions of the proposal; the review and evaluation of the privatization proposal by the Special Committee, and other statements that are not material 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 company, its Board of Directors, its Special Committee and the group of HBC shareholders proposing privatization of the company cannot come to an agreement on the terms and conditions of the privatization proposal or will not proceed with giving shareholders an opportunity to accept or vote in favour of the privatization proposal; (b) the possibility that the terms and conditions of any definitive agreement in respect of a privatization proposal will differ from those that are currently contemplated; (c) if a definitive agreement is reached, the failure to obtain or satisfy, in a timely manner or otherwise, required shareholder and regulatory approvals and other conditions of closing necessary to complete any privatization proposal; (d) credit, market, currency, operational, real estate, liquidity and funding risks generally, including changes in economic conditions, interest rates or tax rates; (e) risks and uncertainties relating to information management, technology, supply chain, product safety, changes in law, competition, seasonality, commodity price and business and (f) other risks inherent to the company's business and/or factors beyond its control which could have a material adverse effect on the company or the ability to consummate the privatization proposal.

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 May 3, 2019 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.

About HBC

HBC is a diversified retailer focused on driving the performance of high quality stores and their omni-channel 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 more than 300 stores and about 40,000 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 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.

Source: Hudson's Bay Company

Investor Relations:

Jennifer Bewley, 646-802-4631

jennifer.bewley@hbc.com

Media:

Andrew Blecher, 646-802-4030

press@hbc.com