



Special Committee of the Board of HBC Provides Update on Review of Privatization Proposal From Group of HBC Shareholders

July 25, 2019

Invites a Number of Shareholders to Share Views on Proposal

TORONTO & NEW YORK--(BUSINESS WIRE)--Jul. 25, 2019--

The Special Committee of the Board of Directors of Hudson's Bay Company (TSX: HBC) ("HBC" or the "Company") today issued an update on its ongoing review of the June 10, 2019 proposal for the privatization of the Company from a group of HBC shareholders (including HBC's Governor and Executive Chairman) at a price of \$9.45 per share in cash. Consistent with its obligation to act in the best interest of the Company and all of its shareholders, and in consultation with its independent financial and legal advisors, the Special Committee is evaluating this proposal along with other strategic alternatives.

As part of this process, the Special Committee has invited a number of shareholders to share their views regarding the privatization proposal directly with the Special Committee and its financial advisors in the coming weeks.

The Special Committee also acknowledges the unsolicited offer and letter to HBC shareholders by The Catalyst Capital Group Inc. to acquire up to 14,836,795 common shares of the Company for \$10.11 per common share in cash. The Special Committee will consider this development in conjunction with its ongoing review.

The Special Committee 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. The Special Committee has also retained J.P. Morgan Securities as financial advisor, Centerview Partners LLC as special advisor, and Blake, Cassels & Graydon LLP as legal counsel to assist the Special Committee in its process. It has also engaged real estate appraisal firms and planning consultants to assist the Special Committee, its advisors and TD Securities Inc. with valuing HBC's real estate assets.

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 and other alternatives 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.

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