



## HBC Closes Sale of European Real Estate and Retail Joint Ventures

October 1, 2019

- Solidifies HBC's strategic focus on North American operations and greatest opportunities for growth - Saks Fifth Avenue and Hudson's Bay
- Proceeds used to strengthen HBC's balance sheet by fully repaying term loan

TORONTO & NEW YORK--(BUSINESS WIRE)--Oct. 1, 2019-- HBC (TSX: HBC) successfully completed the sale of the company's remaining stakes in its European real estate and retail joint ventures to its partner, SIGNA Retail, for a total consideration of approximately \$1.5 billion (€1 billion). Transaction closed consistent with previously disclosed terms.

HBC permanently repaid its outstanding \$429 million term loan, strengthening the balance sheet. The company has assumed full ownership of the Netherlands retail business and the associated guaranteed rent obligations. As previously announced, HBC will close its 15 Hudson's Bay stores, e-commerce site and headquarters in the Netherlands on or before December 31, 2019. The Hudson's Bay Netherlands management team worked intensively on a social plan, and have come to an agreement with local unions to offer solutions for employees impacted by the closure.

The proceeds of the transaction were converted at EUR:CAD = 1:1.4650.

### 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 real estate 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.

### Forward-Looking Statements

Certain statements made in this news release are forward-looking statements within the meaning of applicable securities laws, including the expectation that the sale will allow HBC to focus on its best opportunities for growth, the anticipated closure of HBC's Netherlands stores, ecommerce site and headquarters and timing thereof, 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 ability to realize the expected benefits from the sale of HBC's remaining stakes in its European real estate and retail joint ventures to SIGNA, including repayment of the term loan and strengthening of HBC's balance sheet; (b) the ability to realize the expected benefits from the closure of HBC's Netherlands business and the impact of potential future guarantee obligations of HBC with respect to the leases of Hudson's Bay Netherlands; (c) credit, market, currency, operational, real estate, liquidity and funding risks generally, including changes in economic conditions, interest rates or tax rates; (d) risks and uncertainties relating to information management, technology, supply chain, product safety, changes in law, competition, seasonality, commodity price and business and (e) other risks inherent to the Company's business and/or factors beyond its control which could have a material adverse effect on the Company.

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" sections of HBC's Annual Information Form dated May 3, 2019 and Management's Discussion and Analysis dated September 12, 2019 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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