



November 12, 2018

## HBC and SIGNA Receive Required Approvals for Closing of Joint Venture

- ▮ **Germany's Federal Cartel Office grants unconditional approval of intended merger of HBC's European businesses and Karstadt Warenhaus GmbH**
- ▮ **Real estate lending syndicate formally consents to combination**

NEW YORK & TORONTO & COLOGNE, Germany--(BUSINESS WIRE)-- HBC (TSX: HBC) and Signa today announced that they have received all third party consents to enable the previously announced combination of HBC Europe and Karstadt Warenhaus GmbH's retail operations and the formation of the real estate joint venture. This clears the way for the closing of the intended transactions, which are expected to be completed at the end of November.

This press release features multimedia. View the full release here:

<https://www.businesswire.com/news/home/20181112005679/en/>

The companies welcome the Federal Cartel Office's decision to unconditionally approve the merger of HBC Europe and Karstadt Warenhaus GmbH's retail operations and the formation of the real estate joint venture. In addition, the companies announced today an important additional step towards the finalization of the transaction. The real estate lending syndicate, led by Landesbank Baden-Wuerttemberg, which holds the loan on certain HBC Europe real estate, has provided consent for the formation of a strategic partnership encompassing these assets. As part of the partnership, SIGNA Prime Selection AG will acquire 50 percent of HBC's European real estate portfolio.

Both companies are working towards finalizing the transaction at the end of November, subject to satisfaction or waiver of customary closing conditions, while remaining focused on delivering a strong holiday season. Follow on real estate transactions are expected to close through early 2019. HBC directs investors to its public filings available at [www.sedar.com](http://www.sedar.com) and at [www.hbc.com](http://www.hbc.com) for additional information and details on the transactions.

### About HBC

HBC is a diversified global 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 480 stores and approximately 65,000 employees around the world.

In North America, HBC's leading banners include Hudson's Bay, Lord & Taylor, Saks Fifth Avenue, and Saks OFF 5TH, along with Home Outfitters. In Europe, its banners include Galeria Kaufhof, the largest department store group in Germany, Belgium's only department store group Galeria INNO, as well as Saks OFF 5TH in Germany and the Netherlands and Hudson's Bay in the Netherlands.

HBC has significant investments in real estate joint ventures. It has partnered with Simon Property Group Inc. in the HBS Global Properties Joint Venture, which owns properties in the United States and Germany. In Canada, it has partnered with RioCan.

### About SIGNA

SIGNA Group is a privately held industry holding company in the real estate and retail sectors, founded by Entrepreneur René Benko in 1999. With real estate assets of over EUR 12 billion and an additional development pipeline of around EUR 8 billion, the company is one of the leading real estate investors in Europe and operates well-known retail companies with around 25,000 employees and sales of over EUR 4.5 billion thereof more than EUR 750 million profitable online revenues.

SIGNA Real Estate Group is one of the largest real estate owners in major European Metropolitan hubs covering, amongst others, Berlin, Munich, Hamburg and Vienna, and owns a highly remarkable collection of high street assets including iconic landmark buildings such as the KaDeWe and the UPPER WEST Tower in Berlin, the Golden Quarter with the Park Hyatt Hotel in Vienna, Alte Akademie and Oberpollinger in Munich, and Alsterhaus and Alsterarkaden in Hamburg.

The SIGNA Retail Group steers five independent retail platforms including SIGNA Premium, SIGNA Department Store Group, SIGNA Home & Lifestyle, SIGNA Food & Restaurants as well as SIGNA Sports United, continental Europe's largest sports e-commerce platform. Each of these platforms has contributed to the strong European growth of the SIGNA Retail Group in the recent years. With over 200 premium inner-city locations and 100 web shops in 20 countries, SIGNA Retail is one of the leading retail holding companies in Europe.

## 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 strategic partnership with SIGNA, the anticipated closing date and other statements that are not historical 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 many factors which are beyond HBC's control and the effects of which can be difficult to predict. 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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