



Hudson's Bay Company

Acquisition of Galeria Holding

Building A Premier International Retailer

June 15, 2015

Forward Looking Information

This presentation contains information about Hudson's Bay Company, including its direct and indirect subsidiaries (collectively, "HBC or the "Company") and should be read in conjunction with the Company's press release dated June 15, 2015 announcing the contemplated acquisition of Galeria Holding ("Kaufhof") and the anticipated sale of 40+ of Kaufhof's owned or partially owned properties ("Kaufhof Real Estate Transaction") to the Simon-HBC JV. The content of this presentation is not to be construed as legal, financial or tax advice. Any reader should contact his, her or its own professional advisors for legal, financial, tax or other advice.

Certain statements made in this presentation, including, but not limited to, statements relating to the Kaufhof acquisition and the Kaufhof Real Estate Transaction, the financing, timing and benefits that are expected to result from these proposed transactions, 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 presentation 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 for a variety of reasons. Some of the factors - many of which are beyond our control and the effects of which can be difficult to predict - include, among others (a) the failure to obtain, on a timely basis or otherwise, required approvals for the proposed transactions; (b) the risk that a condition to completion of either proposed transaction may not be satisfied; (c) the risk that definitive agreements are not settled and/or that acceptable debt or equity financing is not secured for the anticipated Kaufhof Real Estate Transaction; (d) the possibility that the anticipated benefits from the proposed transactions cannot be realized; (e) the ability of HBC to retain and attract key Kaufhof personnel and for Kaufhof to maintain relationships with customers, suppliers and other business partners; (f) credit, market, currency, operational, liquidity and funding risks generally, including changes in economic conditions, interest rates or tax rates; and (g) risks and uncertainties relating to information management, technology, supply chain, product safety, changes in law, competition, seasonality, commodity price and business. The proposed transactions could be modified, restructured or terminated.

We caution that the foregoing list of important factors and assumptions is not exhaustive and other factors could also adversely affect our 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 our Annual Information Form dated April 30, 2015, 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 presentation describe our expectations at the date of this presentation and, accordingly, are subject to change after such date. Except as may be required by applicable Canadian securities laws, we do not undertake any obligation to update or revise any forward-looking statements contained in this presentation, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements.

Pro Forma and Non-IFRS Measures

The pro forma information set forth in this presentation should not be considered to be what the actual financial position or other results of operations would have necessarily been had the Kaufhof acquisition and the Kaufhof Real Estate Transaction been completed, as, at, or for the periods stated.

We have included Adjusted EBITDAR and Adjusted EBITDA to provide investors and others with supplemental measures of our operating performance pro forma the proposed acquisitions. As other companies may calculate EBITDA, Adjusted EBITDAR and Adjusted EBITDA differently than we do, these metrics are not comparable to similarly titled measures reported by other companies.

EBITDA means net earnings before finance costs, income tax, non-cash share based compensation expense, depreciation and amortization expense, impairment and other non-cash expenses, and non-cash pension expense.

Adjusted EBITDAR means EBITDA before rent expense to third-parties, the RioCan-HBC JV and the Simon-HBC JV adjusted to exclude (i) business and organization restructuring / realignment charges; (ii) merger / acquisition costs and expenses; and (iii) normalizing adjustments, if any, related to transactions that are not associated with day-to-day operations.

Adjusted EBITDA means Adjusted EBITDAR less rent expense to third-parties, less cash rent to the RioCan-HBC JV, less cash rent to the Simon-HBC JV plus cash distributions to HBC.

Unless otherwise indicated, figures in this presentation assume €1 = C\$1.387 and US\$1 = C\$1.231.



Kaufhof Acquisition Highlights

#1 Department Store in Germany and Belgium with Exceptional Locations

Creation of a Global Platform which Positions HBC for Future Growth in Europe

**Significant Value Creation for HBC Shareholders
No Equity Issuance by HBC, De-levers HBC, and Significantly Accretive to EPS**

**Continues HBC's Track Record of Improving Retail Operations
and Unlocking Real Estate Value**



Transaction Overview

Acquisition of Kaufhof for an Enterprise Value of €2.42 Billion

- On June 15, 2015, HBC entered into a definitive agreement with METRO AG to acquire Galeria Holding (“Kaufhof”) for an enterprise value of €2.42 billion⁽¹⁾ (C\$3.36 billion)
- Implied EV / LTM Adjusted EBITDA of 8.6x
- Cash purchase price of €2.21 billion (C\$3.07 billion)
- Expected closing in fiscal Q3 2015

Intention to Sell 40+ Kaufhof Properties to the Simon-HBC JV for €2.4+ Billion

- HBC has entered into an agreement in principle with Simon Property Group pursuant to which the Simon-HBC JV intends to purchase at least 40 Kaufhof properties for at least €2.4 billion⁽²⁾ (“Kaufhof Real Estate Transaction”)

No Equity Issuance and Limited Additional Debt at HBC

- The Kaufhof acquisition is expected to be largely financed by the Kaufhof Real Estate Transaction
- Any proceeds from the Kaufhof Real Estate Transaction in excess of the acquisition purchase price will be reinvested in the Simon-HBC JV

C\$200+ Million of Incremental Adjusted EBITDA to HBC⁽³⁾

- Transactions are expected to be significantly accretive to EPS without requiring synergies
- HBC’s leverage is expected to decrease pro forma for the Kaufhof acquisition and Kaufhof Real Estate Transaction, as well as the joint venture transactions



⁽¹⁾ Calculated as cash purchase price of €2.21 billion, plus €141 million of capital leases and €69 million of minority interest; excludes €405 million of pension liabilities.

⁽²⁾ The Kaufhof Real Estate Transaction is subject to definitive agreements, securing acceptable debt financing and certain other conditions. See Forward-Looking Information.

⁽³⁾ Based on management estimates and assumptions, including with respect to HBC’s pro forma ownership in the Simon-HBC JV; refer to the reconciliation of Adjusted EBITDA in the appendix

The Hudson's Bay Company Post-Acquisition

464 Locations in 4 Countries, 8 Leading Banners

C\$13 Billion in Revenue⁽¹⁾

C\$1.5 Billion in Adjusted EBITDAR^(1,2)

More than C\$754 Million in Adjusted EBITDA^(1,3)

Approximately C\$11 Billion⁽⁴⁾ in Real Estate Value

Strong Management Teams Leading Each Business in North America and Europe



(1) 52 weeks ended May 2, 2015 for HBC and 12 months ended March 31, 2015 for Kaufhof.

(2) Refer to reconciliation of Adjusted EBITDAR in the appendix.

(3) Based on management estimates and assumptions, including with respect to HBC's pro forma ownership in the Simon-HBC JV; refer to the reconciliation of Adjusted EBITDA in the appendix.

(4) Based on management estimates and assumptions; calculated as HBC's expected share of total property value pro forma for real estate JVs and the Kaufhof Real Estate Transaction.

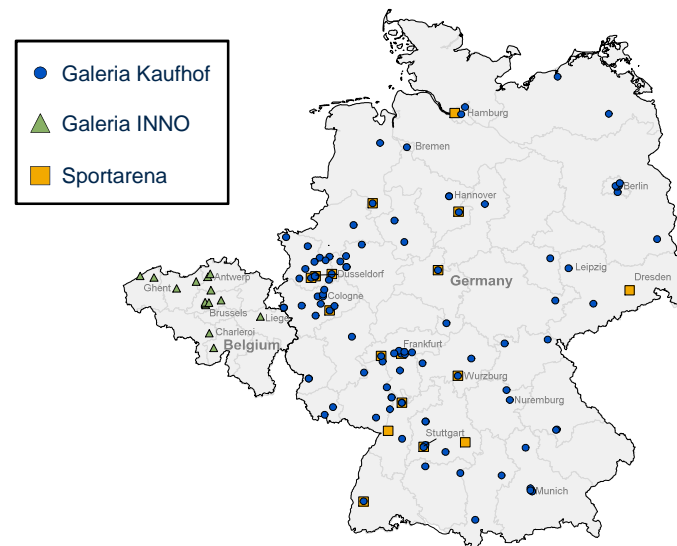
1. Strategic Rationale

#1 Department Store in Germany and Belgium

Kaufhof Overview

- #1 German department store with 119 locations and 31% market share
- Strong brand awareness of ~80% in Germany with up to 2 million in-store visitors per day
- Belgium's only department store with 16 INNO locations
- Early-stage eCommerce platform provides significant all-channel growth opportunity

Geographic Footprint



Summary Financials⁽¹⁾

Millions

Sales	€3,081
Gross Profit	€1,435
% Margin	46.6%
Adjusted EBITDAR	€456
% Margin	14.8%
Normalized EBITDA	€282
% Margin	9.2%

Market Share Leader

Multi-Branded Retailer Market Share in Germany Based on Sales

Brand	2014 Market Share
GALERIA	31%
KARSTADT	24%
Tollu	11%
TEDI	5%
KaDeWe	4%
WOOLWORTH	3%
EuroShop	2%
OBERPOLLINGER	2%
Other	18%



(1) 12 months ended March 31, 2015.

Source: Euromonitor

Three Great Banners with Diverse Product Offerings



103 stores

Sales: €2.9 billion⁽¹⁾

- Leading German multi-channel department store
- Germany's largest multi-partner loyalty program
- Three store formats:
 - Flagship: Prime locations; sales area greater than 200,000 sq. ft.; full product assortment
 - Galeria: Metropolitan and mid-size markets; sales area of ~60,000 – 200,000 sq. ft.
 - City: smaller stores with focused assortment
- Early-stage eCommerce platform



16 stores

Sales: €0.4 billion^(1,2)

- Belgian-based premium department store
- “House of Brands” strategy with broad selection of high-end fashion brands, perfume and accessories
- Operates under a highly profitable concession model
- Sales area of ~50,000–100,000 sq. ft.
- Launched eCommerce platform in October 2014



16 stores

Sales: €0.1 billion⁽¹⁾

- German athletic footwear and apparel retailer
- Sales area of ~20,000 – 50,000 sq. ft.
- Stores located in pedestrian zones and shopping malls in mid-sized cities
- Launched eCommerce platform in 2013



(1) 12 months ended March 31, 2015.

(2) Represents transaction sales, which differs from retail sales as presented on the financial statements prepared under IFRS.

High Quality Asset with Similar Attributes to HBC



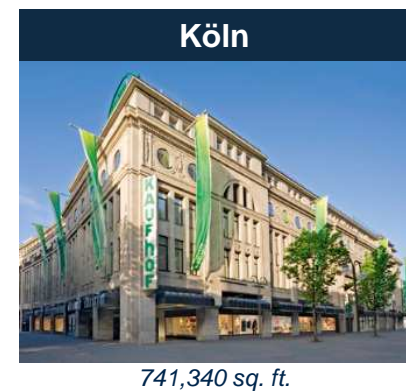
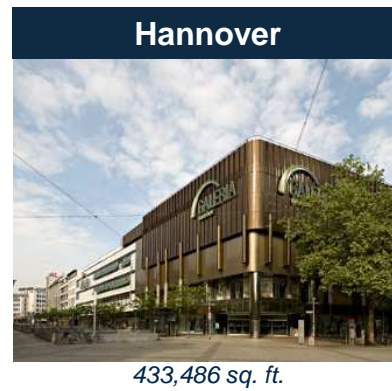
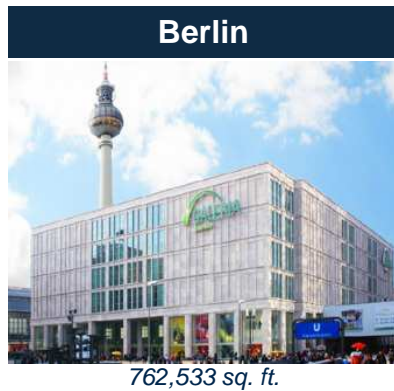
	HBC	GALERIA KAUFHOF
Market Position	#1 (Hudson's Bay)	#1 (Galeria Kaufhof)
Year Founded	1670	1879
Store Locations	Downtown core of major cities	Downtown core of major cities
Store Network Health	Well-maintained	Well-maintained
Real Estate Owned/Controlled	42% ⁽¹⁾	44% ⁽²⁾
Omni-Channel Opportunity	Very high	Very high
Strong Management Team	✓	✓



(1) Based on gross leasable area.
 (2) Based on store count.

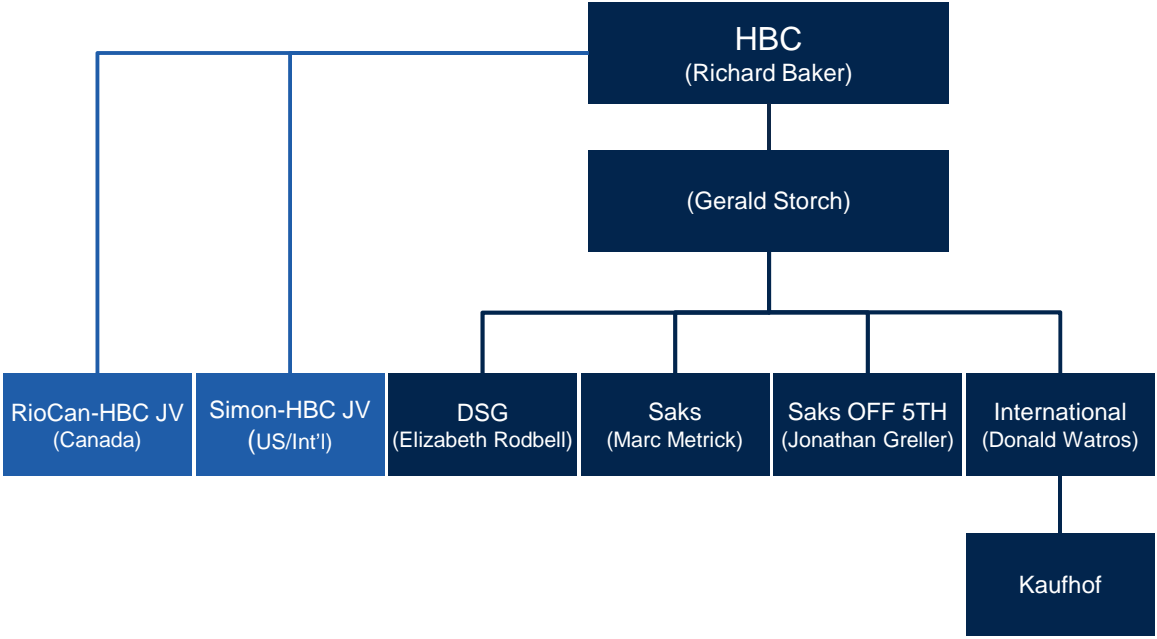
Exceptional Store Locations

- High-street locations in several of Germany's most densely populated and prosperous cities
- 59 owned or partially-owned properties representing 16.6 million sq. ft.⁽¹⁾



⁽¹⁾ Gross leasable area; excludes parking lots.

Strong Management Teams



- Separate management teams for each business in North America and Europe – fully focused on respective businesses
- Oversight of Kaufhof provided by:
 - Richard Baker, Governor and Executive Chairman
 - Gerald Storch, Chief Executive Officer
 - Donald Watros, President, HBC International

Name	Title	Years of Experience	
		Kaufhof	Retail
Lovro Mandac	CEO and Chairman, Galeria Holding	28	28
Olivier Van den Bossche	CEO, Galeria Kaufhof	12	15



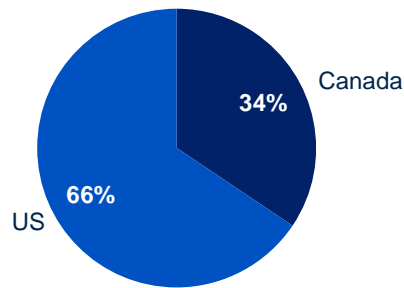
Significant Retail Operation Upside

Expand Kaufhof Brand Matrix	<ul style="list-style-type: none">▪ Leverage HBC vendor relationships, in consultation with Kaufhof management, to introduce global brands▪ Accelerate the roll-out of Kaufhof management's previously announced brand expansion strategy
Aggressively Grow Kaufhof eCommerce	<ul style="list-style-type: none">▪ Focus investment in merchandise assortment expansions and fulfillment capabilities▪ Share best practices from HBC banners for digital marketing and merchandising▪ Complete multi-channel integration IT work to enable in-store returns and in-store pick-up
Optimize Key Merchandise Categories	<ul style="list-style-type: none">▪ Right-size categories, optimize floor space and merchandise adjacencies▪ Maximize ground-floor traffic with impulse and other non-sized apparel items
Introduce Saks Fifth Avenue & Saks OFF 5TH	<ul style="list-style-type: none">▪ Opportunity to introduce the Saks Fifth Avenue and Saks OFF 5TH banners in Germany and Belgium▪ Potential to build within existing store network to improve productivity and optimize floor space

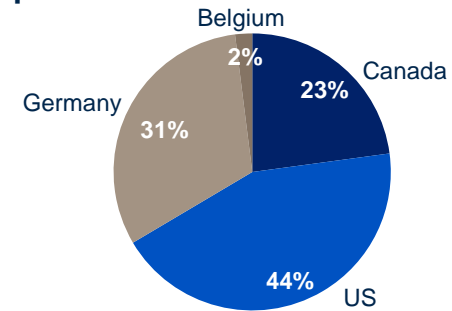
Creation of a Global Platform

- Diversified revenue and earnings base across Canada, the US, Germany and Belgium
- Kaufhof provides a stable platform from which to drive future retail and real estate growth throughout Europe

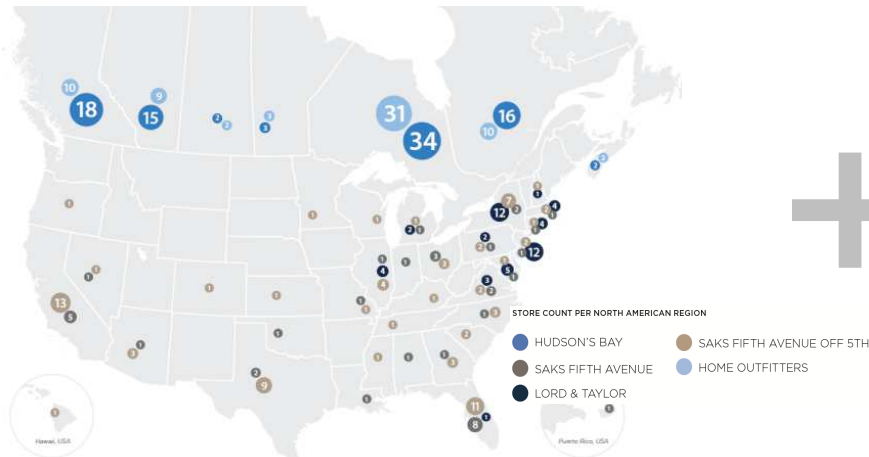
HBC Sales Before the Kaufhof Acquisition^(1,2)



HBC Sales Pro Forma for the Kaufhof Acquisition⁽²⁾



North America



Europe



(1) US\$1 = C\$1.1043 (average foreign exchange rate for the 52 week period ended January 31, 2015).
 (2) 52 weeks ended January 31, 2015 for HBC and 12 months ended September 30, 2014 for Kaufhof.

2. Value Creation & Transaction Financing

The Formation of the Two Real Estate JVs Sets the Foundation for the Kaufhof Real Estate Transaction

- Significant value surfaced from the creation of two real estate JVs
 - RioCan-HBC JV: C\$1.98 billion of total property value
 - Simon-HBC JV: US\$1.81 billion (C\$2.23 billion) of total property value
- Creation of two new “IPO friendly” growth platforms
- Support the growth of the retail business with greater financial flexibility
 - C\$1.1 billion of debt reduction and minimal impact on free cash flow at HBC

Millions	HBC as Reported (52 weeks ended May 2, 2015)	Adjustments for the RioCan-HBC and Simon- HBC JV Transactions (Before the Kaufhof Acquisition)	Pro Forma for the RioCan- HBC and Simon-HBC JV Transactions (Before the Kaufhof Acquisition)
Total Debt Outstanding	C\$3,237	(C\$1,125)	C\$2,112
Adjusted EBITDA	C\$611	(C\$57) ⁽¹⁾	C\$554 ⁽¹⁾
Interest and Other Financing Expenses	C\$234	(C\$48)	C\$186



⁽¹⁾ Refer to the reconciliation of Adjusted EBITDA in the appendix.

The Kaufhof Transactions Create Significant Value for HBC Shareholders

- No intention to issue equity by HBC
- Limited incremental debt at HBC⁽¹⁾
- More than C\$200 million of incremental Adjusted EBITDA to HBC⁽²⁾:

Millions	
Kaufhof Adjusted EBITDA	C\$391
Cash Rent on Kaufhof Properties Sold to the Simon-HBC JV	(C\$201)
Increase in Cash Distributions from the Simon-HBC JV	C\$10+
Incremental Adjusted EBITDA to HBC	C\$200+

**Transaction is Expected to be Significantly Accretive to EPS
Without Requiring Synergies**



(1) Includes the assumption of Kaufhof capital leases of C\$196 million and pension liabilities of €405 million; see Transaction Financing Overview on page 17.

(2) Based on management estimates and assumptions, including with respect to HBC's pro forma ownership in the Simon-HBC JV; refer to the reconciliation of Adjusted EBITDA in the appendix.

Transaction Financing Overview

- Term loan B commitments in the amount of US\$3.25 billion are in place to fund the Kaufhof acquisition and transaction costs and refinance HBC's existing US\$650 million senior term loan B
- HBC does not expect to utilize the large majority of the above term loan B commitments – instead HBC intends to use the proceeds from the anticipated Kaufhof Real Estate Transaction to largely fund the acquisition
- HBC intends to reinvest any excess proceeds in the Simon-HBC JV
- The Simon-HBC JV currently intends to finance the Kaufhof Real Estate Transaction with:
 - A real estate term loan secured by the Kaufhof properties conveyed to the Simon-HBC JV
 - Additional debt secured by the Saks and Lord & Taylor properties that the Simon-HBC JV will own
 - US\$179 million (C\$220 million) from Simon Property as per its prior equity commitment to the Simon-HBC JV
 - New investment from HBC using any excess proceeds from the Kaufhof Real Estate Transaction as described above
 - Up to US\$600 million in equity from third-parties or additional equity, if necessary, from HBC (in which case HBC would draw on its term loan B commitments)
- HBC expects to retain a 65% to 85% interest in the Simon-HBC JV, depending on its investment, if necessary, in the Simon-HBC JV, which would be financed using its term loan B commitments

HBC's Leverage Profile Improves

Millions

	HBC (as at May 2, 2015)	Adjustments for Real Estate JV Transactions as Previously Announced	HBC Pro Forma for the Real Estate JV Transactions	Adjustments for Kaufhof Acquisition and Kaufhof Real Estate Transaction (as at Mar. 31, 2015)	HBC Pro Forma for the Real Estate JV Transactions, Kaufhof Acquisition and Kaufhof Real Estate Transaction	
					Assuming US\$600M Draw on HBC TLB to Reinvest in the Simon-HBC JV	Assuming No Draw on HBC TLB
HBC Credit Group						
C\$ ABL	C\$171	(C\$55)	C\$116		C\$116	C\$116
US\$ ABL	C\$232	(C\$232)	-		-	-
Term Loan B	C\$790	(C\$790)	-		\$739	-
Yorkdale Mortgage	C\$48	(C\$48) ⁽¹⁾	-		-	-
Capital Leases	C\$163		C\$163	C\$196	C\$359	C\$359
Credit Group Debt	C\$1,404		C\$279		C\$1,214	C\$475
Credit Group Adjusted EBITDA	C\$532⁽²⁾		C\$474⁽²⁾		C\$714⁽²⁾	C\$674⁽²⁾
Debt / Credit Group Adjusted EBITDA	2.6x		0.6x		1.7x	0.7x
HBC Consolidated						
HBC Credit Group Debt	C\$1,404		C\$279		C\$1,214	C\$475
L&T Mortgage	C\$304		C\$304		C\$304	C\$304
Saks Mortgage	C\$1,529		C\$1,529		C\$1,529	C\$1,529
Consolidated Debt	C\$3,237		C\$2,112		C\$3,047	C\$2,308
Adjusted EBITDA	C\$611		C\$554⁽³⁾		C\$794⁽³⁾	C\$754⁽³⁾
Debt / Adjusted EBITDA	5.3x		3.8x		3.8x	3.1x

(1) The transfer of the Yorkdale Mortgage to the RioCan-HBC JV requires lender consent.

(2) Management estimate and assumptions; defined as Adjusted EBITDA less interest expense on the L&T Mortgage (at a 3.85% interest rate) and the Saks Mortgage (at a 4.39% interest rate). Refer to reconciliation of Adjusted EBITDA in the appendix.

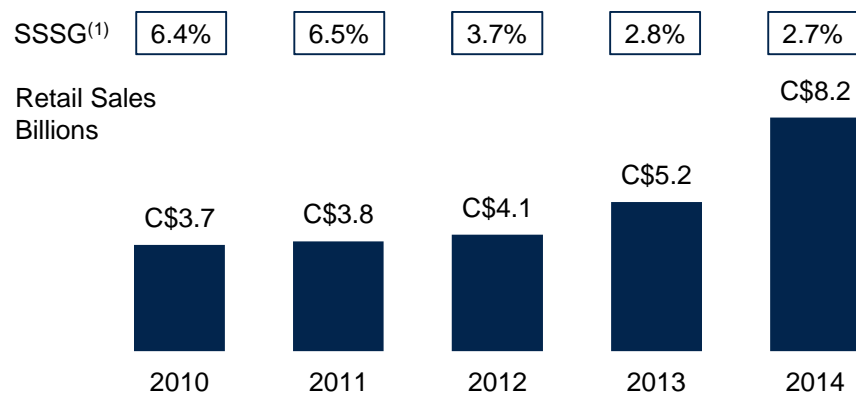
(3) Management estimate; defined as Adjusted EBITDAR less third-party rent expense less cash rent to real estate JVs plus cash distributions to HBC; calculation of Adjusted EBITDA is based on certain management estimates and assumptions, including HBC's ownership in the Simon-HBC JV and the Simon-HBC JVs' debt service costs pro forma for the Kaufhof Real Estate Transaction and financings thereof – refer to reconciliation of Adjusted EBITDA in the appendix.



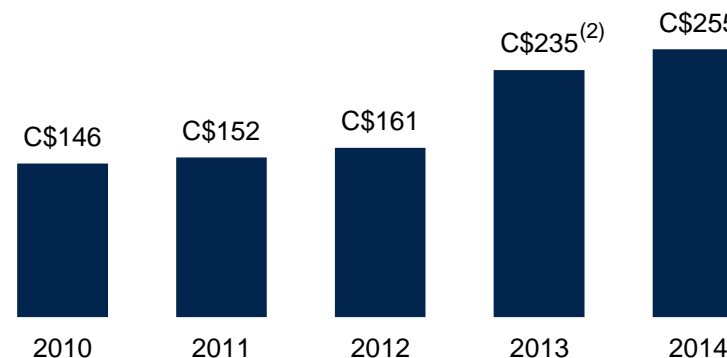
3. Track Record of Improving Retail Operations & Unlocking Real Estate Value

Management Team with a Track Record of Improving Retail Operations

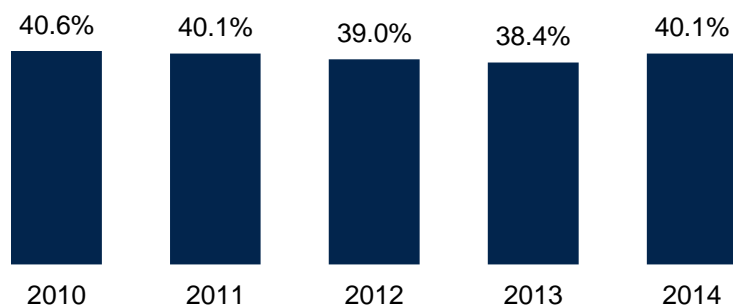
Retail Sales & Same Store Sales Growth



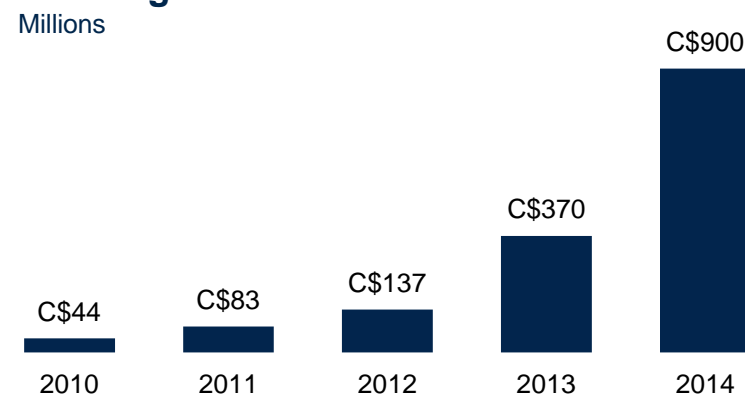
Sales per Square Foot



Stable Gross Margin



Growing eCommerce Sales



(1) Local currency basis and excluding Vancouver Olympic sales.
 (2) Pro forma for the Saks acquisition.

Management Team with a Track Record of Successfully Integrating Acquisitions & Unlocking Real Estate Value



(1) Calculated as cash purchase price of €2.21 billion, plus €141 million of capital leases and €69 million of minority interest; excludes €405 million of pension liabilities.

Conclusion

#1 Department Store in Germany and Belgium with Exceptional Locations

- High quality assets with a network of very well-maintained stores
- High-street locations in Germany's most densely populated and prosperous cities
- Opportunity to introduce Saks Fifth Avenue and Saks OFF 5TH in Germany

Creation of a Global Platform which Positions HBC for Future Growth in Europe

- 464 stores and 8 leading banners in Canada, the US, Germany and Belgium
- Stable platform from which to drive retail and real estate growth throughout Europe

Significant Value Creation for HBC Shareholders

- Acquisition expected to be largely financed by the Kaufhof Real Estate Transaction; no intention to issue equity by HBC; limited additional debt at HBC⁽¹⁾
- More than C\$200 million of incremental Adjusted EBITDA to HBC⁽²⁾
- The transactions are expected to be significantly accretive to EPS without requiring synergies



(1) Includes the assumption of Kaufhof capital leases of C\$196 million and pension liabilities of €405 million; see Transaction Financing Overview on page 17.

(2) Based on management estimates and assumptions, including with respect to HBC's pro forma ownership in the Simon-HBC JV; refer to the reconciliation of Adjusted EBITDA in the appendix.

Appendix

Impact of Previously Announced⁽¹⁾ Real Estate JVs – Adjusted EBITDA

Reconciliation of Net Earnings to Adjusted EBITDA and Adjusted EBITDAR

For the 52 weeks ended May 2, 2015
Millions

Net earnings (loss) for the year - continuing operations	C\$8
Finance costs	C\$234
Income tax benefit	(C\$56)
Non-cash pension expense (recovery)	C\$5
Depreciation and amortization	C\$362
Impairment and other non-cash expenses	C\$1
Share based compensation	C\$17
Saks Acquisition and integration related expenses	C\$57
Amortization of Saks inventory purchase price accounting adjustment	C\$2
Lease provision	C\$14
Foreign exchange adjustment	(C\$9)
Loyalty Zellers adjustment	(C\$24)
Adjusted EBITDA	C\$611
Rent expense to third-parties	C\$283
Adjusted EBITDAR	C\$894

HBC's Adjusted EBITDA Pro Forma for Close of the RioCan-HBC and the Simon-HBC JV Transactions as Previously Announced

For the 52 weeks ended May 2, 2015
Millions

Adjusted EBITDAR	C\$894
Rent expense to third-parties	(C\$283)
Cash rent to RioCan-HBC JV	(C\$85)
Cash rent to Simon-HBC JV	(C\$137)
Cash distributions from RioCan-HBC JV	C\$70
Cash distributions from Simon-HBC JV	C\$95
Adjusted EBITDA	C\$554

The RioCan-HBC JV and the Simon-HBC JV Distributable Cash

Millions

	<u>RioCan-HBC JV</u>	<u>Simon-HBC JV</u>
Cash rent from HBC	C\$85	C\$137
Cash rent from third party	C\$15	--
SG&A expense	(C\$2) ⁽²⁾	(C\$3) ⁽²⁾
Cash interest expense	(C\$18) ⁽²⁾	(C\$31) ⁽²⁾
Mandatory debt amortization	(\$2)	\$0
Distributable cash	C\$78	C\$103
HBC ownership	90%	92%
Cash distributions to HBC	C\$70	C\$95



(1) Pro forma impact recalculated for the 52 weeks ended May 2, 2015 and also includes US\$50 million of additional tenant inducement by Simon.

(2) Management estimates.

Impact of Kaufhof Acquisition and Kaufhof Real Estate Transaction – Adjusted EBITDA

Assuming No Draw on HBC's Term Loan B

For the 52 weeks ended May 2, 2015 for HBC
For the 12 months ended March 31, 2015 for Kaufhof
Millions

Adjusted EBITDAR before Kaufhof	C\$894
Kaufhof Adjusted EBITDAR	C\$627
Pro Forma Adjusted EBITDAR	C\$1,521
Rent expense to third-parties	(C\$519)
Cash rent to RioCan-HBC JV	(C\$85)
Cash rent to Simon-HBC JV	(C\$338) ⁽¹⁾
Cash distributions from RioCan-HBC JV	C\$70 ⁽²⁾
Cash distributions from Simon-HBC JV	C\$105+ ^(2, 3)
Adjusted EBITDA	C\$754+
Interest on L&T Mortgage	(C\$12)
Interest on Saks Mortgage	(C\$68)
HBC Credit Group Adjusted EBITDA	C\$674+

Assuming US\$600 Million Drawn on HBC's Term Loan B Commitment to Reinvest in the Simon-HBC JV

For the 52 weeks ended May 2, 2015 for HBC
For the 12 months ended March 31, 2015 for Kaufhof
Millions

Adjusted EBITDAR before Kaufhof	C\$894
Kaufhof Adjusted EBITDAR	C\$627
Pro Forma Adjusted EBITDAR	C\$1,521
Rent expense to third-parties	(C\$519)
Cash rent to RioCan-HBC JV	(C\$85)
Cash rent to Simon-HBC JV	(C\$338) ⁽¹⁾
Cash distributions from RioCan-HBC JV	C\$70 ⁽²⁾
Cash distributions from Simon-HBC JV	C\$145 ^(2, 3)
Adjusted EBITDA	C\$794
Interest on L&T Mortgage	(C\$12)
Interest on Saks Mortgage	(C\$68)
HBC Credit Group Adjusted EBITDA	C\$714

(1) Assumes € 145 million cash rent increase as a result of the Kaufhof Real Estate Transaction.

(2) Calculated as cash rent less SG&A expense less cash interest expense less cash taxes less mandatory debt amortization less minority interest payments.

(3) Based on certain management estimates and assumptions, including HBC's pro forma ownership in the Simon-HBC JV and the Simon-HBC JVs' debt service costs pro forma for the Kaufhof Real Estate Transaction and financings thereof.



Properties to be Transferred to the Simon-HBC JV

#	City	Banner	GLA ⁽¹⁾ (sq. ft.)
1	Aachen	Kaufhof	391,565
2	Berlin (Alexanderplatz)	Kaufhof	762,533
3	Bonn	Kaufhof	313,457
4	Darmstadt	Kaufhof	288,581
5	Dortmund	Kaufhof	444,267
6	Duisburg	Kaufhof	358,539
7	Düsseldorf (Wehrhahn)	Kaufhof / SpA	506,224
8	Düsseldorf (Carsch-Haus)	Kaufhof	185,802
9	Düsseldorf (Königsallee)	Kaufhof	468,560
10	Erlangen	Kaufhof	218,473
11	Frankfurt (An der Hauptwache)	Kaufhof	463,348
12	Gelsenkirchen	Kaufhof	272,497
13	Halle	Kaufhof	204,510
14	Hanau	Kaufhof	172,349
15	Hannover	Kaufhof	433,486
16	Heidelberg (Am Bismarckplatz)	Kaufhof	239,428
17	Heilbronn (Fleiner Straße)	Kaufhof	285,151
18	Hildesheim	Kaufhof	330,825
19	Kempten	Kaufhof	232,205
20	Köln (Hohe Straße)	Kaufhof	741,340
21	Krefeld	Kaufhof	357,291
22	Leipzig (Neumarkt)	Kaufhof	380,700

#	City	Banner	GLA ⁽¹⁾ (sq. ft.)
23	Mainz	Kaufhof	282,262
24	Mannheim (P1 Am Paradeplatz)	Kaufhof	363,979
25	Mönchengladbach	Kaufhof	176,217
26	München (Am Rotkreuzplatz)	Kaufhof	307,526
27	Nürnberg (Königstraße)	Kaufhof	339,805
28	Offenbach	Kaufhof	149,163
29	Oldenburg	Kaufhof	342,016
30	Pforzheim	Kaufhof	316,303
31	Regensburg (Neupfarrplatz)	Kaufhof	310,191
32	Reutlingen	Kaufhof	373,026
33	Rostock	Kaufhof	324,136
34	Schweinfurt	Kaufhof	274,818
35	Siegburg	Kaufhof	222,979
36	Stuttgart (Eberhardstraße)	Kaufhof	440,258
37	Ulm	Kaufhof	260,851
38	Wiesbaden	Kaufhof	323,425
39	Wuppertal	Kaufhof / SpA	395,723
40	Würzburg	Kaufhof	188,827
41	Bonn	Sportarena	95,723
42	Heidelberg	Sportarena	69,123
43	Wiesbaden	Sportarena	62,805



(1) Excludes parking lots.