

Hudson's Bay Company Announces Amendment to Increase Capacity of Asset-Based Revolving Credit Facility

TORONTO & NEW YORK--(BUSINESS WIRE)--February 7, 2017--*(all values in U.S. Dollars)* - Hudson's Bay Company ("HBC" or the "Company") (TSX: HBC) is pleased to announce the closing of an amendment to its asset-based revolving credit facility ("Global ABL") that increases its total capacity by \$350 million to a total of \$2.25 billion. Of this \$350 million increase, \$100 million is allocated to financing the working capital requirements and other general corporate purposes of the Company's operations in the Netherlands. All other terms remain substantially the same.

Paul Beesley, Chief Financial Officer, HBC commented, "This amendment to our Global ABL provides additional financial flexibility to HBC. Our solid capital structure is supported by long term mortgages on our 5th Avenue flagships, and we are pleased to strengthen our balance sheet even further with this amendment. As we open our first Hudson's Bay stores in the Netherlands later this year, we will be able to rely on this facility to help finance our inventory and other working capital requirements associated with the entry into this market."

The Global ABL allows HBC to use its inventory and accounts receivable as collateral to finance working capital requirements, capital expenditures and other general corporate purposes. The \$2.25 billion facility has a maturity date of February 5, 2021 with key terms that are consistent with the initial Global ABL facility closed in February of 2016. Interest rates on this facility range between LIBOR+125 to LIBOR+175. At the end of Fiscal 2016, January 28, 2017, there was a total of \$330 million outstanding borrowings on the Global ABL, as compared to \$939 million at the end of the third quarter, October 29, 2016.

About Hudson's Bay Company

Hudson's Bay Company is one of the fastest-growing department store retailers in the world, based on its successful formula of growing through acquisitions, driving the performance of high quality stores and their all-channel offerings and unlocking the value of real estate holdings. Founded in 1670, HBC is the oldest company in North America. HBC's portfolio today includes ten banners, in formats ranging from luxury to premium department stores to off price fashion shopping destinations, with more than 480 stores and 66,000 employees around the world.

In North America, HBC's leading banners include Hudson's Bay, Lord & Taylor, Saks Fifth Avenue, Gilt, 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 Sportarena.

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 Real Estate Investment Trust in the RioCan-HBC Joint Venture.

Forward-Looking Statements

Certain statements made in this news release are forward-looking within the meaning of applicable securities laws, including, among others, with respect to the amended Global ABL helping, among

other things, to finance HBC's working capital requirements, capital expenditures and other general corporate purposes as it opens its first Hudson's Bay stores in the Netherlands, and providing additional financial flexibility and further strengthening HBC's balance sheet. 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 for a variety of reasons. Some of the factors - many of which are beyond the Company's control and the effects of which can be difficult to predict - include, among others: ability to execute retailing growth strategies, ability to achieve comparable sales growth, changing consumer preferences, marketing and advertising program success, damage to brands, dependence on vendors, ability to realize synergies and growth from strategic acquisitions, ability to make successful acquisitions and investments, successful inventory management, and other risks inherent to the Company's business and/or factors beyond the Company's 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" section of HBC's annual information form dated April 28, 2016, 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.

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