

# LANDandBUILDINGS

## Land and Buildings Issues Letter to Hudson's Bay Shareholders Regarding Recent Developments

- *Hudson's Bay Board Must Seriously Consider the Signa Fully Financed Offer of €3.0 Billion For Hudson's Bay European Business, in Our View -*
- *Hudson's Bay's Board Has Agreed to Sell a Controlling Interest in the Company at Only 35% of the Company's Stated Net Asset Value Without Seeking Minority Shareholder Approval –*
- *Land & Buildings Has Expressed its Serious Concerns Regarding the Company's Entrenchment-Serving Convertible Preferred Share Issuance to the Toronto Stock Exchange and the Ontario Securities Commission and Has Requested the Issuance at Least be Put to a Minority Shareholder Vote –*

**Stamford, CT**, November 1, 2017 – Land & Buildings Investment Management, LLC (together with its affiliates, "Land & Buildings") today issued the following letter to shareholders of Hudson's Bay Company (TSX: HBC) ("Hudson's Bay", "HBC" or the "Company").

The full text of the letter follows:

Dear Fellow Hudson's Bay Shareholders:

Hudson's Bay board of directors (the "Board") should, consistent with its fiduciary duties, seriously consider the reported Signa fully financed €3.0 billion offer for Hudson's Bay European business, which is above the Company's purchase price and stated net asset value (NAV). Selling properties at or above the Company's stated NAV is likely the optimal and lowest cost option for raising capital -- and further underscores the real estate value of the Company.

In stark contrast, without seeking the approval of minority shareholders, a specific subset of shareholders – including members of management and the Board themselves – has essentially agreed to sell a controlling interest in the Company through the issuance of a convertible preferred security at C\$12.42, or 35% of the Company disclosed NAV of C\$35 per share. The holders of the convertible shares can vote as common shareholders as soon as this transaction closes and are contractually bound to vote in favor of the Board's director nominees for an undisclosed period of time.

Following the announcement of this entrenchment-serving share issuance, Land & Buildings has written to the Toronto Stock Exchange and the Ontario Securities Commission outlining its concerns regarding its belief that Ontario securities law and the applicable rules of the TSX require the Company to at least put the issuance of the convertible preferred security to a vote of minority shareholders. Norton Rose Fulbright Canada LLP is representing our interests in Canada on this matter.

This sequence of events begs the question of why Hudson's Bay felt compelled to raise capital through a dilutive share issuance when there appear to be superior sources of capital available.

The Board should be seeking to maximize the value of HBC for all shareholders, however, they instead appear to be seeking to entrench themselves.

Sincerely,



Jonathan Litt

Founder & CIO

Land & Buildings Investment Management, LLC

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