

LANDandBUILDINGS

Land & Buildings to Proceed with Special Meeting Following Hudson's Bay's CEO Departure

- *Exit of Jerry Storch Underscores Board's Attempt to Buy Time and Placate Investors to Address Underperformance and Undervaluation –*
- *Further Consolidation of Power by Chairman Richard Baker is Not the Answer Investors Deserve for the Future of Hudson's Bay –*
- *Land & Buildings Believes Change is Clearly Needed at Hudson's Bay in Order to Ensure Decisive Action is Taken and the Company is Run for the Good of All Shareholders –*
- *Land & Buildings Will Proceed with Calling a Special Meeting of Shareholders and is Evaluating Numerous Proposals, Including the Removal of Directors –*

Stamford, CT, October 23, 2017 – Land & Buildings Investment Management, LLC (together with its affiliates, "Land & Buildings") today issued the following statement from Founder and Chief Investment Officer Jonathan Litt, commenting on the departure of the Chief Executive Officer of Hudson's Bay Company (TSX: HBC) ("Hudson's Bay" or the "Company"), which was announced after market close on Friday, October 20, 2017:

"It is typical for undervalued and struggling companies such as Hudson's Bay to try to position the exit of top executives as a reason for investors to give them more time to right the ship – while choosing to ignore the fact that the true decision makers and those at the Board level who have been complicit in the decision making remain in power. We believe this is what is happening at Hudson's Bay. Jerry Storch is only the most recent casualty at the Company, joining several other senior executive departures including Paul Beesley, the Company's former CFO, and Brian Pall, the Company's former President, HBC Real Estate.

In reality, Executive Chairman Richard Baker, who will be taking on the role of interim CEO, continues to call the shots. This is even more problematic given how Baker has been stonewalling Land & Buildings and the investment community regarding a plan to unlock the value of the real estate embedded in the Company.

We have called on Hudson's Bay to be more open with shareholders about its plan for addressing its massive undervaluation and for the Company to take decisive action. With its real estate valued at three times the current share price, Hudson's Bay today is a real estate company, full stop.

Some in the investment community and the media¹ have drawn a connection between the current challenging retail market environment – and specifically the inability of Nordstrom to borrow capital at reasonable interest rates to take itself private – as support for the notion that it would be difficult for Hudson's Bay to go private. However, this argument does not hold up to scrutiny. Unlike Nordstrom, who is a retailer with real estate representing only a fraction of the current stock price, and thus would have any go-private transaction be based on financing the retailer, Hudson's Bay real estate has been valued by the Company at three times the current share price of C\$11.96, or C\$35 per share in real estate value.

¹ <http://www.reuters.com/article/cbusiness-us-hudson-s-bay-stocks-idCAKBN1CL295-OCABS>

Land & Buildings' engagement with the Company began early this year, yet Richard Baker and Director Lee Neibart, CEO of Hudson's Bay real estate joint venture HBS Global Properties, have failed to clearly outline to shareholders a plan to unlock the substantial real estate value trapped in the Company.

As such, we have no confidence that the Board on its own will take the affirmative action necessary to address the substantial undervaluation of the Company. As a result, we will be calling a Special Meeting of Shareholders. We are evaluating a number of proposals on which we believe the voices of shareholders should be heard – including the removal of directors from the Board – and will announce the full slate of proposals and next steps in the Special Meeting process shortly.”

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