

NRDC EQUITY PARTNERS ANNOUNCES THE ACQUISITION OF HUDSON'S BAY COMPANY

Combines Hudson's Bay Company, Lord & Taylor, Fortunoff and Creative Design Studios under The Hudson's Bay Trading Company

Toronto, CANADA and New York, USA -- July 16, 2008: NRDC Equity Partners and True North Retail Investments, an affiliate of The InterTech Group, Inc. and the owner of Hudson's Bay Company (Hbc), announced today the completion of a transaction in which NRDC Equity Partners acquired Hbc and consolidated its ownership of Lord & Taylor, Fortunoff, and Creative Design Studios (CDS) under a holding company called the Hudson's Bay Trading Company (HBTC). Combined, these companies comprise more than US\$8 billion in retail sales, 75,000 employees, and 55 million square feet of stores in the United States and Canada. Hudson's Bay Company, established in 1670, is North America's oldest continually operating company.

NRDC Equity Partners is investing US\$500 million in new equity into the combined company. Richard Baker will serve as CEO of the Hudson's Bay Trading Company and will become the 38th Governor of the Hudson's Bay Company. NRDC has been a minority owner in Hbc in partnership with the Zucker Family and Baker has been a member of the board since 2006.

Richard Baker said, "By acquiring Hudson's Bay Company along with previous acquisitions Lord & Taylor and Fortunoff, we will have an unprecedented opportunity to recreate the retail landscape in North America. Enormous potential exists by upgrading the offerings at both The Bay and Zellers and by bringing Lord & Taylor, Fortunoff & CDS into the mix," he added.

The strategy of the combined company is to create a greater focus on The Bay department store business in Canada with an emphasis on the customer by offering better brands and better service. In addition this acquisition will allow Canadian consumers to benefit from the following opportunities:

Lord & Taylor, an upscale specialty retailer in the U.S., will be in a position to launch 10 – 15 stores throughout Canada. Currently there is a gap in the Canadian retail landscape between The Bay department stores and Holt Renfrew. Lord & Taylor stores will be ideally positioned to fill this consumer demand and will be located in prime locations through existing Hbc real estate properties or within existing flagship Bay stores.

Zellers will see greater focus on branded apparel, improved customer service and a future roll out of new 125,000 square foot prototype stores.

Fortunoff, a specialty jewelry and home furnishings store, will be in a position to introduce Fortunoff Jewelry Stores and Fortunoff Home Departments both within The Bay department stores as well as free-standing retail operations.

Creative Design Studios, the design and manufacturing division, will expand its offerings and sell its branded collections throughout North America and internationally. CDS brands include Peter Som's eponymous collection as well as the Kate Hill and Context brands for women, and the Black Brown 1826 men's brand.

Fields, will continue to focus on delivering value-priced merchandise to Canadian consumers.

Home Outfitters, Canada's fast growing home specialty store, will continue to offer customers unbeatable selection of brands and service in kitchen, bath and bed home furnishings.

Robert Johnston, President and CEO of Hbc and Executive Vice President and Chief Strategy Officer, The InterTech Group stated, "This transaction is a true win for all parties involved. The InterTech Group receives an excellent return on its investment, NRDC acquires an outstanding

retailer with tremendous potential and the ability to leverage its brands and other properties into Canada, and Hbc employees will have the opportunity to build a dynamic new company.”

NRDC Equity Partners was founded by Bill Mack, Lee Neibart, and Robert and Richard Baker.

Robert Baker said, “The combined companies own a portfolio of trophy real estate assets that create spectacular opportunity for development around the existing retail operation.”

NRDC Equity Partners also announced the following executive appointments: Francis Casale will serve as Chief Financial Officer of HBTC; Donald Watros will serve as Chief Administration Officer of HBTC; and Brian Pall will serve as President of the HBTC Property Company.

NRDC Equity Partners was represented by Paul, Weiss, Rifkind, Wharton and Garrison, LLP as U.S. legal counsel and Stikeman Elliott, LLP for Canadian counsel. Financo was the advisor for capital markets.

About Hudson’s Bay Company:

Hbc is Canada's largest diversified general merchandise retailer, operating in department store (the Bay), mass merchandise (Zellers), specialty (Home Outfitters) and discount (Fields) formats. With a strong Canadian-based management team, more than 580 retail outlets and nearly 60,000 associates across Canada, Hbc provides Canadians with stylish, quality merchandise at great value, through retail banners focused on exceptional customer service.

About Lord & Taylor:

Lord & Taylor is an upscale specialty department store with 47 stores in 9 states and the District of Columbia. Lord & Taylor has built a reputation for attentive customer service and high quality merchandise focused on apparel and accessories for women, men, and children. Founded in 1826, Lord & Taylor is one of America’s oldest retailers with a legendary Fifth Avenue flagship. Jane Elfers serves as CEO of Lord & Taylor.

About Fortunoff:

Founded in 1922, Fortunoff currently has 23 retail stores specializing in fine jewelry and home furnishings in the New York tri-state area, as well as the Fortunoff.com website, which offers over 25,000 items to choose from. Its unparalleled selection and remarkable prices have established Fortunoff as a trusted name in the retail industry. Charles Chinni serves as CEO of Fortunoff.

About Creative Design Studios:

Creative Design Studios was formed in October of 2007 as a stand-alone company with a mission to develop and manufacture designer-driven brands for regional department stores and to invest in great American design talent. CDS is the parent company of Peter Som, and brands including Kate Hill, Context, and Black Brown 1826. Susan Davidson serves as CEO of Creative Design Studios.

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