



For Immediate Release

**Hbc AND GE MONEY ANNOUNCE ACQUISITION OF
HUDSON'S BAY COMPANY'S FINANCIAL SERVICES BUSINESS**

***- Agreement provides for 10-year alliance in conjunction with Hbc's \$1.1 billion
Financial Services Business -***

Toronto — Feb. 7, 2006 —Hudson's Bay Company (TSX: HBC), Canada's oldest company and largest department store retailer, and GE Money, the Canadian consumer lending unit of General Electric Company (NYSE:GE), today announced an acquisition agreement and 10-year alliance in which GE Money will purchase the private label credit card and related financial services assets of Hudson's Bay Company (Hbc). Hbc anticipates proceeds of approximately \$370 million net of securitized receivables and related costs and taxes. Hbc customers will be able to continue to use their Hbc cards, and will continue to enjoy access to the Hbc rewards program and other cardholder benefits as they do today, as well as a broader range of financial products in the future.

Under the 10-year alliance, GE Money will provide credit marketing and analytic support, credit servicing and customer care for Hbc's 3.1 million retail cardholders. Over the term of the ten-year alliance, Hbc expects to realize financial benefits similar to the historic earnings levels from Hbc's Financial Services business. Performance payments from GE Money will be based on the level of credit sales, new account acquisitions and new product introductions.

The acquisition will also include the transfer of approximately 650 Hbc employees directly involved in Hbc's Financial Services business to GE Money. These employees

will continue to work at their current locations, at operations centres in Montreal, Toronto and Vancouver. GE Money currently has 600 employees at its headquarters in Mississauga and its operations centre in Edmonton.

“Hbc’s alliance with GE Money allows the Company to continue providing excellent credit and financial services to our customers. Hbc has secured an upfront cash payment that represents a premium over the book value of this asset, in addition to significant on-going annual cash payments. We have also established the opportunity to add an impressive suite of financial products and services to ensure incremental benefits and value to existing and future Hbc customers,” said George Heller, president and CEO of Hbc.

“We are honoured to work with a retailer that has the history and tradition of Hudson’s Bay Company,” said Stephen Motta, president and CEO, GE Money. “This new alliance opens up great opportunities to offer enhanced products, benefits and value to Hudson’s Bay Company customers while helping drive growth at both Hbc and GE.”

“This is great news as we continue to grow all of our GE businesses in Canada,” says Elyse Allan, president and CEO, GE Canada. “Combining two entities with the history and expertise of GE and HBC will benefit both organizations in providing additional options for consumers.”

The transaction is subject to customary regulatory approvals and closing conditions. Hbc has not yet made a final determination as to the use of the upfront proceeds. The transaction terms were made available to the parties interested in purchasing the entire company prior to making their bids.

Goldman, Sachs & Co. and BMO Nesbitt Burns Inc. served as advisors to Hbc on the transaction.

Forward Looking Statements

This release contains statements about expected future events that are forward-looking and subject to risks and uncertainties. Accordingly, Hbc's actual results, performance or achievements could differ materially from those expressed or implied by such statements, and such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. These statements do not reflect the potential impact of any acquisitions, mergers or divestitures completed after the date of issuance of this report. In addition, factors that could cause actual results to differ materially from future expectations are the following: general business and economic conditions in Canada and competition within the Canadian retail industry generally.

About GE Money

GE Money is part of GE Consumer Finance-Americas and provides private label credit card and MasterCard programs to consumers, and lending options for retailers in key industries across Canada. GE Money also is a provider of alternative residential mortgages (www.gemoney.ca).

About GE Consumer Finance

With more than \$163 billion in assets, GE Consumer Finance, a unit of General Electric Company, is a leading provider of credit services to consumers, retailers and auto dealers in 47 countries around the world. GE Consumer Finance, based in Stamford, Connecticut (USA), offers a range of financial products, including private label credit cards, personal loans, bank cards, auto loans and leases, mortgages, corporate travel and purchasing cards, debt consolidation and home equity loans, and credit insurance. More information can be found at www.geconsumerfinance.com.

GE is Imagination at Work -- a diversified technology, media and financial services company focused on solving some of the world's toughest problems. With products and services ranging from aircraft engines, power generation, water processing and security technology to medical imaging, business and consumer financing, media content and advanced materials, GE serves customers in more than 100 countries and employs more than 300,000 people worldwide. For more information, visit the company's Web site at www.ge.com.

In Canada, GE has more than 10,000 employees, 19 major manufacturing plants and more than 150 sales and service locations across the country.

About Hudson's Bay Company

HBC is Canada's oldest corporation and largest department store retailer operating in department store (the Bay), mass merchandise (Zellers) and specialty (Home Outfitters) formats. With over 500 stores and nearly 70,000 associates located in

every province in the country, our management team has a vision for growth and is committed to serving Canadians with the products and services they want, how and where they want them.

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