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RETAIL

HBC continues its privatization plan review, asking for shareholder input

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Saks Fifth Avenue's new menswear. Image credit: Saks Fifth Avenue

By STAFF REPORTS

Retail group Hudson's Bay Company is inviting its shareholders to comment on their views about a possible privatization of the company.

The retailer, known as the parent to Saks Fifth Avenue, is seriously considering the idea of going private where it will pay shareholders $9.45 a share. HBC's special committee of the board has issued a letter to shareholders detailing the notion of going private, giving them a chance to share their views.

Going private

HBC has been reorganizing its business structure and recently sold off a joint venture project, as it announced it would be looking into the possibility of going private.

The company agreed to sell its remaining European real estate and divest its related joint venture for $1.13 billion to focus on growth in North America. In addition, the group has formed a special committee of independent directors to review a proposal for privatization from a shareholder group (see story).

Saks' new beauty concept is one of the many ways beauty retailers and brands are leveraging new trends. Image credit: Saks

HBC has agreed to uphold its obligation to work in the interest of both shareholders and the company, which is why it is asking for input from shareholders. These individuals will have the opportunity to share their views on the idea in the next few weeks with the special committee and its financial advisors.

In addition, the special committee has made note of an offer from Canadian private equity investment firm The Catalyst Capital Group to acquire 14,836,795 HBC common shares at $10.11 per share in cash. This will be another factor in the decision to go private as the special committee continues its review.