
HUDSON'S BAY REASSURES GERMAN WORKERS AFTER KAUFHOF CEO QUILS

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DUESSELDORF, Germany (Reuters) □ Canadian retailer Hudsons Bay Co (HBC) sought to ease concern that the abrupt resignation of its chief executive could herald cuts at its struggling German department store chain Kaufhof. HBC said on Friday that outgoing CEO Gerald Storch was stepping down from Nov. 1 to return to his advisory firm Storch Advisors but did not disclose the reasons for his departure. I still firmly believe in the future of the department stores, interim CEO Richard Baker said in a memo to staff seen by Reuters. And of course we are sticking with our investment and growth strategy in Europe. Storch's departure comes at a time when the company is under pressure from activist shareholder Jonathan Litt to take steps to improve stock performance. It has said in the past that it was committed to its European investments and would keep investing in Kaufhof even as the store chain heads for another annual loss. Hudsons Bay bought Kaufhof for 2.8 billion euros (£2.5 billion) from German retailer Metro in 2015 but has struggled to turn it around. Two people familiar with the matter told Reuters in July that Euler Hermes had cut back its trade credit insurance for suppliers of Kaufhof. The store chain is seeking to negotiate a new wage deal that it has said will make its cost structure more competitive and help to safeguard about 21,500 jobs.

(Reporting by Matthias Inverardi; Writing by Maria Sheahan; Editing by David Goodman)

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