

## MIRA INFORM REPORT

<b>Report No. :</b>	526789
<b>Report Date :</b>	28.08.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	TOYS R US (CANADA) LTD
<b>Registered Office :</b>	2777, Langstaff Road Concord (Ontario) L4K4M5
<b>Country :</b>	Canada
<b>Financials (as on) :</b>	2017 [Summarized]
<b>Date of Incorporation :</b>	24.01.1983
<b>Legal Form :</b>	Société Par Actions Ou Compagnie
<b>Line of Business :</b>	Subject operates retail stores that sell toys, games, and other related products for kids in Canada.
<b>No. of Employees :</b>	3,751

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> January 2017)

<b>MIRA's Rating :</b>	<b>B</b>
------------------------	----------

Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

<b>Status :</b>	Moderate
<b>Payment Behaviour :</b>	No Complaints
<b>Litigation :</b>	--

#### NOTES :

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto:infodept@mirainform.com) while quoting report number, name and date.

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**ECGC Country Risk Classification List**

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Canada	A1	A1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

**CANADA - ECONOMIC OVERVIEW**

Canada resembles the US in its market-oriented economic system, pattern of production, and high living standards. Since World War II, the impressive growth of the manufacturing, mining, and service sectors has transformed the nation from a largely rural economy into one primarily industrial and urban. Canada has a large oil and natural gas sector with the majority of crude oil production derived from oil sands in the western provinces, especially Alberta. Canada now ranks third in the world in proved oil reserves behind Venezuela and Saudi Arabia and is the world's seventh-largest oil producer.

The 1989 Canada-US Free Trade Agreement and the 1994 North American Free Trade Agreement (which includes Mexico) dramatically increased trade and economic integration between the US and Canada. Canada and the US enjoy the world's most comprehensive bilateral trade and investment relationship, with goods and services trade totaling more than \$680 billion in 2017, and two-way investment stocks of more than \$800 billion. Over three-fourths of Canada's merchandise exports are destined for the US each year. Canada is the largest foreign supplier of energy to the US, including oil, natural gas, and electric power, and a top source of US uranium imports.

Given its abundant natural resources, highly skilled labor force, and modern capital stock, Canada enjoyed solid economic growth from 1993 through 2007. The global economic crisis of 2007-08 moved the Canadian economy into sharp recession by late 2008, and Ottawa posted its first fiscal deficit in 2009 after 12 years of surplus. Canada's major banks emerged from the financial crisis of 2008-09 among the strongest in the world, owing to the financial sector's tradition of conservative lending practices and strong capitalization. Canada's economy posted strong growth in 2017 at 3%, but most analysts are projecting Canada's economic growth will drop back closer to 2% in 2018.

Source : CIA

## **STATUTORY INFORMATION**

Legal Name	TOYS "R" US (CANADA) LTD
Trade Name	TOYS "R" US
ID	ID
ID Details	1143323526
Creation Date	1983
Incorporation Date	1983-01-24
Legal Address	2777, Langstaff Road Concord (Ontario) L4K4M5 Canada
Operative Address	2777, Langstaff Road Concord (Ontario) L4K4M5 Canada
Telephone	905-660-2000
Fax	905-660-2021
Legal Form	Société Par Actions Ou Compagnie
E-Mail	-
Registered In	CANADA
Website	www.toysrus.ca
Contact	MELANIE TEED-MURCH - President
Staff	3,751
Activity	SIC Code: 5945, Hobby, Toy, and Game Shops NAICS Code: 451120, Hobby, Toy, and Game Stores

## **BANKS**

Name of Bank	Reported Amount
There are not informed banks	
Description	The company does not disclose its banking details.

## **HISTORY**

### History

The company was founded in 1983 and is based in Concord, Canada. On September 18, 2017, Toys "R" Us, Inc., the company's former parent, filed a voluntary petition for reorganization under Chapter 11 in the U.S. Bankruptcy Court for the Eastern District of Virginia. The company ended up selling its Canadian business, Toys R Us (Canada) Ltd., to Fairfax Financial Holdings Limited.

### Key Developments

Fairfax Financial closes \$300M acquisition of Toys "R" Us (Canada)  
June 1, 2018

Fairfax Financial Holdings Limited (TSX: FFH, FFH.U) has completed previously announced acquisition of 100% equity interest in Toys "R" Us (Canada) Ltd. from Toys "R" Us, Inc. (Delaware) for US \$237 million or CDN \$300 million.

In March 2018, Toys "R" Us, Inc. filed a motion seeking Bankruptcy Court approval to begin the process of conducting an orderly wind-down of its U.S. business and liquidation of inventory in all 735 of its U.S. stores, including stores in Puerto Rico.

The sale of Canadian operations had planned for a transaction that could combine up to 200 of the top performing U.S. stores with its Canadian operations. As a result of the acquisition, Toys "R" Us Canada is now Canadian owned.

Motion for Paramus Lease Asset Sale Approved for Toys "R" Us, Inc.

May 31 18

The US Bankruptcy Court gave an order approving the sale of the certain assets of Toys "R" Us, Inc. on May 31, 2018. The Court approved the asset purchase agreement between the debtor and winning bidder at the auction, the winning bidders includes, Raymour and Flanigan Company, Inc. for the sale of Paramus Lease assets at store # 6306.

Bidding Procedure for U.S. Intellectual Property Approved for Toys "R" Us, Inc.

May 24 18

The US Bankruptcy Court gave an order approving the bidding procedures relating to the sale of certain assets of Toys "R" Us, Inc. on May 24, 2018. The Court approved the asset purchase agreement

between the debtor and winning bidder, for the sale of its certain asset. The debtor's assets include U.S. intellectual property assets. To qualify as a qualified bidder, interested parties should submit their bids by June 15, 2018, along with earnest money deposit of 5% of the purchase price. The debtor has scheduled an auction on June 18, 2018. The stalking horse bidder would be entitled to a break-up fee of 3% of the proposed purchase price and expense reimbursement of \$0.5 million in case of termination of the asset purchase agreement. The sale hearing is scheduled for June 20, 2018. The closing of the sale of the U.S. Intellectual Property Assets will occur no later than June 25, 2018.

Motion for Bricktown Lease Asset Sale Approved for Toys "R" Us, Inc.

May 24 18

The US Bankruptcy Court approved the sale of certain assets of Toys "R" Us, Inc. on May 24, 2018. As per the order, debtor has been authorized to sell Bricktown lease assets to Farmer's Fresh Market Place, Inc. with a cure cost of \$0.22 million. The successful bidder notice was filed by the debtor on May 10, 2018.

Parent Company

As of May 31, 2018, Toys "R" Us (Canada) Ltd. operates as a subsidiary of:

Fairfax Financial Holdings Limited.

95 Wellington Street West

Suite 800

Toronto, ON M5J 2N7

Canada

## ***PRINCIPAL ACTIVITY***

General Description

Toys"R"Us (Canada) Ltd. operates retail stores that sell toys, games, and other related products for kids in Canada.

Service/Product Description

The company offers products in the categories of arts and crafts, baby toys, backpacks and lunch bags, books, building sets and blocks, discovery kits, dolls and playsets, games and puzzles, learning toys, musical instruments and karaoke, outdoor play kits, party favors and supplies, playroom products, plush stuffed animals and toys, preschool toys, pretend play products, toddler and kid's bedroom products, trading cards and collectables, and other products; vehicles,

Sales	trains, and RC vehicles; and video gaming, entertainment, and electronic products. It also sells products online. Retail
Operations Area	National
Imports From	CHINA, INDIA
Export To	No export records found.
Employees	3,751 employees
Payments with Suppliers	No Complaints
Brands Brand	Comments
TOYS R US	-

Clients			
Name of Client	Country		Comments
There are no informed clients			

Comments -

Suppliers			
Supplier Name	Country		Comments
Apl Logistics China,Ltd.	CHINA		-
GHCL Ltd.	INDIA		-
Kitex Garments Ltd.	INDIA		-

Comments -

## ***LOCATION***

Headquarters	2777, LANGSTAFF ROAD CONCORD (ONTARIO) L4K4M5 CANADA
Branches	The company has several branches in Canada. Some of them are: Toys 'R' Us (Canada) Ltd 2700 boul. Laurier Québec (Québec) G1V2L8 Canada

Toys 'R' Us (Canada) Ltd  
3048 boul. De la Gara Vaudreuil-Dorion Québec  
J7V0H1 Canada

Toys 'R' Us (Canada) Ltd  
7300 boul. Décarie Montréal Québec H4P2N1  
Canada

## ***GROUP STRUCTURE AND SUBDIARY COMPANIES***

Listed at the stock exchange	NO
Capital	NA
Shareholders (%)	As of May 31, 2018, Toys"R"Us (Canada) Ltd. operates as a subsidiary of:  Fairfax Financial Holdings Limited. 95 Wellington Street West Suite 800 Toronto, ON M5J 2N7 Canada
Management	Melanie Teed-Murch - President Pasquale Naccarato - Vice President Robert Zarra - Vice President Mr. David Allen Brandon - Chairman and Chief Executive Officer Ms. Elizabeth MacDonald - Vice President of Marketing & Store Planning Mr. Émile Burbidge - Chief Play Officer No subsidiary companies were found.
Subsidiary Companies	
Related Companies	The company has several sister companies. Some of them are: FFHL Group Limited 95 Wellington Street West Suite 800 Toronto, ON M5J 2N7 Canada  SPORTING LIFE, INC. 2665 Yonge Street Toronto, ON M4P 2J6 Canada  Northbridge Financial Corporation

105 Adelaide Street West  
Suite 700  
Toronto, ON M5H 1P9  
Canada

## ***FINANCIAL INFORMATION***

General Description	The company does not make its financial statements public. The following information has been provided by private sources:
Year/Currency	USD 2017
Sales	300.000.000
Money Flow	Normal
Import Fob Dollar Year	Amount
There are not Import Fob Dollar informed	
Export Fob Dollar Year	Amount
There are not Export Fob Dollar informed	

## ***LEGAL FILINGS***

Lawsuits	Toys R Us (Canada) Ltd. v. Manjel Inc., 2003 FCT 283 (CanLII) — 2003-03-07 Federal Court — Canada (Federal) trade-mark — wares — confusion — stores — snack
	Toys R Us (Canada) Ltd. v. Manjel Inc., 2003 FCT 282 (CanLII) — 2003-03-07 Federal Court — Canada (Federal) trade-mark — wares — snack foods — opponent — marks
	Toys R US (Canada) Ltd. v. Rotisseries St-Hubert Ltée., 1994 CanLII 1190 (ON CA) — 1994-11-04 Court of Appeal for Ontario — Ontario security for costs — rule — insufficient assets in to pay — impecunious defendants who are forced — motion

Centre commercial Place du Royaume (Chicoutimi)  
inc. c. Toys R Us (Canada) Ltd., 1999 CanLII 12211  
(QC CS) — 1999-01-28  
Superior Court — Quebec  
injonction interlocutoire — shopping centre — dollars  
and cents — préjudice — Imasco

Toys R Us (Canada) Ltd. c. Carrefour Richelieu  
Realties Ltd., 2007 QCCS 4628 (CanLII) — 2007-10-  
17  
Superior Court — Quebec  
bail — membrane protectrice — réfection du toit —  
mot structure — locataire

Re TOYS "R" US (CANADA) LTD., 2018 ONSC 609  
(CanLII) — 2018-01-25  
Superior Court of Justice — Ontario  
creditors — procedure — negative option scheduled  
— restructuring — proposed

Re TOYS "R" US (CANADA) LTD., 2017 ONSC 5571  
(CanLII) — 2017-09-20  
Superior Court of Justice — Ontario  
pre-filing lenders — suppliers — restructuring —  
court-ordered security — stay  
No records found.

Trademarks

Patents Registered

Renewals

No records found.

Date of update of the information status  
2018-03-28

Date of the last annual update statement 2018-03-09  
2017

End date of the production period of the 2018 annual  
update statement  
2019-06-01

End date of the production period of the 2017 annual  
update statement  
2018-06-01

OFAC Sanctions List Search

The company is not listed in the OFAC Sanctions List.

## ***SUMMARY***

Summary

Founded in 1983, TOYS "R" US (CANADA) LTD is an  
organization in the Hobby, Toy, and Game Stores

Industry headquartered in Concord, Canada. The company has 3,751 regular employees and generates an estimated \$300 million USD in annual revenue. It operates nationally, mainly importing from China and India. It is ACTIVE in business with a medium credit risk.

## ***RISK INFORMATION***

Debts	Controlled
Payments	No Complaints
Cash Flow	Normal
State	Active

## ***INTERVIEW***

First Name	Kristen
Position	Receptionist
Comments	She confirmed the name of the parent company, the address of the headquarters and location, the date of creation of the company, the company's website, the approximate number of employees and the name of the President.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.04
UK Pound	1	INR 89.95
Euro	1	INR 81.30
CAD	1	INR 54.23

**Note :** Above are approximate rates obtained from sources believed to be correct

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	PRI
<b>Report Prepared by :</b>	TPT

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**RATING EXPLANATIONS**

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)