

MIRA INFORM REPORT

Report No. :	533102
Report Date :	06.10.2018

IDENTIFICATION DETAILS

Name :	GUESS' CANADA CORPORATION
Registered Office :	4100-1155 Boulevard René-Lévesque Ouest Montréal, Québec H3B3V2
Country :	Canada
Financials (as on) :	2017 (summarized)
Date of Incorporation :	1992
Legal Form :	Joint stock company or company
Line of Business :	Subject designs, manufactures, and markets apparels.
No. of Employees :	1,200

RATING & COMMENTS

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

MIRA's Rating :	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	Slow but Correct
Litigation :	---

NOTES :

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

ECGC Country Risk Classification List

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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

Note	Guess Canada Distribution is a tradename for GUESS' CANADA CORPORATION. There is no company in Canada registered under legal name GUESS CANADA DISTRIBUTION
Legal Name	GUESS' CANADA CORPORATION
Trade Name	GUESS CANADA
ID	ID
ID Details	1165047086
Creation Date	1992
Incorporation Date	2007-11-19
Legal Address	4100-1155 Boulevard René-Lévesque Ouest Montréal, Québec H3B3V2 Canada
Operative Address	8275 19e Avenue Montréal, QC H1Z 4K2 Canada
Telephone	1-877-444-8377
Fax	-
Legal Form	Joint stock company or company
E-Mail	-
Registered In	CANADA
Website	www.guess.ca
Contact	Victor Herrero - Chief Executive Officer
Staff	1,200
Activity	SIC Code: 5136, Men's and Boys' Clothing and Furnishings NAICS Code: 424320, Men's and Boys' Clothing and Furnishings Merchant Wholesalers

BANKS

Name of Bank	Reported Amount
BANK OF AMERICA	
Description	-Loan, Guaranty and Security Agreement dated as of June 23, 2015, among the Registrant, Guess? Retail, Inc., Guess.com, Inc., Guess? Canada Corporation, the guarantors party thereto, the lenders party thereto and Bank of America, N.A., as agent for the lenders (incorporated by reference from the Registrant's Current Report on Form 8-K filed June 24, 2015). -Amendment Number One to Loan, Guaranty and Security Agreement dated as of February 16, 2016,

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among the Registrant, Guess? Retail, Inc., Guess.com, Inc., Guess? Canada Corporation, the guarantors party thereto, the lenders party thereto and Bank of America, N.A., as agent for the lenders (incorporated by reference from the Registrant's Annual Report on Form 10-K for the year ended January 30, 2016).

HISTORY

History

The company was founded in 1992 and is based in Montréal, Canada. Guess? Canada Corporation was formerly known as Strandel Inc. and changed its name to Guess? Canada Corporation in February, 2000. It merged with 3209493 NOVA SCOTIA LIMITED in 2007.

Key Developments

How Guess Is Changing Its Positioning And Focus In The Americas

Apr 19, 2017

Though it has seen significant improvements in Asia and Europe, Guess seems to be missing out on sales in the Americas. The company attributed the declining footfall in its brick-and-mortar retail stores as one of the main reasons for this performance. The wholesale business in the region, however, showed slight growth fueled by the U.S. and Canada. Guess has formulated a few steps to improve its business in the Americas. They include closing stores, renegotiating the rents for existing stores, sourcing materials from low-cost regions, creating a better balance between domestic and international businesses, and within the Americas, a more optimal balance between wholesale and retail, and focusing on an omni-channel presence.

Parent Company

The major holder of this company is:
GUESS? EURO-CANADA, B.V.
BARBARA STROZZILAAN 101, 6TH FLOOR 1083 HN
AMSTERDAM THE NETHERLANDS

PRINCIPAL ACTIVITY

General Description

Guess? Canada Corporation designs, manufactures, and markets apparels.

Service/Product Description

The Company retails dresses, tops, sweaters, blazers,

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Sales	jackets and coat, jeans, skirts, pants, leggings, shorts, lingerie, shoes, hosiery, jewellery, and accessories.
Operations Area	Retail
Imports From	National
Employees	CHINA, INDIA, INDONESIA
Payments with Suppliers	1,200 employees
Brands	Slow but Correct
Brand	Comments
Guess?	-

Clients		
Name of Client	Country	Comments
There are no informed clients		
Comments	-	

Suppliers		
Supplier Name	Country	Comments
PT . TUN HONG GARMENT INDONESIA	INDONESIA	-
YANTAI XINZHONG GARMENT CO., LTD.	CHINA	-
Elegant Garment Mfg. Co., Ltd.	CHINA	-
ZODIAC CLOTHING COMPANY LIMITED	INDIA	-
C.R.GARMENTS	INDIA	-
SHEN ZHEN TOP INDUSTRY CO., LTD.	CHINA	-
ZHEJIANG JIAXIN SILK CORP. LTD.	CHINA	-
WINSTAR INTERNATIONAL INDUSTRIES LTD	CHINA	-
Comments	-	

LOCATION

Headquarters	8275 19e Avenue Montréal, QC H1Z 4K2 Canada
Branches	Guess? Canada Corporation 11 Avenue Trinity Fredericton, NB, E3C 0B7 Canada
	Guess? Canada Corporation

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5000 Highway 7 E Markham, ON, L3R 4M9 Canada

Guess? Canada Corporation
7899 Templeton Station Rd Unit 1003 Richmond, BC,
V7B 0B7 Canada

Guess? Canada Corporation
17600 Yonge St Unit CC7 Newmarket, ON, L3Y 4Z1
Canada

GROUP STRUCTURE AND SUBDIARY COMPANIES

Listed at the stock exchange	NO
Capital	NA
Shareholders (%)	The major holder of this company is: GUESS? EURO-CANADA, B.V. BARBARA STROZZILAAN 101, 6TH FLOOR 1083 HN AMSTERDAM THE NETHERLANDS
	The company's ultimate parent is: Guess, Inc. 1444 South Alameda Street Los Angeles, CA 90021 United States
Management	Victor Herrero - Chief Executive Officer Jason Miller - Secretary Teri Manby - Vice President & General Manager
Subsidiary Companies	No subsidiary companies were found.
Related Companies	The company has several sister companies. Some of them are: Grupo Guess, S. de R.L. de C.V. - Mexico Guess Belgium S.P.R.L. - Belgium Guess Apparel Spain, S.L. - Spain Guess? Asia Limited - Hong Kong Guess? Asia Limited Taiwan Branch - Taiwan

FINANCIAL INFORMATION

General Description	We attach the parent's last financial statements. The company does not make its financial statements public. The following information has been provided by private sources:
Year/Currency	USD 2017
Sales	240.000.000
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	Zarbatany c. Corporation Guess? Canada, 2006 QCCRT 585 (CanLII) — 2006-11-28 Commission des relations du travail — Quebec produits licenciés — ventes — entreprise — sacs à main — cadre supérieur
	Ahad et Corporation Guess? Canada, 2013 QCCRT 45 (CanLII) — 2013-01-31 Commission des relations du travail — Quebec préparateurs — commande — pigeonnier — bons — productivité
	Ahad et Corporation Guess? Canada, 2013 QCCRT 341 (CanLII) — 2013-07-11 Commission des relations du travail — Quebec pigeonnier — équipe — pile — bons — commande
	Commission des normes, de l'équité, de la santé et de la sécurité du travail et Corporation Guess? Canada, 2017 QCCNESST 1022 (CanLII) — 2017-12-18 Commission des normes, de l'équité, de la santé et de la sécurité du travail — Quebec programme d'équité salariale — affichage — employeur — entreprise — personnes salariées

Trademarks	No found.
Patents Registered	No records found.
Renewals	Date of update of the information status 2018-03-14 Date of the last annual update statement 2018-03-14 2018 End date of the production period of the 2018 annual update statement 2018-08-04 End date of the production period of the 2017 annual update statement 2017-07-31
OFAC Sanctions List Search	The company is not listed in the OFAC Sanctions List.

SUMMARY

Summary	Founded in 1992, GUESS? CANADA CORPORATION is an organization in the Men's and Boys' Clothing and Furnishings Merchant Wholesalers Industry headquartered in Montréal, Canada. The company has 1,200 regular employees and generates an estimated USD\$245 million in annual revenue. It operates nationally, mainly importing from China, India and Indonesia. It is ACTIVE in business with no negative records. Its parent company shows negative profitability in its last financial figures.
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RISK INFORMATION

Debts	Controlled
Payments	Slow but Correct
Cash Flow	Normal
State	Active

INTERVIEW

First Name	Carl
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MIRA INFORM PRIVATE LIMITED
605, Palmspring, Near D'Mart, Link Road,
Malad (West), Mumbai - 400 064. INDIA
Tel : 91-22-40448000 (44 lines)
Fax : 91-22-40448045 / 40448046
E-mail : mira@mirainform.com
info@mirainform.com
Website : <http://www.mirainform.com>
<http://www.miraglobalcheck.com>
<http://www.miraglobalcollections.com>

Position

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Comments

He confirmed the name of the company, the address of the headquarters and location, the company's website, the approximate number of employees and the contact name.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.58
UK Pound	1	INR 95.89
Euro	1	INR 84.70
CAD	1	INR 57.17

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	TRU

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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)