

# Creditor Reporting Package

September 27, 2018

# Disclaimer

## Limitations of Report

- The information contained herein has been prepared based upon financial and other data provided to the Committee's professionals from the management and staff of Toys "R" Us, Inc. and its subsidiaries (collectively, the "Debtors", or the "Company"), its staff and advisors and from public sources the Committee's professionals deemed to be reliable.
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# US Wind-Down Budget Reporting

Toys "R" Us  
Weekly Report  
(\$ in 000s)

## Cumulative Cash Flow for Period ended September 15, 2018 (26 weeks)

	Forecast <sup>(1)</sup>	Actual	Variance	Comments
Receipts	\$ 1,710,133	\$ 2,069,011	\$ 358,878	Favorability due to higher GOB sales, cash in-transit, and timing of RE proceeds
Propco I & II Rent	-	-	-	Propco rent payments being facilitated by Toys-DE, which remains net-neutral on a cumulative cash basis
<b>Disbursements</b>				
Payroll & Benefits	(168,166)	(190,269)	(22,103)	Forecast includes benefits payments in Other Operating Expenses, whereas actuals reflect benefits in this payroll line
Taxes	(187,778)	(198,717)	(10,939)	Pass through of higher tax collections on augment inventory sales
Rent	(149,319)	(148,277)	1,042	
Liquidator Fees / Expenses	(88,072)	(88,831)	(758)	
Post-Petition Merchandise	-	-	-	
Professional Fees	(77,179)	(67,783)	9,397	Timing
Financing Activity	(36,063)	(38,965)	(2,901)	
Other Operating Disbursements	(156,661)	(153,311)	3,350	Offset by negative variance in Payroll above
Total Disbursements	\$ (863,239)	\$ (886,152)	\$ (22,913)	
<b>Net Cash Flow</b>	<b>\$ 846,894</b>	<b>\$ 1,182,858</b>	<b>\$ 335,964</b>	
<b>Cash Schedule</b>				
Beginning Cash Balance	111,026	111,026	-	
Net Cash Flow Before Debt	846,894	1,182,858	335,964	
ABL Paydown	(262,119)	(262,119)	-	
FILO Paydown	(250,000)	(250,000)	-	
DIP Term Loan Paydown	(150,397)	(450,000)	(299,603)	Greater repayment of DIP Term Loan than forecasted
Merchandise Reserve Funding	(160,000)	(180,000)	(20,000)	
<b>Ending Cash Balance</b>	<b>\$ 135,404</b>	<b>\$ 151,765</b>	<b>\$ 16,362</b>	

(1) Refers to the Wind Down Budget dated July 11th

# Claims Process Update - Delaware

- As the Debtors announced at the September 27 hearing, the initial distribution date will be October 12, 2018
- Per the Toys Delaware and Geoffrey Plans filed on September 5, 2018 (Dkt #4542), the Debtors shall have periodic distributions every three to four months, when distributions shall be made to holders of any claims that are allowed no later than 30-days prior to such distribution date
- The Debtors' latest estimate for the administrative claims pool is \$808M - \$847M



# Regional Status Update

## Delaware

- Toys “R” Us Inc, Toys-Delaware, Wayne Real Estate Parent Company, the Geoffrey Debtors, an Ad Hoc group of B-4 Lenders, the Committee, and the Ad Hoc Vendor Group entered into a settlement term sheet on 6/14/18 (Dkt #3431), which provides for, among other things, the following economic relief for administrative creditors of Toys-Delaware:
  - \$180M cash consideration (\$160M in settlement of the Merchandise Reserve, payable prior to repayment of the DIP TL and \$20M to be paid after the repayment of the DIP TL)
  - 50% sharing of recovery from Toys-Delaware and Wayne Real Estate Parent Company, once the B-4 Lenders achieve 50% recovery from these sources (excludes IP)
  - 80% sharing in recovery from any non-released chapter 5 avoidance claims held by Toys-Delaware and Toys “R” Us Inc
  - The Debtors received final approval of the settlement agreement on August 7
  - On August 6 the Debtors filed the Plan and Disclosure Statement for the Toys Delaware and Geoffrey Debtors
    - The Disclosure Statement was approved on September 6
    - The objection deadline for the Plan is October 5, with a confirmation hearing scheduled for October 10
- Inventory sales:
  - **Wave 1:** Completed
  - **Wave 2:** Completed
- The sale hearing for the remaining Delaware third party leases and certain ground leases took place on June 25, with 41 properties sold
- The sale hearing for Toys Delaware’s 13 owned properties, 2 ground leases, and 2 DCs took place on July 26
- Litigation assets:
  - Non-released claims are to be pursued based on the settlement agreement described above

- IP:
  - On 6/28/2018 the Debtors altered the sale timeline for the US IP, international IP, and private brands IP. The assets will be sold according to the following timeline
    - **September 26:** Bid Deadline
    - **October 4:** Auction
    - **October 17:** Sale Hearing

## Canada

- The sale of the Canadian operations for \$234M was approved on 4/27/2018, and all obligations of Toys Canada will remain obligations of Toys Canada
- CCAA proceedings were terminated on 5/31/2018 and the Chapter 11 cases have been dismissed

## Propco II

- On 8/22/2018 the court approved the disclosure statement and Plan of the Propco II Debtors, which called for, among other items, the sale of the Propco II assets to the Special Servicer and the resolution of Toys Delaware’s claim against Propco II
- The Plan became effective on 9/7/2018

## Taj

- On August 4 the Debtors filed the Plan and Disclosure Statement for Taj and Toys Inc, with a Plan confirmation hearing scheduled for October 10
- On September 6 the Debtors filed the Notice of Bids for France (Dkt #4574), with the highest bid at EUR 35M
- The bid deadline for the Asia JV is October 1, with the auction scheduled for October 5
- Sale of Central Europe for \$97M was approved on 5/15/18
- Sale of the Iberia business to Green Swan SGPS SA for EUR 35M was approved on 8/7/2018