

---

---

**Current Report of  
TRU Taj LLC  
and  
TRU Taj Finance, Inc.**

Prepared and Delivered Pursuant to Section 4.03 of  
the Indenture governing the 12% Senior Secured Notes due 2021

and

Section 4.03 of  
the Indenture governing the 11% Senior Secured ABL DIP Notes

Date of Report: June 17, 2018

---

---

## IMPORTANT EXPLANATORY NOTE

On August 16, 2016, TRU Taj LLC (the “Issuer”) and TRU Taj Finance, Inc. (the “Co-Issuer” and together with the Issuer, the “TRU Taj Issuers”), issued 12% Senior Secured Notes due 2021 (the “Pre-petition Taj Notes”) pursuant to an Indenture, dated August 16, 2016 (the “Pre-petition Taj Notes Indenture”), by and among the TRU Taj Issuers, as issuers of the Notes, each of the guarantors party thereto, and Wilmington Trust, National Association, as trustee (in such capacity, the “Pre-petition Taj Notes Trustee”) and collateral trustee. On September 22, 2017, the TRU Taj Issuers issued 11% Senior Secured ABL DIP Notes (the “Taj DIP Notes” and together with the Pre-petition Taj Notes, the “Taj Notes”) pursuant to an Indenture, dated September 22, 2017 (the “DIP Notes Indenture” and together with the Pre-petition Taj Notes Indenture, the “Indentures”), by and among the TRU Taj Issuers, as issuers, each of the guarantors party thereto and Wilmington Savings Fund Society, FSB, as trustee (in such capacity, the “DIP Notes Trustee”) and collateral trustee. Capitalized terms used herein that are not otherwise defined have the meanings assigned to such terms in the Indentures.

Section 4.03 of each of the Indentures requires, among other things, so long as any Pre-petition Taj Notes or Taj DIP Notes, as applicable, are outstanding, that the Issuer furnish to the Holders of the applicable series of Taj Notes the information (excluding exhibits) required to be contained in all current reports that would be required to be filed with the SEC on Form 8-K if the Issuer were required to file such reports (the “Current Report”). Section 4.03(d) of the Indentures also provides that the Issuer may satisfy its reporting requirement by posting copies of such information on a website to which the DIP Notes Trustee, securities analysts or market makers, beneficial owners of the Notes or prospective purchasers of beneficial ownership of the Notes or other securities of the Issuers or their subsidiaries are given access (subject to reasonable confidentiality restrictions) and to which all of the reports and other information required by Section 4.03 of the Indentures are posted.

This Current Report has been prepared and furnished to the Holders pursuant to the requirements of Section 4.03 of the Indentures. The preparation and posting of this Current Report pursuant to the requirements of the Indentures shall in no way be interpreted as an undertaking on the part of the TRU Taj Issuers to otherwise comply with the reporting requirements and the related rules and regulations of the of the Securities Exchange Act of 1934, as amended.

## **Item 8.01 Other Events**

### French and Iberian Financial Data

On June 17, 2018, TRU Taj LLC, a wholly-owned subsidiary of Toys “R” Us, Inc. (the “Company”) is disclosing certain information previously shared with creditors under the terms of confidentiality agreements regarding the sale process with respect to the Company’s French and Iberian operations as well as certain financial information regarding those operations (collectively, the “French and Iberian Cleansing Material”).

After a sale process for the Company’s French and Iberian businesses, the Company received:

- 1 bid for the Iberian business only with a purchase price of €28 million in a combination of cash and real estate;
- 3 bids for the French business only with purchase prices ranging from approximately €10 million to €40 million in varying forms of consideration, with incremental potential upside based on realized real estate sale proceeds in certain instances;
- 7 bids from other retailers to acquire either the lease or real estate of between 3 and 22 individual stores in both France and Iberia with purchase prices ranging from €2 million to €52 million; and
- 1 bid to acquire the French owned real estate assets with a purchase price of €40 million.

No agreement has yet been reached with any bidder for either the French or Iberian businesses. For the French business, the Company, its stakeholders and certain 3rd parties remain engaged in negotiations contemplating up-front cash consideration of between €27 million and €40 million, with incremental potential upside based on realized real estate sale proceeds. For the Iberian business, the Company, its stakeholders and certain 3rd parties remain engaged in negotiations contemplating a purchase price of between €28 million and €40 million in varying forms of consideration.

The financial information regarding these operations is attached to this report and incorporated herein by reference.

### Asia Local IT Costs

On June 17, 2018, the Company is also disclosing certain information previously shared with creditors under the terms of confidentiality agreements regarding the IT costs in Asia (the “Asian Cleansing Material” and together with the French and Iberian Cleansing Material, the “Cleansing Material”). The Company estimates that non ITASSA related IT expense incurred locally in Japan and Southeast Asia totals between \$15 million and \$18 million per annum, including between \$5 million and \$7 million per annum of IT-related depreciation & amortization (“D&A”) cost. In 2017, locally incurred IT-related capital expenditures approximated IT-related D&A. Other items in IT expense include payroll and certain store expenses.

### ***Cautionary Note Regarding Forward-Looking Statements***

Certain statements in this report, including the financial information incorporated by reference herein, may contain “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such disclosures are intended to be covered by the safe harbors created thereby. All statements herein or therein that are not historical facts, including statements about our beliefs or expectations, are forward-looking statements. We generally identify these statements by words or phrases, such as “anticipate,” “estimate,” “plan,” “project,” “expect,” “believe,” “intend,” “foresee,” “forecast,” “will,” “may,” “outlook” or the negative version of these words or other similar words or phrases. These statements are subject to risks, uncertainties and other factors, including risks, uncertainties and factors set forth under the heading “Risk Factors” of our Annual Report for the fiscal year ended February 3, 2018 as posted to the website to which this report has been posted. These factors should not be construed as exhaustive, and should be read in conjunction with the other cautionary statements that are included or incorporated by reference in this report. We believe that all forward-looking statements are based on reasonable assumptions when made; however, we caution

that it is impossible to predict actual results or outcomes or the effects of risks, uncertainties or other factors on anticipated results or outcomes and that, accordingly, one should not place undue reliance on these statements. The Company also cautions you that the statements and projections included in the Cleansing Information, including the financial information incorporated by reference herein, speak only as of the date on which such statements and projections were made and do not speak as of the date that the Cleansing Material, including the financial information incorporated by reference herein, is provided pursuant to this report. We can provide no assurances that any agreement for either of the Company's French or Iberian operations will be reached or, if reach, will be on terms set forth in this report. Neither the Company, its directors, officers or advisors undertakes any obligation to update this information.

## **France and Iberia Financial Information**

## Project Sunrise

### Historical & Forecasted P&L - France

Historical & Forecasted P&L				
In €m	FY15A	FY16A	FY17A	FY18F
<b>Sales</b>	<b>343</b>	<b>326</b>	<b>309</b>	<b>264</b>
<i>% of growth</i>	<i>n.a.</i>	<i>(4.7%)</i>	<i>(5.4%)</i>	<i>(14.5%)</i>
<i>% same store sales growth</i>	<i>(4.8%)</i>	<i>(5.3%)</i>	<i>(5.0%)</i>	<i>n.a.</i>
<b>EBITDA Before intercompany</b>	<b>26</b>	<b>23</b>	<b>6</b>	<b>(7)</b>
<b>Adjusted EBITDA (Before PropCo rent)</b>	<b>15</b>	<b>14</b>	<b>(1)</b>	<b>(14)</b>
<i>% of sales</i>	<i>4.3%</i>	<i>4.4%</i>	<i>(0.4%)</i>	<i>(5.2%)</i>
(-) Capital expenditures	(11)	(5)	(3)	(1)
(+/-) Working Capital / cash taxes / Other	(13)	(23)	(7)	(28)
<b>Unlevered free cash flow (Before PropCo rent)</b>	<b>(9)</b>	<b>(14)</b>	<b>(11)</b>	<b>(43)</b>
<i>% of sales</i>	<i>(2.6%)</i>	<i>(4.3%)</i>	<i>(3.6%)</i>	<i>(16.2%)</i>
<b>Memo:</b>				
PropCo Rent	(8)	(8)	(8)	(8)
<b>Adjusted EBITDA (After PropCo Rent)</b>	<b>7</b>	<b>6</b>	<b>(9)</b>	<b>(21)</b>

## Project Sunrise

### Historical & Forecasted P&L - Iberia

Historical & Forecasted P&L				
In €m	FY15A	FY16A	FY17A	FY18F
<b>Sales</b>	<b>226</b>	<b>215</b>	<b>196</b>	<b>180</b>
<i>% of growth</i>	<i>n.a.</i>	<i>(4.6%)</i>	<i>(8.9%)</i>	<i>(8.4%)</i>
<i>% same store sales growth</i>	<i>(0.2%)</i>	<i>(4.5%)</i>	<i>(9.5%)</i>	<i>n.a.</i>
<b>EBITDA Before intercompany</b>	<b>31</b>	<b>29</b>	<b>15</b>	<b>7</b>
<b>Adjusted EBITDA (Before PropCo rent)</b>	<b>22</b>	<b>21</b>	<b>7</b>	<b>0</b>
<i>% of sales</i>	<i>9.8%</i>	<i>9.8%</i>	<i>3.7%</i>	<i>(0.2%)</i>
(-) Capital expenditures	(3)	(6)	(4)	(3)
(+/-) Working Capital / cash taxes / Other	3	(22)	(15)	(16)
<b>Unlevered free cash flow (Before PropCo rent)</b>	<b>22</b>	<b>(7)</b>	<b>(12)</b>	<b>(19)</b>
<i>% of sales</i>	<i>9.7%</i>	<i>(3.3%)</i>	<i>(6.1%)</i>	<i>(10.6%)</i>
<b>Memo:</b>				
PropCo Rent	(14)	(14)	(15)	(15)
<b>Adjusted EBITDA (After PropCo Rent)</b>	<b>8</b>	<b>7</b>	<b>(8)</b>	<b>(15)</b>

**Project Sunrise**

 Cash Flow Forecast - France  
 (Local Currency, 000's)

**TRU France**

Fiscal Month -->	Feb 2018-1	Mar 2018-2	Apr 2018-3	May 2018-4	Jun 2018-5	Jul 2018-6	Aug 2018-7	Sep 2018-8	Oct 2018-9	Nov 2018-10	Dec 2018-11	Jan 2018-12	FY 2018
<b>OPCO CASH FLOW</b>													
EBITDA	(2,661)	(2,249)	(2,361)	(2,455)	(1,621)	(1,694)	(2,772)	(3,098)	(2,730)	3,596	13,254	(2,857)	(7,648)
Total Working Capital Changes	(13,780)	8,001	(14,437)	(1,389)	(9,401)	4,943	(525)	(5,064)	(16,923)	(10,126)	17,399	22,730	(18,572)
Other Operating Cash Flow													
Royalty	(312)	(324)	(196)	(230)	(238)	(295)	(229)	(225)	(546)	(363)	(756)	(72)	(3,785)
ITASSA	(199)	(206)	(125)	(183)	(189)	(234)	(182)	(179)	(434)	(288)	(601)	(57)	(2,877)
Propco Rent	-	-	(2,200)	-	-	-	-	-	-	-	-	(2,000)	(4,200)
Other	(80)	(80)	(80)	(80)	(730)	(80)	(80)	(728)	(80)	(80)	(80)	22	(2,156)
Total Operating Cash Flow	(591)	(609)	(2,601)	(492)	(1,157)	(609)	(491)	(1,132)	(1,060)	(731)	(1,437)	(2,108)	(13,018)
<b>Non-Operating Cash Flow</b>													
Capex	-	-	(100)	(100)	(100)	(100)	(100)	(200)	(200)	(200)	(200)	(200)	(1,500)
Asset Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Overdues with State/Landlords/Royalties	-	2,016	7,775	3,209	5,000	2,888	(5,222)	(5,222)	(5,222)	(5,222)	-	-	(0)
Other / Non-Recurring Items	(79)	(79)	(79)	3,422	(79)	(79)	(79)	(79)	(79)	(79)	(79)	(79)	2,558
Total Non-Operating Cash Flow	(79)	1,938	7,596	6,531	4,822	2,710	(5,401)	(5,501)	(5,501)	(5,501)	(279)	(279)	1,058
<b>Opco: Net Cash Flow Before Financing</b>	<b>(17,110)</b>	<b>7,080</b>	<b>(11,803)</b>	<b>2,195</b>	<b>(7,357)</b>	<b>5,349</b>	<b>(9,189)</b>	<b>(14,795)</b>	<b>(26,214)</b>	<b>(12,762)</b>	<b>28,938</b>	<b>17,486</b>	<b>(38,181)</b>
<i>Cumulative</i>	(17,110)	(10,030)	(21,832)	(19,638)	(26,994)	(21,645)	(30,834)	(45,629)	(71,843)	(84,605)	(55,667)	(38,181)	
<b>Cash Balance Roll-Forward</b>													
Beginning Cash Balance	32,163	15,053	22,133	10,331	12,525	5,169	10,518	1,329	(13,466)	(39,680)	(52,442)	(23,504)	32,163
(+/-) Net Cash Flow Before Financing	(17,110)	7,080	(11,803)	2,195	(7,357)	5,349	(9,189)	(14,795)	(26,214)	(12,762)	28,938	17,486	(38,181)
(+/-) Intercompany	-	-	-	-	-	-	-	-	-	-	-	-	-
(+/-) Euro ABL Borrowing / (Paydown)	-	-	-	-	-	-	-	-	-	-	-	-	-
(+/-) Taj DIP Borrowing / (Paydown)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Ending Cash Balance - Opco</b>	<b>15,053</b>	<b>22,133</b>	<b>10,331</b>	<b>12,525</b>	<b>5,169</b>	<b>10,518</b>	<b>1,329</b>	<b>(13,466)</b>	<b>(39,680)</b>	<b>(52,442)</b>	<b>(23,504)</b>	<b>(6,018)</b>	<b>(6,018)</b>
Less: Minimum Cash	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash Surplus / (Deficit)</b>	<b>15,053</b>	<b>22,133</b>	<b>10,331</b>	<b>12,525</b>	<b>5,169</b>	<b>10,518</b>	<b>1,329</b>	<b>(13,466)</b>	<b>(39,680)</b>	<b>(52,442)</b>	<b>(23,504)</b>	<b>(6,018)</b>	<b>(6,018)</b>
<b>PROPCO CASH FLOW</b>													
Beginning Cash Balance	10,626	5,280	5,280	7,480	3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980	10,626
Cash Activity:													
Rent from Opco	-	-	2,200	-	-	-	-	-	-	-	-	2,000	4,200
Payroll / Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing	(5,346)	-	-	(3,500)	-	-	-	-	-	-	-	-	(8,846)
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Propco: Total Cash Flow	(5,346)	-	2,200	(3,500)	-	-	-	-	-	-	-	2,000	(4,646)
<b>Ending Cash Balance - Propco</b>	<b>5,280</b>	<b>5,280</b>	<b>7,480</b>	<b>3,980</b>	<b>3,980</b>	<b>3,980</b>	<b>3,980</b>	<b>3,980</b>	<b>3,980</b>	<b>3,980</b>	<b>3,980</b>	<b>5,980</b>	<b>5,980</b>
<b>Total Consolidated Cash</b>	<b>20,333</b>	<b>27,413</b>	<b>17,811</b>	<b>16,505</b>	<b>9,149</b>	<b>14,498</b>	<b>5,309</b>	<b>(9,486)</b>	<b>(35,700)</b>	<b>(48,462)</b>	<b>(19,524)</b>	<b>(38)</b>	<b>(38)</b>



**Project Sunrise**

Cash Flow Forecast - IBERIA

**IBERIA**

(Local Currency, 000's)

	13 1	1 2	2 3	3 4	4 5	5 6	6 7	7 8	8 9	9 10	10 11	11 12	12 13
Fiscal Month -->	Feb 2018-1	Mar 2018-2	Apr 2018-3	May 2018-4	Jun 2018-5	Jul 2018-6	Aug 2018-7	Sep 2018-8	Oct 2018-9	Nov 2018-10	Dec 2018-11	Jan 2018-12	FY 2018
<b>OPCO CASH FLOW</b>													
EBITDA	(1,219)	(958)	(1,089)	(777)	(134)	102	392	34	(1,191)	(735)	9,073	3,506	7,003
Total Working Capital Changes	(9,218)	(4,267)	820	191	(4,393)	(4,428)	(7,244)	(4,826)	963	1,711	22,866	(1,788)	(9,612)
Other Operating Cash Flow													
Royalty	-	-	-	-	(1,599)	(248)	(311)	(270)	(280)	(530)	(1,258)	(521)	(5,018)
ITASSA	-	-	(386)	(1,223)	(158)	(158)	(158)	(160)	(160)	(160)	(160)	(160)	(2,885)
Propco Rent	-	-	-	-	-	-	-	(9,020)	(4,510)	-	-	(4,510)	(18,040)
Other	-	543	(874)	114	(324)	(515)	114	7,539	62	83	83	62	6,885
Total Operating Cash Flow	-	543	(1,260)	(1,109)	(2,082)	(922)	(355)	(1,912)	(4,889)	(608)	(1,335)	(5,130)	(19,059)
<b>Non-Operating Cash Flow</b>													
Capex	(2)	(50)	(48)	(48)	(48)	(606)	(606)	(511)	(652)	(482)	(301)	(219)	(3,573)
Asset Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Other / Non-Recurring Items	811	(436)	(249)	(303)	-	(423)	(1,210)	-	-	-	-	-	(1,810)
Total Non-Operating Cash Flow	809	(486)	(297)	(351)	(48)	(1,029)	(1,816)	(511)	(652)	(482)	(301)	(219)	(5,384)
<b>Opco: Net Cash Flow Before Financing</b>	<b>(9,628)</b>	<b>(5,168)</b>	<b>(1,826)</b>	<b>(2,046)</b>	<b>(6,656)</b>	<b>(6,277)</b>	<b>(9,023)</b>	<b>(7,214)</b>	<b>(5,768)</b>	<b>(114)</b>	<b>30,303</b>	<b>(3,631)</b>	<b>(27,051)</b>
Cumulative	(9,628)	(14,797)	(16,623)	(18,670)	(25,326)	(31,603)	(40,626)	(47,841)	(53,609)	(53,723)	(23,420)	(27,051)	
<b>Cash Balance Roll-Forward</b>													
Beginning Cash Balance	31,850	16,018	10,849	9,023	6,977	320	(5,957)	(14,980)	(22,195)	(27,963)	(28,077)	2,226	31,850
(+/-) Net Cash Flow Before Financing	(9,628)	(5,168)	(1,826)	(2,046)	(6,656)	(6,277)	(9,023)	(7,214)	(5,768)	(114)	30,303	(3,631)	(27,051)
(+/-) Intercompany	(6,203)	-	-	-	-	-	-	-	-	-	-	-	(6,203)
(+/-) Euro ABL Borrowing / (Paydown)	-	-	-	-	-	-	-	-	-	-	-	-	-
(+/-) Taj DIP Borrowing / (Paydown)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Ending Cash Balance - Opco</b>	<b>16,018</b>	<b>10,849</b>	<b>9,023</b>	<b>6,977</b>	<b>320</b>	<b>(5,957)</b>	<b>(14,980)</b>	<b>(22,195)</b>	<b>(27,963)</b>	<b>(28,077)</b>	<b>2,226</b>	<b>(1,405)</b>	<b>(1,405)</b>
Less: Minimum Cash	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash Surplus / (Deficit)</b>	<b>16,018</b>	<b>10,849</b>	<b>9,023</b>	<b>6,977</b>	<b>320</b>	<b>(5,957)</b>	<b>(14,980)</b>	<b>(22,195)</b>	<b>(27,963)</b>	<b>(28,077)</b>	<b>2,226</b>	<b>(1,405)</b>	<b>(1,405)</b>
<b>PROPCO CASH FLOW</b>													
Beginning Cash Balance	1,327	531	505	489	141	(207)	(404)	(752)	659	5,167	4,399	4,397	1,327
Cash Activity:													
Rent from Opco	-	12	-	-	-	-	-	9,020	4,510	-	-	4,510	18,052
Payroll / Expenses	(29)	(38)	(16)	(153)	(153)	(2)	(153)	(153)	(2)	(2)	(2)	(2)	(705)
Financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	(766)	(0)	-	(195)	(195)	(195)	(195)	(7,456)	-	(766)	-	-	(9,769)
Propco: Total Cash Flow	(796)	(26)	(16)	(348)	(348)	(197)	(348)	1,411	4,508	(768)	(2)	4,508	7,578
<b>Ending Cash Balance - Propco</b>	<b>531</b>	<b>505</b>	<b>489</b>	<b>141</b>	<b>(207)</b>	<b>(404)</b>	<b>(752)</b>	<b>659</b>	<b>5,167</b>	<b>4,399</b>	<b>4,397</b>	<b>8,905</b>	<b>8,905</b>
<b>Total Consolidated Cash</b>	<b>16,549</b>	<b>11,354</b>	<b>9,512</b>	<b>7,118</b>	<b>113</b>	<b>(6,361)</b>	<b>(15,732)</b>	<b>(21,536)</b>	<b>(22,796)</b>	<b>(23,678)</b>	<b>6,623</b>	<b>7,500</b>	<b>7,500</b>
Less: Minimum cash balance	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(4,000)	(7,500)	(7,500)	(4,000)	(4,000)
<b>Cash surplus / (Deficit) Iberia</b>	<b>13,549</b>	<b>8,354</b>	<b>6,512</b>	<b>4,118</b>	<b>(2,887)</b>	<b>(9,361)</b>	<b>(18,732)</b>	<b>(24,536)</b>	<b>(26,796)</b>	<b>(31,178)</b>	<b>(877)</b>	<b>3,500</b>	<b>3,500</b>
<b>Potential downsides</b>													
Prepayment all vendors	-	-	-	-	-	-	-	(9,538)	(6,239)	(3,596)	(3,581)	11,352	(11,602)
Sales trend impact	-	-	-	(211)	(617)	(749)	(645)	(616)	(639)	(1,208)	(2,867)	(1,188)	(8,740)
Additional operating expenses	-	-	-	(276)	(337)	(260)	(82)	(60)	(222)	(323)	(198)	(152)	(1,909)
<b>Cash surplus / (Deficit) after downsides</b>	<b>13,549</b>	<b>8,354</b>	<b>6,512</b>	<b>3,630</b>	<b>(4,328)</b>	<b>(11,810)</b>	<b>(21,910)</b>	<b>(37,927)</b>	<b>(47,287)</b>	<b>(56,797)</b>	<b>(33,141)</b>	<b>(18,751)</b>	<b>(18,751)</b>

SSS%												
	WTD			MTD			QTD			YTD		
	B&M	eComm	Total	B&M	eComm	Total	B&M	eComm	Total	B&M	eComm	Total
FRANCE	1.1%	10.9%	1.7%	-9.5%	-0.6%	-9.0%	-9.5%	-0.6%	-9.0%	-9.3%	3.4%	-8.6%
IBERIA	-21.4%	-20.0%	-21.3%	-26.6%	-33.7%	-27.0%	-26.6%	-33.7%	-27.0%	-20.5%	-21.7%	-20.6%