

TOYS R US INC
 Form 10-Q
 September 15, 2015

UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549
 FORM 10-Q
 QUARTERLY REPORT
 PURSUANT TO SECTION 13 OR 15(d) OF
 THE SECURITIES EXCHANGE ACT OF 1934
 For the quarterly period ended August 1, 2015
 Commission file number 1-11609
 TOYS “R” US, INC.
 (Exact name of registrant as specified in its charter)

Delaware	22-3260693
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)

One Geoffrey Way Wayne, New Jersey	07470
(Address of principal executive offices)	(Zip code)

(973) 617-3500
 (Registrant’s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No
 (Note: As a voluntary filer not subject to the filing requirements of Section 13(a) or 15(d) of the Exchange Act, the registrant has filed all reports pursuant to Section 13(a) or 15(d) of the Exchange Act during the preceding 12 months as if the registrant were subject to such filing requirements.)

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input checked="" type="checkbox"/> (Do not check if a smaller reporting company)
		Smaller reporting company <input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of September 11, 2015, there were 49,389,042 outstanding shares of common stock of Toys “R” Us, Inc., none of which were publicly traded.

TOYS “R” US, INC. AND SUBSIDIARIES
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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

TOYS “R” US, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (Unaudited)

(In millions)	August 1, 2015	January 31, 2015	August 2, 2014
ASSETS			
Current Assets:			
Cash and cash equivalents	\$417	\$698	\$353
Accounts and other receivables	243	225	245
Merchandise inventories	2,211	2,064	2,344
Current deferred tax assets	41	45	22
Prepaid expenses and other current assets	149	122	164
Total current assets	3,061	3,154	3,128
Property and equipment, net	3,222	3,335	3,514
Goodwill	64	64	64
Deferred tax assets	128	133	153
Restricted cash	53	53	55
Other assets	343	376	416
Total Assets	\$6,871	\$7,115	\$7,330
LIABILITIES, TEMPORARY EQUITY AND STOCKHOLDERS’ DEFICIT			
Current Liabilities:			
Accounts payable	\$1,246	\$1,571	\$1,228
Accrued expenses and other current liabilities	889	1,032	903
Income taxes payable	27	20	24
Current portion of long-term debt	226	176	165
Total current liabilities	2,388	2,799	2,320
Long-term debt	5,056	4,612	5,247
Deferred tax liabilities	112	112	88
Deferred rent liabilities	342	347	359
Other non-current liabilities	260	255	229
Temporary equity	85	85	83
Total stockholders’ deficit	(1,372) (1,095) (996
Total Liabilities, Temporary Equity and Stockholders’ Deficit	\$6,871	\$7,115	\$7,330

See Notes to the Condensed Consolidated Financial Statements.

TOYS "R" US, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (Unaudited)

(In millions)	13 Weeks Ended		26 Weeks Ended	
	August 1, 2015	August 2, 2014	August 1, 2015	August 2, 2014
Net sales	\$2,293	\$2,440	\$4,618	\$4,919
Cost of sales	1,418	1,524	2,881	3,085
Gross margin	875	916	1,737	1,834
Selling, general and administrative expenses	796	878	1,623	1,795
Depreciation and amortization	86	95	173	199
Other income, net	(22) (15) (44) (27
Total operating expenses				