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Toys "R" Us Inc. to add 900,000 s/f to its portfolio this year; Including 10 new, converted or relocated stores

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Toys "R" Us Inc. plans to add 900,000 s/f of new store space to its portfolio this year, including 10 new, converted or relocated Toys "R" Us stores and nine new outlet stores in the U.S. The new factory outlet stores represent the largest number of such stores it has opened in a single year since launching the concept in 2010.

Some U.S. stores will be converted to what the Wayne, N.J.-based retailer calls its "side-by-side" format, which unites the company's Toys "R" Us and Babies "R" Us banners under one roof.

Since 2006, the company has converted approximately 25% of its wholly owned global store base to the side-by-side format.

Outside the U.S., the chain will open new, wholly owned stores in France, Germany, Hong Kong, Japan, Malaysia, Poland, Spain, Taiwan, Thailand and the U.K. Plans also call for 22 new licensed stores in Denmark, Egypt, Israel, Norway, Philippines, Saudi Arabia, South Africa and South Korea. Seven of the new licensed stores will be in South Korea. New stores will range in size from 3,000 s/f to 60,000 s/f.

The company says its most significant expansion plans for 2013 are in China, where it has already begun operating several of 22 brand-new stores scheduled to open there this year.

Expanding its business in China has been a priority for Toys "R" Us and follows the launch of an e-commerce site and the opening of its first stores in Beijing last year. By the end of the year, the company plans to operate 51 stores in 27 cities throughout China.

In October 2011, Toys "R" Us Inc. acquired the majority stake in its business in Greater China and Southeast Asia from Fung Retailing. With this agreement, the existing Toys "R" Us licensed operations in this region became 70% majority-owned and controlled by Toys "R" Us Inc. and 30% owned by Fung Retailing.

"We're pleased to continue growing our store base to make our brand more accessible to parents and kids throughout the world," said Antonio Urcelay, interim CEO, in a press release. "This expansion demonstrates our ongoing commitment to our long-term strategy - advancing our business in international markets with high growth potential and the continued integration of our toy and juvenile products businesses under one roof."

The retailer said first-quarter sales fell 7.8% to $2.4 billion from the same period in 2012.Same-store sales were down 8.4% at the retailer's U.S. stores and 5.8% at its non-U.S. stores. The company ended the first quarter with about $1.7 billion of liquidity, including cash and cash equivalents of $470 million and unused availability under committed lines of credit of $1.2 billion.

As of the first quarter, the company operated 870 Toys "R" Us and Babies "R" Us stores in the U.S., and about 665 non-U.S. stores and about 160 licensed stores in 35 countries and jurisdictions. In addition, it operates the FAO Schwarz brand and sells extraordinary toys in the brand's flagship store on Fifth Ave. in NYC.