

Report Date: August 20, 2009

Company filed Bankruptcy on 1/28/2010

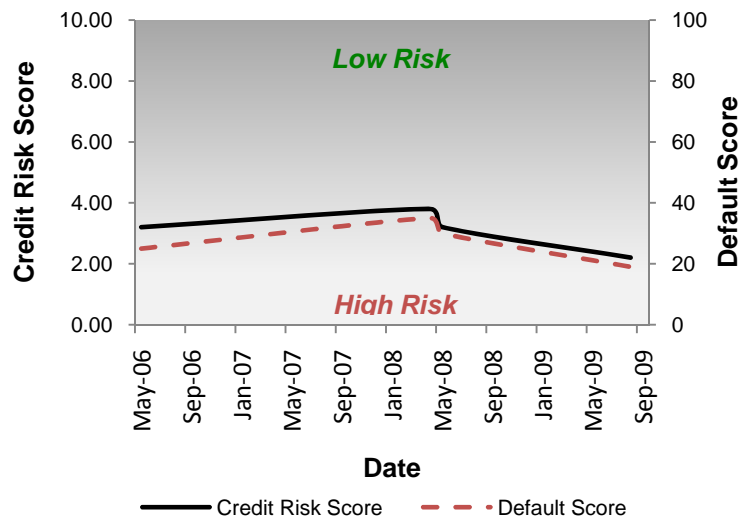
**ABC Canada, Inc.**  
100 Main Street  
Richmond Hill, Ontario Canada

**Credit Limit Requested:** \$XXX  
**Advised Credit Limit:** \$0  
**Credit Alert Recommendation:** Yes

**Trend Analysis**

**Scoring History**

Date	Credit Risk Score	Default Score
April 7, 2008	3.8	35
May 15, 2008	3.2	30
Feb. 25, 2009	3.2	30
May 26, 2009	3.2	25
Aug. 20, 2009	2.2	19



**ABC Canada, Inc.** states it offers a range of aluminum alloys, fabrication and services to over 2,000 customers within the electrical, automotive, recreation, telecommunication, medical, building product and specialized equipment markets.

The company was formerly known as XYZ Canada, Inc. (see below). ABC Holdings, Inc. is a holding company and was originally founded as part of RDW Co., Inc. in Greenville, PA in 1951. ABC, Inc. (a former US based affiliate) was acquired in December 2005 by ABC Capital LLC (the US based assets have subsequently been dissolved via chapter 7 Bankruptcy). ABC Capital LLC is a leading private equity and venture capital investment firm with more than \$3 billion of equity capital under management. Based in Miami, and with offices in Atlanta, Boston, and San Francisco, ABC specializes in providing capital to small and medium-sized companies with attractive growth potential.

**Credit Evaluation:**

Based on the information reviewed, we believe the company represents below average credit risk characteristics. The company participates in the fragmented aluminum extrusion industry which is volatile, highly cyclical, and highly dependent on end-user markets in the U.S. and Canada. The company is also subjected to seasonality as it relates to the building and construction and manufacturing sectors. Winter months tend to be slower and customers typically work inventory down. Also, the company is exposed to foreign competition.

Demand for the company's products is driven by overall macro economic trends. Certain end markets the company serves are under pressure. Residential construction and remodeling activity continue to be negatively impacted by recessionary pressures

BE ADVISED: THIS REPORT IS PROVIDED UNDER CONTRACT FOR THE EXCLUSIVE USE OF THE SUBSCRIBER AND ANY DISEMINATION, DISTRIBUTION, OR COPYING OF THIS REPORT IS STRICTLY PROHIBITED. THE INFORMATION CONTAINED IN THIS REPORT IS BELIEVED TO BE ACCURATE BUT IS NOT GUARANTEED. THE REPORT IS INTENDED TO PROVIDE AN INDICATION OF THE ENTITY'S PROBABLE CREDIT WORTHINESS. HOWEVER, DUE TO CHANGES OCCURRING EVERYDAY AND BECAUSE THE INFORMATION CONTAINED IN THIS REPORT IS BASED UPON INFORMATION FROM OTHER SOURCES WHICH IS UPDATED ONLY PERIODICALLY, THERE MAY BE ERRORS OR OMISSIONS IN THIS REPORT. THIS REPORT SHOULD BE USED PRIMARILY AS A STARTING POINT, AND NOT AS THE SOLE FACTOR, IN MAKING A CREDIT DECISION. PROFITGUARD MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE ACCURACY, TIMELINESS OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS REPORT AND, AS A RESULT, PROFITGUARD IS NOT RESPONSIBLE FOR ANY LOSSES OR DAMAGES RESULTING FROM THE USE OF THIS REPORT.

in the U.S. We believe this may be negatively affecting the company's durable consumer segment. The transportation and automotive segment is also suffering as production volumes have been historically low; however, the recent uptick in demand from the US government "clunker" program may bode well for the company temporarily.

The principle raw material for the company is aluminum billet or ingot. The company casts billet as part of its product line and can also use it for its extrusions which vertically integrates the process, which we view as a positive quality. Also, we believe that due to the nature of the company's customized products, some of the underlying commodity prices can be passed on to the customer. As a result, the company is somewhat insulated from aluminum price volatility. We view this as a positive credit quality. However, energy cost volatility remains a concern.

The company benefits from its ability to offer value added services in addition to its extrusions and they serve a broad customer base, both of which we view as positives. Partially offsetting this is weak end markets. This location in particular was underperforming prior to its acquisition from Tredegar (see below).

With regard to the company's financial position, they are privately held and as such do not publish financials.

Considering the above mentioned risk factors we do not feel open credit is advised. Please note, the limit as been held down for the following key reasons. Lack of current financial information, uncertainty regarding the ultimate parent's level of support (have let other operations file bankruptcy recently), its \$5.9 million loss taken at ABC, Inc., and weak near term market prospects. As such, we would require the benefit of current financial information to reconsider this requested limit.

- The company has been in business since **2008** under current management / control.
- The company submitted is a wholly owned subsidiary of **1234567 Canada, Inc. of Toronto, Ontario** which is a wholly owned subsidiary of **ABC Holdings, Inc. of Greenville, PA** which is a portfolio company of **ABC Partners LLC of Miami, FL**.
  - The company also operates under the following trade style names;
    - ABC Ladders
    - ABC Extrusion Company
- The company's ProfitGuard Credit Risk Score is **2.2** (scale of 1 to 10 with 10 being lowest risk).
- The company's ProfitGuard Default Score is **19** (scale of 1 to 100 with 100 being lowest likelihood of default).
- The company's payment experience has been approx. 6 to 22 days beyond terms over the past year. The company is currently paying its vendors approx. 22 days beyond terms on average.
  - Based on 228 total payment experiences of which 74 have been reported as slow.
  - We find no indication of any negative payment items (Collection, Dispute, or NSF).
  - Highest Credit \$85,000 (CAN\$95,000).
- We find the presence of open suits (4), liens (0), or judgments (0). May have been paid, terminated, or released.

## Recent Events

- April 09, 2009, The Company reported that the Chapter 7 filing of ABC Inc. on April 3, 2009 has no impact on Shapes/Arch Holdings LLC, which includes Aluminum Shapes and Delair of Pennsauken, NJ ("Aluminum Shapes"), or ABC Canada Inc., which has facilities in Pickering, Ontario, Richmond Hill, Ontario, Woodbridge, Ontario and St. Therese, Quebec. Aluminum Shapes and ABC Canada are operationally and legally separate entities with separate financing arrangements, and these companies continue to operate in the normal course servicing customers in diverse end markets including transportation, electrical, automotive, military, building & construction and distribution.

BE ADVISED: THIS REPORT IS PROVIDED UNDER CONTRACT FOR THE EXCLUSIVE USE OF THE SUBSCRIBER AND ANY DISEMINATION, DISTRIBUTION, OR COPYING OF THIS REPORT IS STRICTLY PROHIBITED. THE INFORMATION CONTAINED IN THIS REPORT IS BELIEVED TO BE ACCURATE BUT IS NOT GUARANTEED. THE REPORT IS INTENDED TO PROVIDE AN INDICATION OF THE ENTITY'S PROBABLE CREDIT WORTHINESS. HOWEVER, DUE TO CHANGES OCCURRING EVERYDAY AND BECAUSE THE INFORMATION CONTAINED IN THIS REPORT IS BASED UPON INFORMATION FROM OTHER SOURCES WHICH IS UPDATED ONLY PERIODICALLY, THERE MAY BE ERRORS OR OMISSIONS IN THIS REPORT. THIS REPORT SHOULD BE USED PRIMARILY AS A STARTING POINT, AND NOT AS THE SOLE FACTOR, IN MAKING A CREDIT DECISION. PROFITGUARD MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE ACCURACY, TIMELINESS OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS REPORT AND, AS A RESULT, PROFITGUARD IS NOT RESPONSIBLE FOR ANY LOSSES OR DAMAGES RESULTING FROM THE USE OF THIS REPORT.

- ABC, Inc., and its wholly owned U.S. subsidiaries, ABC Aluminum, LLC and ABC Metals, Inc. filed for Chapter 7 bankruptcy liquidation after winding down operations over the past six weeks. Plant closures had been anticipated as part of a planned consolidation of these operations into those of Shapes/Arch Holdings, LLC and ABC Canada. The entities that filed include manufacturing facilities at four locations: Greenville, PA, Lumber Bridge, NC, Hamel, MN and Franklin Park, IL.
- On February 12, 2008, Tredegar sold its aluminum extrusions business in Canada for an estimated purchase price of \$25.5 million to ABC Holdings, Inc., an affiliate of A.B.C. Capital. The final purchase price is subject to increase or decrease to the extent that actual working capital as of February 12, 2008 is above or below the estimated working capital used to determine the estimated purchase price.
  - During the first nine months of 2007, the aluminum extrusion operations in Canada had volume of 46.9 million pounds, net sales of \$119.1 million, an operating loss of \$7 million, depreciation of \$3 million and capital expenditures of \$734,000. During the first nine months of 2006, these operations had volume of 57 million pounds, net sales of \$132.1 million, operating profit of \$981,000, depreciation of \$2.9 million and capital expenditures of \$672,000.