

Revised September
2007

TOYS “R” US, INC. AND SUBSIDIARIES
CODE OF ETHICAL STANDARDS, BUSINESS PRACTICES AND
CONDUCT

I. **Introduction**

Toys “R” Us, Inc. and all of its subsidiaries worldwide (including, without limitation, Toys “R” Us SARL) (collectively, the “Company”) are committed to conducting “business with integrity.” To ensure that we live up to that commitment, we have created this Code, which outlines basic standards of legal and ethical behavior and requires each employee, including officers and members of the Company’s Board of Directors (each, an “associate”), to comply with such standards.

This Code is not intended to be part of any associate’s contract of employment. If there is a conflict between an associate’s employment contract and this Code, the provisions of this Code shall prevail. Finally, to the extent this Code requires you to do, or refrain from doing, something it forms a direction of the Company with which you must comply.

This Code is not intended to cover every situation in which associates may face ethical decisions. Associates should seek guidance from their supervisors, managers and Ombudsperson(s) when in doubt about the best course of action in a particular situation. Associates should also be guided by their personal sense of right and wrong and common sense.

II. **Guiding Principles**

Compliance with Laws, Rules and Regulations: The Company conducts business in many countries around the world and, as a result, the Company is subject to many different laws, rules and regulations. You must obey all applicable laws, rules and regulations. In some instances, however, the laws of two or more countries will conflict. If you encounter a potential conflict, you should consult with your Ombudsperson(s) (please refer to Appendix A, attached hereto, for a list of Ombudspersons

and their contact information) to learn how to resolve the potential conflict.

Compliance with Company Procedures and Policies: From time to time, the Company may adopt policies and standard operating procedures addressing the manner in which the Company's business should be conducted. You must obey all policies and standard operating procedures of the Company applicable to you in conducting your business activities. If there is conflict between the Company's other policies and procedures and the provisions of this Code, the provisions of this Code shall prevail.

III. Basic Standards of Ethical and Legal Behavior

Acceptance of Gifts, Meals and Entertainment:

(a) *Gifts:* You may not accept any gift, regardless of cost or value, from any person or organization that is doing business with, or seeking to do business with, the Company, or otherwise seeking to influence the business of the Company (including customers or competitors). This includes but is not limited to the following items, whether sent to you in the office or at your home or elsewhere:

- merchandise samples (unless needed for your business, in which case your direct supervising officer must approve any removal of such samples from the workplace)
- flowers, cookies, candy and gift baskets
- wine, pens, books and other products
- favors
- services
- cash gifts, ‘tips’ or gratuities and other monetary compensation or loans
- entertainment, including sports or theater tickets and golf outings

Any gift received must be immediately returned to the person who sent it with a copy of the Company’s Gift Policy (i.e. this section of the Code), except that perishable items may be placed in common pantry areas. If it is not otherwise practical or if it may be embarrassing to return the gift (for example where, due to cultural differences, it would be insulting not to accept the gift), then the gift must be turned over to one of the Company’s Ombudspersons. In addition, you must notify your direct supervising officer (i.e., a Vice President or above) of any gift received.

(b) *Meals:* You may accept invitations to business meals, but only if the expense (and frequency) of the business meal is reasonable and your attendance at the business meal furthers a legitimate business purpose. In addition, you must notify your direct supervising officer prior to the meal, if feasible, or as soon as practicable after the meal.

(c) *Entertainment:* If you are invited to an entertainment event as part of a normal business meeting that furthers the Company’s

business interests, you may accept such an invitation to attend the event if the entertainment is otherwise consistent with all policies of the Company and your attendance is approved in advance by one of the Company's Ombudspersons. If you are invited to an entertainment event that is not part of a normal business meeting, you may only attend the event if you first notify an Ombudsperson and pay the fair market value of the entertainment event yourself.

(d) Toys "R" Us Annual Charity Event: The Company contributes to an annual charity event held by the Toys "R" Us Children's Fund. If you are invited to attend this event by a person or organization conducting business with or otherwise seeking to conduct business with the Company, you may attend this event provided you first notify and receive approval from your direct supervising officer.

(e) Trade Shows and Merchandise Review Meetings with Vendors: You may attend trade shows and meetings with vendors to review the vendor's upcoming merchandise lines in which all travel and accommodations are paid for by the vendor, but only if your attendance is approved in advance by an Ombudsperson who will also notify your supervising Executive Committee member of such approval.

(f) Conventions, Conferences and Similar Events: You may attend a convention, conference or other similar event (other than trade shows and merchandise review meetings with vendors, which are discussed above) only if your attendance is approved in advance by an Ombudsperson who will also notify your supervising Executive Committee member. As a general rule, the host or sponsor of the convention, conference or other similar event may not pay for your travel, accommodations, program registration fees or any other out-of-pocket expenses; however, you may accept meals and other incidental items included as part of the program registration fees if such meals and other items are provided to all guests as part of the event. All travel, accommodations, program registration fees and other out-of-pocket expenses must be reimbursed in accordance with the Company's Travel Policy. If you are invited to entertainment at these events, you must comply with the above Entertainment provision. Any exceptions must be approved in advance by an Ombudsperson.

Accurate Records and Financial Integrity: All financial books, records and accounts must accurately reflect transactions and events and

conform to generally accepted accounting principles and to the Company's system of internal controls. No Company document or record may be falsified for any reason, and no undisclosed or unrecorded accounts of the Company's funds or assets may be established for any purpose.

Destruction or falsification of any document that is potentially relevant to a violation of law or a government investigation may lead to prosecution for obstruction of justice. Therefore, if you have reason to believe that a violation of law has been committed or that a government criminal or regulatory investigation or legal proceeding may be commenced, you must retain all records (including computer records) that are or could be relevant to an investigation of the matter, whether conducted by the Company or by a governmental authority.

Antitrust and Competition: You must comply with antitrust laws. You are prohibited from entering into understandings, whether express or implied, formal or informal, written or oral, with any competitor (directly or indirectly, via a vendor or supplier), with respect to prices, terms or conditions of sale, marketing, production, distribution, territories, labor policies or customers, or otherwise engage in any practice that would be in restraint of trade.

Bribery, the U.S. Foreign Corrupt Practices Act and Payments to Government Personnel: You may not make, solicit or accept, either directly or indirectly, any bribe, kickback or other improper payment to or from any employee or agent of any supplier, landlord, lessee, competitor or other person or company dealing with the Company.

In addition, the U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. State, local and several non-U.S. governments have similar rules. Therefore, you are strictly prohibited from giving anything of value, directly or indirectly to candidates for office or representatives of any government.

Confidentiality of Information: You must maintain the confidentiality of all confidential information that you receive, from whatever source, as a result of your position in the Company except where disclosure is (i) authorized by the Company's General Counsel or

(ii) required by laws or regulations (as determined by the Company's General Counsel). If you are required by law or regulation to disclose confidential information, you must provide the Company with prompt notice of the disclosure requirement and you must cooperate with any effort by the Company to obtain an appropriate protective order permitting non-disclosure prior to making the disclosure. Confidential information includes all non-public information that might be of use to any third party, including competitors, or harmful to the Company, its customers or other associates if disclosed. It also includes information that third parties have entrusted to the Company. The obligation to preserve confidential information continues even after your employment ends.

Conflicts of Interest: A "conflict of interest" occurs when your private interest interferes (or even appears to interfere) with the interests of the Company. A conflict of interest can arise when you take actions or have interests that may make it difficult to perform your work for the Company objectively and effectively. Conflicts of interest also arise when you (or a family member or any other person with a close relationship to you) receive improper personal benefits as a result of your position in the Company. You must avoid conflicts of interest.

Potential conflicts of interest include, but are not limited to:

- Investing in, lending money to, or receiving a loan or other thing of value from, a competitor, supplier or vendor of the Company.
- Serving as a director, employee, consultant or independent contractor for any organization that conducts business with the Company.
- Conducting Company business with related parties or dealing with businesses in which you or related parties have significant interests.
- Accepting gifts, meals, entertainment from any person or organization that is doing business with, or seeking to do business with, the Company, or otherwise seeking to influence the business of the Company (including customers or competitors) (refer to "Acceptance of Gifts, Meals and Entertainment" above for more information).

Corporate Opportunities: You are prohibited from (a) personally taking for yourself opportunities that are discovered through the use of corporate property, information or position; (b) using

corporate property or information or your position for personal gain; and (c) competing with the Company, directly or indirectly. You owe a duty to the Company to advance the Company's legitimate interests when the opportunity to do so arises.

Fair Dealing: You must deal fairly with the Company's customers, suppliers, competitors and other associates. You may not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

Harassment and Discrimination: Acts of harassment and discrimination due to a person's race, religion, national origin, gender, age, marital status, sexual orientation, gender identity, disability or any other characteristic protected by law are strictly prohibited.

Insider Trading: It is illegal to purchase or sell any securities on the basis of material, nonpublic information. It is also illegal to communicate material, non-public information to others under circumstances in which it is reasonably foreseeable that they may purchase or sell securities on that basis. Information is "nonpublic" if it has not been disseminated broadly to investors in the marketplace. Information is "material" if a reasonable investor is likely to consider it important in making a decision to buy, sell or hold securities. If you have any doubt as to whether particular information is material, you should assume that it is until you have consulted the Company's General Counsel. You are prohibited from trading on material, nonpublic information and communicating material, non-public information to others (including, without limitation, family members and friends).

Political Contributions: No contribution of Company funds or use of Company property, services or other assets for political purposes may be made without the approval of the Company's Board of Directors.

Public Disclosure: If you are involved in the preparation of reports and documents filed with or submitted to the Securities and Exchange Commission or other regulators by the Company, and in other public communications made by the Company, you must make disclosures that are full, fair, accurate, timely and understandable. Where applicable, you must provide thorough and accurate financial and accounting data for inclusion in such disclosures. In addition, you must not knowingly conceal

or falsify information, misrepresent material facts or omit material facts necessary to avoid misleading the Company's independent public auditors or investors.

Use of Company Property: You must protect the Company's assets and ensure their efficient use for legitimate business purposes. Misappropriation of corporate assets and theft, carelessness and waste are prohibited.

IV. Compliance Procedures

Questions: If you have questions regarding this Code, applicable law or the Company's policies, you should discuss the matter with your Ombudsperson(s).

Reporting Process: If you have concerns regarding accounting, internal accounting controls or auditing matters; illegal or unlawful conduct; or violations of this Code or other Company policies you are strongly encouraged to report this information to your Ombudsperson(s) or if you are uncomfortable with such internal reporting, you may report your concerns to the appropriate hotline.

You may report any concerns regarding accounting, internal accounting controls or auditing matters via the Company's "R" Responsibility Hotline, operated by The Network, an independent provider, following the procedures described in Appendix B, attached hereto. All such concerns will be fully investigated and acted on appropriately. Reports that raise material concerns about the Company's accounting, internal accounting controls or auditing matters will be referred to the Audit Committee of the Company's Board of Directors.

You may report any concerns that are not related to accounting, internal accounting controls, or auditing matters that you, in good faith, think may affect the vital interest of the Company or of its associates physical or mental safety or integrity via your local hotline (i.e. Let's Talk Line (a/k/a Geoffrey House in the U.K.), Sorgentelefon, Hablemos, and "R" Responsibility Line*) at the number listed in Appendix C, attached

* The "R" Responsibility Hotline may be used by associates in the United States to report both concerns related to accounting, internal accounting controls or auditing matters and concerns that may affect the vital interest of the Company or its associates physical or mental integrity.

hereto. All such concerns will be fully investigated and acted on appropriately.

The addressee of any report will fully comply with all applicable data protection laws and regulations.

Anonymity: You are encouraged to provide your name and your contact information when reporting your concern. You may, however, request anonymity. (Please note that, in Australia, in order to obtain statutory protection in relation to certain types of disclosures, you may be required to disclose your identity.) Such anonymous reports will be investigated with additional precautions and may not be as helpful to investigators. If you do provide your name and contact information, the Company will take all appropriate steps permitted by applicable law and regulation to protect your identity. In any event, your identity will not be disclosed to the associate(s) who are the subject of your report, unless such disclosure is required by applicable law or regulation.

No Retaliatory Action: No retaliatory action of any kind will be permitted against anyone making a report in good faith. The Company's Board of Directors will strictly enforce this prohibition. Any abusive report, however, may lead to disciplinary sanctions and legal prosecutions.

Associates that are the Subject of a Report: Associates who have been reported will be informed of such fact and the nature of the alleged facts as soon as reasonably possible after the report is made; provided that the provision of this information does not jeopardize the investigation of the allegations by the Company.

Right to Access and Rectify Reports: You have a right to access and rectify any information that was collected on the occasion of your report. Associates who have been the subject of a report may also access and rectify any information relating to them that is inaccurate, incomplete, irrelevant or out of date. (The identity of the author of the report will not be communicated.) To exercise this right, please contact your Ombudsperson(s).

Accountability for Violations: If the Company determines that this Code has been violated, the offending associate(s) may be disciplined for non-compliance with penalties up to and including termination of employment or removal from office.

Cooperating with Investigations: You are expected to cooperate in any investigation of misconduct, unless you are relieved of such obligation by applicable law.

Waivers: If you would like to receive a waiver from any provision of this Code, you must direct your request to an Ombudsperson. Any waiver from this Code for Executive Committee members or members of the Company's Board of Directors may be made only by the Company's Board of Directors or its Audit Committee and will be promptly disclosed to the extent required by applicable law or regulation. All waiver requests must be approved in advance of the conduct for which approval is sought. Generally, waivers will not be granted.

Appendix A

Ombudspersons Contact List

Australia

Ray Gruber, Managing Director
Toys “R” Us (Australia) Pty. Ltd.
Block G – Commercial Drive
Regents Park Estate
391 Park Road
Regents Park, N.S.W. 2143
Australia
Tel: 61-2-9794-8926
gruberr@toysrus.com

or

Mary Stevenson, General Manager – Human Resources
Toys “R” Us (Australia) Pty. Ltd.
Block G – Commercial Drive
Regents Park Estate
391 Park Road
Regents Park, N.S.W. 2143
Australia
Tel: 61-2-9794-8986
stevensm@toysrus.com

Austria

Peter Hamela, Finance & Administration Director
Toys “R” Us, GMBH
Kohlstrasse 8
D-50827 Koln (Ossendorf)
Germany
Tel: 49-221-5972441
hamelap@toysrus.com

or

Willi Jacquorie, Personnel Department Head
Toys “R” Us, GMBH
Kohlstrasse 8
D-50827 Koln (Ossendorf)
Germany
Tel: 49-221-5972501

jacquorw@toysrus.com

Canada

Mary Hewton, Vice President Human Resources
Toys “R” Us (Canada) Ltd.
2777 Langstaff Road
Concord, Ontario L4K 4M5
Canada
Tel: 905-660-2028
hewtonm@toysrus.com

or

Kevin Macnab, President
Toys “R” Us (Canada) Ltd.
2777 Langstaff Road
Concord, Ontario L4K 4M5
Canada
Tel: 905-660-2034
macnabk@toysrus.com

China (including Hong Kong)

Florence Cheng, Director of Finance and Administration
Toys “R” Us – Hong Kong Ltd.
15/F., North Tower, World Finance Center
Harbour City
19 Canton Road
Tsimshatsui, Kowloon
Hong Kong
Tel: 852-2377-6911
chengf@toysrus.com

or

James Chung, Senior Manager, Strategic Sourcing
Toys “R” Us – Hong Kong Ltd.
15/F., North Tower, World Finance Center
Harbour City
19 Canton Road
Tsimshatsui, Kowloon
Hong Kong
Tel: 852-2377-7961
chungj@toysrus.com

France

Laurent Proux, Director – Human Resources
Toys “R” Us Sarl (France)
2 Rue Thomas Edison
LaRemise, Lisses
91044 Evry Cedex
France
Tel: 33-1-60-76-82-96
prouxl@toysrus.com

or

Carmen Leguem, Area Human Resources Manager & Payroll Manager
Toys “R” Us Sarl (France)
2 Rue Thomas Edison
LaRemise, Lisses
91044 Evry Cedex
France
Tel: 33-1-60-76-83-28
leguemc@toysrus.com

Germany

Peter Hamela, Finance & Administration Director
Toys “R” Us, GMBH
Kohlstrasse 8
D-50827 Koln (Ossendorf)
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or

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D-50827 Koln (Ossendorf)
Germany
Tel: 49-221-5972501
jacquorw@toysrus.com

Portugal

Antonio Casal, Human Resources/ Operations Director
Toys “R” Us Iberia, S.A.
N-11 Salida 23-CTRA. M-300 KM.29.800
28802 Alcala De Henares (Madrid)

Spain

Tel: 91-887-8902

casala@toysrus.com

or

Antonio Urcelay, President – Continental Europe

Managing Director – Iberia

Toys “R” Us Iberia, S.A.

N-11 Salida 23-CTRA. M-300 KM.29.800

28802 Alcala De Henares (Madrid)

Spain

Tel: 91-887-8202

urcelaya@toysrus.com

Spain

Antonio Casal, Human Resources/ Operations Director

Toys “R” Us Iberia, S.A.

N-11 Salida 23-CTRA. M-300 KM.29.800

28802 Alcala De Henares (Madrid)

Spain

Tel: 91-887-8902

casala@toysrus.com

or

Antonio Urcelay, President – Continental Europe

Managing Director – Iberia

Toys “R” Us Iberia, S.A.

N-11 Salida 23-CTRA. M-300 KM.29.800

28802 Alcala De Henares (Madrid)

Spain

Tel: 91-887-8202

urcelaya@toysrus.com

Switzerland

Peter Hamela, Finance & Administration Director

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United Kingdom

David Rurka, Managing Director
Toys “R” Us Limited
Geoffrey House
Vanwall Business Park
Vanwall Road
Maidenhead, Berkshire SL6 4UB
United Kingdom
Tel: 01628 414141
ombrurk@toysrus.com

or

Graham Barker, Director of Operations
Toys “R” Us Limited
Geoffrey House
Vanwall Business Park
Vanwall Road
Maidenhead, Berkshire SL6 4UB
United Kingdom
Tel: 01628 414141
ombbark@toysrus.com

United States

Teresa Orth, Vice President – Human Resources
Toys “R” Us, Inc.
One Geoffrey Way
Wayne, New Jersey 07470
Tel: 973-617-5293
ortht@toysrus.com

or

Richard N. Cudrin, Vice President – Labor and Employment Counsel
Toys “R” Us, Inc.
One Geoffrey Way
Wayne, New Jersey 07470

Tel: 973-617-5738
cudrinr@toysrus.com

Appendix B

Procedures for Calling the “R” Responsibility Hotline (operated by The Network)

The Audit Committee of the Company’s Board of Directors maintains the “R” Responsibility Hotline that you may use to report concerns regarding accounting, internal accounting controls or auditing matters.

While you are strongly encouraged to report any concerns you may have regarding accounting, internal accounting controls or auditing matters to your Ombudsperson(s). If, however, you are uncomfortable with reporting your concerns through these internal channels, you may use the “R” Responsibility Hotline to report your concerns.

The “R” Responsibility Hotline is operated by an independent company named The Network, Inc. The Network, Inc. is located in the United States.

You may call the “R” Responsibility Hotline by using one of the following toll free numbers:

Australia	1-800-46-8651 (Reach) 1-800-631-887 (Optus)
Austria	0-800-200-288 (Access Code) 877-703-5328 (Toll Free #)
Canada	877-703-5328
China (including Hong Kong)	800-90-8741
France	0800-90-1986
Germany	0800-181-0911
Portugal	800-8-11209
Spain	900-98-1079

Switzerland

0800-55-2418

United Kingdom

**0808-234-1815 (British Telecom)
0808-101-4886 (Cable & Wireless)**

United States

877-703-5328

When you call the “R” Responsibility Hotline you will first hear a recording letting you know that you are being connected to the “R” Responsibility Hotline. Please be patient, as it can take up to a minute to be connected. Once you are connected, you will be greeted by an interviewer. If you do not speak the dominant language of the country you are calling from or English, you should tell the interviewer the name of the language you speak. You will then be asked to “please hold” while an interpreter joins the call. The interviewer will have a discussion with you and document your call. You are encouraged to provide the interviewer your name and contact information, but you do not need to provide the interviewer your name or contact information if you would like to remain anonymous. When you call, you should try to have all of the relevant information available. At the end of the call, the interviewer will assign a reference number to you. If you are an anonymous caller, the interviewer will ask you to make one follow-up call to the same telephone number at a future date at which time you may be asked additional questions or asked to provide additional information. You may also use the same telephone number and reference number at any time if you would like to provide additional information. The information from any of your discussions with the interviewer will be fully investigated and acted on appropriately. Reports that raise material concerns about the Company’s accounting, internal accounting controls or auditing matters will be referred to the Audit Committee of the Company’s Board of Directors in the United States.

The Network, Inc. will fully comply with all applicable data protection laws and regulations.

Appendix C

Local Hotlines

Australia's Let's Talk Line – 61-2-9794-8980

Austria's Sorgentelefon – 0049-221-5972333

Canada's Let's Talk Line – 1-800-265-4248, select option 6

China (including Hong Kong) – 852- 2377 -6911

France – 0-800-546-641

Germany's Sorgentelefon – 0049-221-5972333

Portugal's Hablemos – 34-900-211-003

Spain's Hablemos – 34-900-211-003

Switzerland's Sorgentelefon – 0049-221-5972333

United Kingdom's Let's Talk Line, a/k/a Geoffrey House – 0800-515995

United States' "R" Responsibility Line* – 1-877-703-5328

* The "R" Responsibility Line may be used by associates in the United States to report both concerns related to accounting, internal accounting controls or auditing matters and concerns that may affect the vital interest of the Company or its associates physical or mental integrity.