

## Side By Side Stores Provide Everything Under One Roof

According to Dan Caspersen, the sign at the Wayne campus entranceway demonstrates how we should approach the company's objective of becoming one, global entity.

It reads, "One Geoffrey Way."



"The irony struck me the first time I saw it," says Caspersen, who came aboard as Executive Vice President, Human Resources after 20 years with Target. "Toys 'R' Us hasn't done things 'one way' in a long time. There have been three ways to conduct business here: the Toys, the Babies and the International way. From now on, we should be focused on moving ahead as one."

The Side-by-Side (SBS) program is an example of how the company is attempting to break down its longstanding borders. Under this plan, the company introduced five U.S.-based dual stores this summer. They are located in Galleria and Baytown, Houston, TX; Rochester, MN; Johnson City, TN; and East Tucson, AZ.

"It's like two stores in one location," said Chris Johnson, the BRU Director of Human Resources. "When visiting the BRU side you get a true BRU experience. Similarly, you get a true TRU experience when you visit the TRU side. They have separate entrances, but shoppers can cross over and check out on either side."



The Side By Side concept began in Canada in 2002. The third store to be expanded in that format was #3533 Coquitlam BC.

The concept began in Canada in 2002. The store in Oakville, Ontario is largely referred to as the first. It came into being when the adjacent shoe store closed.

"For years, most of our Toy stores simply had expanded Baby areas and did well," said Monika Merz, President, Toys 'R' Us Canada. "When we had an opportunity to expand in an affluent area like Oakville, we assessed that leveraging both businesses could be a huge sales opportunity."

"It gave Canada the opportunity to expand on a side-by-side basis," says Richard Fackrel, Director of Store Improvement. "They decided against merely expanding in its current format. Instead, they branded the additional space a Side-By-Side BRU. There's been plenty of crossover traffic."

While the Oakville store (42K) is viewed as the first, some point to the store in Bowmac, Vancouver as the first. An adjacent appliance store closed in 2002, giving the TRU an opportunity to expand. Instead of expanding toy products, the company decided to push more baby products.

"Oakville was the first proto-typical SBS," says Paul Diamond, Director, Real Estate, Construction Design & Maintenance - Canada. "Bowmac (30K) is smaller. Things took off. That planted the seeds for the concept."

"Oakville was the first segregated SBS," added Gary Blew, Vice President, Operations - Canada. "It's similar to Bowmac in concept."

Both, with their expanded line of baby products, help us get moms into the store and over to Toys."

Getting new moms or moms-to-be into the store is key.

"Although toys are on baby registry lists, it's not essential to buy them when prenatal," says Debbie Talker, Divisional Merchandise Manager - Canada. "That's not the case with baby products. Parents want the stroller and crib before the baby arrives. And you can't leave the hospital without a car seat."

"That's why staffing is crucial. The store associate has to build a rapport with the guest. They have to have extensive product knowledge, so that they can credibly answer the parent's questions. Once a relationship is established, odds are that we'll be able to keep the customer because as the child grows, the parent becomes more interested in toys."

Eleven other locations in Canada followed suit. Another large SBS opened in Boisbriand, Montreal in October. A small SBS will be renovated in Red Deer in 2007.

"Consumers are getting busier," Merz said. "One stop shopping is becoming more desirable. By having everything under one roof and by having a floor plan that is easy to navigate, we make shopping more convenient. Shoppers love our extended assortment."

It was only a matter of time before U.S. operations took notice.

Fackrell says that more such stores will open in the U.S. in 2007 and beyond. Some will be conversions. Others will be ground-ups.

"This may not be practical in some larger markets," he says. "Several of our districts have successful stand-alones in the same area."

Reports from all U.S. locations indicate that shoppers are constantly crossing over.

"Most new moms have a friend or relative with an older child," explains Bill Dorsey, the TRU Manager in Rochester. "A mom with an older child usually knows someone with younger kids. Guests can crossover and get gift ideas. This is going to help us get kids from birth to the late teens."

"New moms are coming to Babies and gravitating toward Toys," added John Finney, the TRU Region II District HR Manager. "That helps Toys balance the year. They do most of their business before the holidays, but Babies doesn't have a season. Now we have people visiting throughout the year."

Also monitoring is our overseas division. The Alocbendas, Spain TRU is being converted into Europe's first SBS. Japan has a two-level store in Kumamoto, with an escalator running from Toys to Babies.

"Alocbendas is Spain's second highest volume store," says Larry Gardner, Vice President of International/Franchise. "This will test the concept for expansion opportunities in Europe. It provides us with a new avenue of growth."

The SBS program is a great example of how we're moving forward one-way. It's a combined effort on the parts of International, Toys, Babies and toysrus.com to reach one solution together.



## A Message from Jerry Storch

Ever since I arrived at Toys 'R' Us, Inc. in February, I have been looking for new ways to communicate internally and to keep everyone up to date with what is going on inside our business operations. My first job out of college was as a newspaper reporter with the *Florida Times Union*. Even though it turned out to only be a summer job, I still managed to develop an appreciation for the importance of sharing news.

It is in that spirit that I proudly introduce our new company newsletter, "*R*"family. This business publication will feature articles about our associate accomplishments, most recent products, objectives and various forms of company news.

Since coming aboard, I have had the chance to meet with numerous associates all over the world. I was pleased to find that everyone embraces our strategy to be the toy and baby authority.

With this newsletter, we will illustrate that we are all on the same page in our goal to position the entire global franchise for long-term growth and to create a compelling shopping experience for our customers. Everyone is proud to work for the world's greatest toy and baby store. Together, let's put the "us" back in Toys 'R' Us, Inc.

We will succeed as one "R"US company, not as four. Toys 'R' Us, Babies 'R' Us, Toys 'R' Us International and

toysrus.com now move forward as one global company. We are focused on being the toy and baby authority. We are the best at what we do. Our competitors can't say that.

Let them focus on trying to service everyone with everything. Naturally, they have to compromise some of their efforts! They'll never reach our level of expertise in the toys and babies sectors. And for us, it's only about toys and babies. We're not about toothpaste. Or trousers. Or tomatoes. Our competitors are about a myriad of things. We're all about toys and babies. That differentiation is what we need to focus on as we move forward. We must soar with our strengths and make no mistake about it: we are definitely playing to win.

Now, I want to raise the level of attention on these efforts and one of the ways to do that will be this newsletter. In each issue, we will attempt to keep our objectives in full-view in all corners of the company.

Moving forward, I would like to encourage associates from all departments and locations to take part in helping us feature company news. We enthusiastically welcome story ideas, questions or suggestions. Please contact the newsletter at: [corporatecommunications@toysrus.com](mailto:corporatecommunications@toysrus.com).

Thank you. 



### Reporters Wanted

We are seeking reporters to cover news in each Region, District, Store, Distribution Center and the GSSC.

To join our team, contact us at: [corporatecommunications@toysrus.com](mailto:corporatecommunications@toysrus.com)

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## Introducing Our Leaders



### RICK MARKEE

When Rick Markee, Vice Chairman of Toys“R”Us, Inc., spoke during the quarterly update in August, it sounded as if he were speaking for many when he recalled the 2005 summer day when the company was sold to the consortium of Bain Capital Partners LLC, Kohlberg Kravis Roberts & Co. (KKR), and Vornado Realty Trust (VNO).

“No one had a feel for where we were headed,” he admitted. “Were they going to separate us? Were they going to sell us off? Under those circumstances, no one thought we could bring in someone like Jerry.”

“We now know that those fears were unfounded. Jerry is here and we are moving in the right direction. We now have a strong leadership team running this company. From the people he’s transitioned into new roles to the people he has brought in, Jerry has made it clear that moving forward as one company, and as the toy and baby authority, is the only option.”

Jerry’s consistent mission became evident with his presidential appointments. In May, he named Deb Derby the President of Babies“R”Us. In July, he named Ron Boire the President of Toys“R”Us, U.S.

### DEB DERBY

Five years ago, Deb’s daughter appeared to be vocalizing the sentiments of her pre-school class when she was asked “What’s your favorite place in the world?” during a classroom party.

“Toys“R”Us,” her daughter declared. Several classmates followed suit. TRU even beat Disney World.

“They may have been copying her,” Deb says. “But it was still nice to hear.”

Throughout her six years with the company, she has often relied on her experiences as a mom.

“I didn’t have any retail experience before I arrived here,” says Deb, who previously worked for Whirlpool in the manufacturing sector and a law firm and investment bank prior to that. “I picked up valuable retail experience here, but I’ll never match the overall retail experience of some of my colleagues.

“Because of that, whenever I have to make a decision, my initial filter is as a parent. I know how important it is to want the safest car seat.”

Deb’s children are no longer babies. Her daughter is now 9, and her son is 11.

“As my children grew, I became more interested in toys, as a customer. Parents of older children still have to buy baby products. Most of us know someone with younger kids. My brother just became a dad. Now I’m buying baby products as a gift-giver.”

Evaluating the Toys and Babies businesses is nothing new for Deb. She has served both sides of the operation within Human Resources, Legal and Public Relations. Her appointment best illustrates Jerry’s commitment to breaking down our corporate boundaries.

She admits that not every approach will work on both sides. She cites the Refund Policy as an example. In an effort to combat return

fraud, TRU no longer accepts non-receipted returns. BRU continues to give gift cards for non-receipted items.

“With our Registry, gift-giving is a major part of our business. While we continue to experiment with ways to reduce non-receipted returns, it is unlikely that BRU will adopt the more stringent TRU policy since it doesn’t seem to fit our business model.”

Since taking this new role, Deb cites the doctor’s Hippocratic oath of “first do no harm and second make things better.” No one believes that “doing harm” is possible.

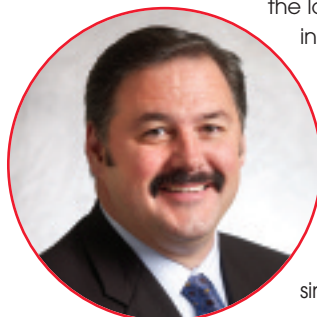
“Deb’s face is familiar here,” Jerry says. “There is no question that she will lead us in accelerating growth at BRU.”

### RON BOIRE

“Why Toys“R”Us?”

Ron Boire kept hearing that question again and again.

Everyone wanted to know why he left Best Buy, the largest retailer of consumer electronics in North America, for TRU.



Someone asked if his new job was “playing in the band as the ship went down.”

“That made me laugh,” he admits. “I wouldn’t be here if I thought that this was the Titanic, though. I wouldn’t have left Best Buy for a sinking ship.

“There is a lot of passion here. People love representing one of the greatest retail brands in the world. I wanted to be part of that. In five years, we’re going to say that we were a part of one of the best corporate turn-arounds ever.”

The level of engagement among store associates, he says, is the key to our success.

“We’re going to focus closely on front-line employee satisfaction. We want our store associates to wake up wanting to come to work. When they’re happy, they will strive to help the customer. That translates into customer-satisfaction. The combination of highly engaged employees and a differentiated customer experience is how we are going to win.”

Ron demonstrated at an early age that he doesn’t shy away from difficulties. He grew up on a dairy farm in Beekmantown, New York. That’s far from the city of New York or the state of New York most of us have come to know.

“It’s past Albany,” he said. “It’s past Lake George. When you see signs that you’re getting close to Canada, you keep going. I’d milk the cows every morning before school. I felt like I was freezing to death in the winter. It made me appreciate the value of hard work. That made me want to succeed, no matter how difficult things seemed.”

Jerry brought Ron here because he knows what it takes to build and maintain an organization’s status as an authority.

“Where do you go when you want to buy a television?” Jerry asked. “Target? Wal Mart? I don’t think so. You go to Best Buy. They’re the electronic authority. They’re the best at what they do. We’re the toy and baby authority. We’re the best at what we do. That’s why Ron’s a perfect fit.”

## 50 Years of Dedicated Service: The Company Honors Andy Anderson

When William “Andy” Anderson accepted a job working at the soda fountain of People’s Drug Store in Washington D.C., his intent was simply to earn a few dollars before graduating from high school in 1956.

As luck would have it, one of his patrons was the mother of Charles Lazarus, the owner of the nearby Children’s Discount Super Mart. Mrs. Lazarus took a liking to him and suggested that he contact her son,



Andy gets a congratulatory handshake from Jerry Storch. Michael Jacobs, the Senior Vice President-Logistics, looks on.

who was looking for a reliable stock boy. A hard-working, conscientious young man such as Andy, she reasoned, would be perfect.

Andy contacted Mr. Lazarus, nailed the ensuing interview and was offered the job. He never left. The Super Mart, of course, would eventually become Toys“R”Us. Andy, now 67 years old, is the company’s longest tenured associate.

In June, the company honored him with a visit to headquarters. His visit included tours of the Times Square Store and Wayne offices. He was also treated to dinner at Carmine’s in Manhattan, a Wayne luncheon with Senior Management, and the Broadway production of *Jersey Boys*.

During his visit, he reflected back to his early days here.

“When I started, there was only one store,” he said. “Our distribution center was located in the basement. That was the only store I ever worked in. After that, I was moved to our first warehouse in Washington.

“I went by Bill then. Charles changed my name. He told me that they already had a Bill who worked in the store.”

Over the next 50 years, Andy held numerous positions in several distribution centers in the Washington vicinity. His various duties took him through the receiving, storing, packaging and shipping areas. He has worked as a Department Manager, Assistant Manager, Department Head and Warehouse Manager. Colleagues recall how he zipped around the Beltsville warehouse on roller skates.

“He eventually stopped doing that because others couldn’t keep up,” quipped Michael Jacobs, the Senior Vice President-Logistics.

Andy is currently an Operations Associate in the Distribution Center in Frederick, Maryland. He is primarily involved with Babies“R”Us special order shipments, but jumps in wherever needed. He remains one of the most versatile associates in the DC.

“That’s not an official title,” Mr. Jacobs adds. “He doesn’t have a title because he does everything.”

Andy refers to his daily routine as “knitting.” It involves the tracking of multiple pieces of each order to ensure accuracy. That routine has earned him a reputation for diligence. He has become widely recognized for making sure that the process runs efficiently.

“It’s a personal responsibility,” he says. “Babies“R”Us customers are at a special time in their lives. We have to make sure that a new nursery, for example, arrives complete.”

“It requires an eye for detail,” says Sheila Edwards, the Frederick Center’s Human Resource Manager. “We’ve always been able to trust Andy to do what’s expected without fail. He has an eye for quality and makes every effort to ensure that the stores, and subsequently the customers, get what they need.”

Andy looks back on his 50 (and counting) years with the company and marvels at the changes.

“It’s amazing how big we are now,” he said. “We used to have a little warehouse and some delivery trucks. Despite the changes, the bottom line hasn’t changed. Our goal has always been to get the item to the customer and have them come back.”

With so much experience, Andy has grown into an authority on how to maintain a long-term career at Toys“R”Us.



Andy and his wife, Mary, were accompanied on their visit to New York and Wayne by Sheila Edwards, the Frederick Human Resource Manager, and Jeff Sonnenberg, the Mount Olive Center General Manager and the former Frederick Center Assistant General Manager.

“Dependability is important,” he says. “I always tell people to come in, give their best effort and strive to make the manager’s job easier. That kind of behavior always gets rewarded. This is a great place to work. I’m very fortunate to work here.”

Andy has been married to his wife, Mary, for 46 years. They have three children and four grandchildren. He lists traveling, drawing and koi pond gardening as his favorite hobbies. He is also a vintage car and model train enthusiast.

As far as the company is concerned, the “fortunate” feeling works both ways.

“He’s a great team player”, Edwards says. “He has always been well liked, appreciated and respected by his associates. He sets a great example for everyone in the organization.”

# Associate Milestones *January to August 2006*

## 50 YEARS

### DISTRIBUTION CENTERS

William Anderson,  
Frederick, MD

## 35 YEARS

### NATIONAL OFFICE

Gary Hoiem

## 30 YEARS

### NATIONAL OFFICE

Aida Stefanelli

### TRU REGION 3

Edward Fairchild

### DISTRIBUTION CENTER

Tom Goodwin,  
Stockton, CA

## 25 YEARS

### NATIONAL OFFICE

Michael Tumolo  
Stephan Stahl  
Loretta Zafonte  
Mary Pease  
Donna Rann  
Valerie Kelly  
Eric Silver  
Larry Miness  
Steven Waxman  
Kevin Bongiovanni

### TRU REGION 1

Diane Reed  
Karen Holbrook  
Beverly Kraus  
Skipper Bessette

### TRU REGION 2

Daryl Brynda

### TRU REGION 3

Jenna Copher  
Mary Otto  
Maura Husslein

Margaret Frederick  
Patricia Buijck  
Laura Hieber  
Karen Martin  
Cynthia Zaglewski

### TRU REGION 5

Harold Cardwell

### TRU REGION 6

Joseph Losos  
Patricia Leahey  
Michelle Beicht  
Dale Polerstrook  
Beverly Linden  
Beverly Fitzgerald  
Daniel Werner  
Arlene Barron  
Frances Venneri

### BRU REGION 1

Kathy Kellogg

### BRU REGION 3

Kaethe Alley  
Betty Fleming

### DISTRIBUTION CENTERS

Vicente Delgado,  
Rialto, CA  
Sara Duva,  
Mt. Olive, NJ  
Michael Miller,  
Frederick, MD

## 20 YEARS

### NATIONAL OFFICE

Kathleen Szymanski  
Joan Smith  
Valerie Staggers  
William Palkewick  
Raymond Gruber  
Lisa Vanclief  
Jorge Chavez

Karen McCann  
Michael Murphy  
Maureen Ksiez  
James Malatesta  
Mariann Goodell  
Debbie Leshno  
Betty Ramirez  
Susan Duchak  
Soraya Hanna  
Michael Margolin  
Patricia Filenbaum  
Marianne Dziadul

### TRU REGION 1

Jeffrey Stewart  
Araceli Gonzalez  
Linda Bailey  
Sara Joyce  
Brandie Cheek  
Marcia Robinson  
Dory Panganiban  
Dan Schumacher

### TRU REGION 2

Jeri Bruno  
Mark Yauger  
William Harrison  
Gracie Moya  
Tracy Spione  
Damian Scannell  
Aberia Edwards  
Stanley Cambell  
Kellie Seba

### TRU REGION 3

Marilyn Ford  
Deborah Hartsig  
Coleen Raymond  
Maria Hardy

### TRU REGION 4

Deborah Dahlenburg  
Teresa Young  
Linda Boone

Scott Andersen  
Kristina Moran  
Alan Arslanian  
Cheryl Grady  
Heidersone Holodnak  
Jacquelyn Elavsky  
Pushpa Patel

### TRU REGION 5

Rever Black  
Mark Ingram  
Laurie Kozak  
Teri Sims  
Cheryl Garnett-Johnson

### TRU REGION 6

John Scales  
Keisha Solomon  
Patricia Mulcahy  
Della Adams  
Linda Lucas  
Ann Cable  
Amita Govani  
John Surowiec  
Paula Fisher  
Linda Antink  
Elizabeth Parker  
Donna Ciechon  
Denise Sims  
Karen Clarke  
Cheryl Mendez  
Vincent Moore  
Camille Fico

### TIMES SQUARE

Susan Lima

### BRU REGION 1

Susan Kondikoff

### BRU REGION 2

Christopher Fazzina

### BRU REGION 3

Regina McAllister  
Juanita Whiteman

### BRU REGION 4

Sumatee Singh  
Nancy Ewan  
Kathleen Sears  
Lori Forstburg  
Joseph Solebello  
Sandra Keirstead

### DISTRIBUTION CENTERS

Ruben Taltique, Rialto, CA  
Richard Parkman Joliet, IL  
Jorge Sanchez, Joliet, IL  
Tom Wlezien, Joliet, IL  
Gardy Germain, Mt. Olive, NJ  
Sherretta Williams, Mt. Olive, NJ  
Bryan Thornley, Frederick, MD  
Keith Costantini, Frederick, MD  
Evelyn Shubrick, Frederick, MD  
Winda Thomas, McDonough, GA  
Barry Kerr, Cincinnati, OH  
Antonette Lawyer, Cincinnati, OH  
Larry Spencer, Youngstown, OH  
Thomas Pappas, Youngstown, OH  
Miryam Gonzalez, Somerset, NJ  
Maria Gonzalez, Somerset, NJ  
Yolanda Montgomery, Somerset, NJ  
Azucena Abril, Somerset, NJ  
Jenny Flores, Somerset, NJ  
Yolanda Rodriguez, Somerset, NJ  
Sanda Despiniadis, Somerset, NJ  
Lisa Dutko, Somerset, NJ  
Maria Londono, Somerset, NJ  
Teresa Ramos, Somerset, NJ  
Teresa Cordova, Somerset, NJ  
Myriam Goolcharan, Somerset, NJ  
Marco Guevara, Somerset, NJ  
Zoila Moreno, Somerset, NJ

# Toys“R”Us, Inc. Creates Largest Retail Partnership in the History of Toys for Tots

This holiday season, Toys“R”Us, Inc. will embark on its most ambitious toy drive to date as we partner for the third year with the Marine Toys for Tots Foundation to create the largest retail partnership in the history of Toys for Tots. With more than 13 million children currently living in poverty in the U.S. and 2,019 babies born into an impoverished situation every day, many of us do not fully realize the plight of our nation’s neediest children.



Marines load toys into a military truck during the toy donation at the Mount Olive DC.

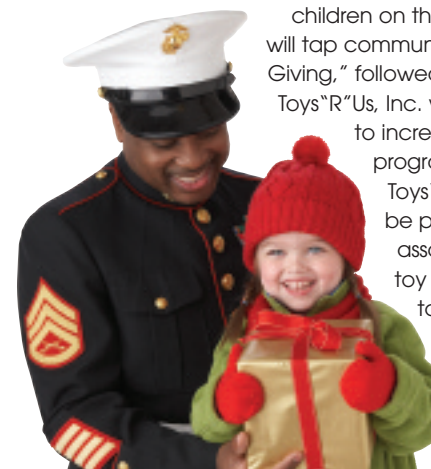
As America’s toy store and the premier baby products retailer, we embrace the opportunity to make a difference in the lives of these children. With this in mind, all Toys“R”Us and Babies“R”Us stores will become the “Giving Headquarters” during the holiday season in a nationwide effort to collect one million toys and raise \$4 million to benefit Toys for Tots. Online shoppers will be able to make a cash donation via [Toysrus.com/ToysforTots](http://Toysrus.com/ToysforTots).

In addition to the Toys“R”Us and Babies“R”Us in-store partnership, the Toys“R”Us Children’s Fund announced its intention to make the annual holiday toy drive one of its ongoing, signature programs. To kick off the program with the Marine Toys for Tots Foundation, Toys“R”Us, Inc. made a \$1 million toy donation and the Toys“R”Us Children’s Fund made a \$100,000 cash donation, which will be used to purchase toys for impoverished children during the holiday season.

“We’re excited about this campaign because it symbolizes the Toys“R”Us, Inc. philosophy of caring about our customers, our associates and our communities,” said Jerry Storch, Chairman and CEO, Toys“R”Us, Inc. “Our associates will be our greatest resource in helping us achieve this year’s monetary and toy drive goals. In turn, you will be giving back to the communities where you live and work.”

In conjunction with our holiday toy drive, Toys“R”Us will launch an educational platform to serve various communities across the country. Select Toys“R”Us retail locations will host special “classes” to educate children on the value of giving back to those less fortunate. Toys“R”Us will tap community leaders to teach a kid-friendly course on the “ABCs of Charitable Giving,” followed by a shopping excursion to purchase toys for the holiday toy drive.

Toys“R”Us, Inc. will roll out an aggressive marketing and public relations campaign to increase awareness of our toy drive. We are implementing a full-scale program and call to action on all levels, including creating signage for Toys“R”Us and Babies“R”Us stores. However, achieving our goals will not be possible without the dedication and ongoing efforts of our associates. Whether it’s encouraging customers to donate a beloved toy or to make a \$1 charitable contribution to our toy drive, your ability to engage them in our campaign will be the key to our success.



Charitable giving is part of what makes Toys“R”Us, Inc. a great company. Giving back to the communities in which we do business will help us strengthen relationships with our customers and build brand loyalty. And, most importantly, it will put a smile on the face of a child who needs it most this holiday season.



Toys“R”Us associates and U.S. Marines celebrated the holiday season in July with a \$1 million toy donation to Toys for Tots.

## Congratulations to the following stores which had the highest Guest Delight scores through our first seven fiscal periods (Through August 30)

### Toys“R”Us

8921	Huntington, WV	92.9	8920	Ft. Wayne, IN	88.8
5666	Valencia, CA	91.9	9273	Pontiac, MI	88.3
5663	Yuma, AZ	91.7	6005	Melrose Park, IL	87.7
8916	Miamisburg, OH	91.0	5832	Yuba City, CA	87.3
9513	Ferguson, MO	89.7	7038	College Station, TX	87.1

### Babies“R”Us

9254	Boardman, OH	89.3	6486	Saginaw, MI	88.1
7707	Jackson, MS	89.0	8855	Augusta, GA	87.4
6470	Erie, PA	88.8	6539	Totowa, NJ	87.0
6502	Springfield, IL	88.7	6448	Hickory, NC	86.9
6471	Evansville, IN	88.3	6505	Fairview Heights, IL	86.8

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# Backyard Baseball 2007 Batter Up Clinic Hits a Home Run with Guests

This fall, Toys“R”Us and Backyard Sports teamed up for a series of special events to promote the launch of the new video game, Backyard Baseball 2007. Each stop on the five-city tour allowed kids to receive instruction in baseball strategy, batting and fielding with professional coaches from the Cal Ripken Youth Academy. The tour also featured a question and answer session with a Major League Baseball player from the local team. Players were happy to sign autographs and pose for photographs with all participants.

The MLB players who participated in the clinics included Cincinnati Reds left fielder Ryan Freel at Toys“R”Us Clermont; Philadelphia Phillies center fielder Aaron Rowand at Toys“R”Us Oxford Valley; St. Louis Cardinals second baseman Aaron Miles at Toys“R”Us Sunset Hills; Boston Red Sox center fielder Coco Crisp at Toys“R”Us Dedham and Baltimore Orioles pitcher LaTroy Hawkins at Toys“R”Us Golden Ring.

In addition to the clinic, which was held in the parking lot at each store, interactive video game displays were set up in-store so that customers could get a sneak peek at this exciting new video game. Everyone who participated in the clinic received a t-shirt, hat and other giveaway items including a pack of Backyard Baseball trading cards.

During each event, parents and kids were thrilled to meet some of their favorite baseball stars, and kids also had fun as they learned how to catch, throw and field like a Major League Baseball player.



Aaron Rowand of the Philadelphia Phillies was on hand when the clinic came to the Oxford Valley TRU (8311).

## Road to Motherhood Tour Delivers Big

Expectant parents have lots of questions and a relatively short amount of time to get the answers. With that in mind, Babies"R"Us continued its efforts to help parents-to-be with a national tour (coincidentally enough) of nine months.

The tour featured a custom-designed, self-contained 53-foot trailer that offered information about topics from conception to birth. The journey kicked off at the Babies"R"Us in Orlando, FL on February 23 and traveled to 108 Babies"R"Us stores throughout the U.S. It concludes later this month at the Greenville, SC store.

Through August, the tour was averaging almost 300 visitors per stop. It has also been generating regional television and print media coverage along the route.

"With our exciting exhibits and seminars inside and outside the truck, expectant parents had the opportunity to spend an entire day with us," said Sue Montecalvo, the BRU Vice President of Marketing. "Visitors left the experience with so much more information about caring for a baby than when they arrived."

Expectant parents and even expectant grandparents had the chance to become more familiar with each stage of pregnancy.

One prominent exhibit in the trailer was a re-creation of an ultrasound visit, which included photos of a near-term fetus. A baby's fetal development was shown through astonishing footage that combined sophisticated computer animation with state-of-the-art ultrasound technology. The tour also featured a screening of a real-life birth in a model delivery room.



Parents-to-be learned what happens inside the womb as they strolled through our multi-dimensional, 53-foot trailer.

Many doctors and specialists made appearances at the tour in order to share knowledge and advice with parents during this exciting time.

"It was very educational," said Dr. Doris Rodríguez, a Certified Ultrasound Technician who participated on one of the stops.

"It was all about helping expectant parents understand what was going on at each stage of the pregnancy. It made a big difference in how they felt about themselves and this baby coming into the world."

Another feature of the tour trailer included a model nursery, created by celebrity designer Wendy Bellissimo. The nursery room included bedding, furniture, accessories, clothing and more. The celebrity designer's line is only available at Babies"R"Us.

After exiting the exhibition trailer, guests participated in complimentary seminars on important issues such as "Breastfeeding Basics,"

"Diapering 101," "Baby's First Bath," and "Prenatal and Infant Nutrition."

"The feedback from our guests was exceptional," said Brenda Haller, the Store Promotional Coordinator at the Orlando Park, IL store (9248). "They seemed to find it educational and informative."

"Mothers of five and grandmothers of 11 commented that they even learned something," said Carrie Mann, the District 23 Promotional Specialist. "It was nice being involved with parents at such a special time in their lives."

## Fighting the War For Talent With Unicru

The search for capable employees in corporate America intensifies constantly. Managers are facing escalating challenges as they search for highly skilled, hourly associates who will fit in with the organization and will help make the company successful.

The War for Talent, as it is known, has placed pressure on managers to make the correct hiring decision. A poor choice has never been more costly.

In order to meet these challenges, Toys"R"Us has partnered with Oregon-based Unicru Inc. Unicru is revolutionizing the way in which we identify the highest caliber associates for our stores. Their online application and assessment tool provides candidates the opportunity to apply for positions via our web site: [www.ruscareers.com](http://www.ruscareers.com).

Interested candidates access the hourly position application form by logging on and answering questions that predict their ability to be successful in our environment.

In addition to helping store leaders get high-potential applicants easier, Unicru condenses the grueling, administrative burdens associated with activities such as scheduling interviews, background checks and data processing.

"Implementing the Unicru tool has not been easy," said Glenn Album, Human Resources Director of Talent Acquisition and Development. "It required a team effort between Babies, Toys, Operations, HR and IT. The great news is that we are already seeing the fruits of our labor."

Unicru's industrial psychologists rate candidates based on position-specific questions that are asked during an online interview and screening process. It involves systematic, behavior-based assessments that evaluate an applicant's knowledge, motives and skills.

These measurements are effective in understanding someone's ability to work as part of a team, learn our business, follow rules and be courteous to guests and associates.

With these systems in place, store managers will be able to spend more time interviewing candidates with the most potential.

TRU and BRU will use Unicru in a similar fashion, but will also be able to incorporate some interview questions that are specific to their own needs. The DCs will start using Unicru in 2007.

"Unicru is sophisticated in its ability to

assess talent," says Gary Duncan, Vice President, Human Resources - Toys"R"Us USA - Retail and Logistics. "They will help us predict the future success of a candidate. This will be especially helpful during the holiday push."

"This will augment management's screening process," adds Chris Johnson, the Director of Human Resources - Babies"R"Us. "We have no intention of replacing the face-to-face interview. Unicru's validated assessments are all about improving predictability."



## Balancing the Work and Family Tightrope

Balancing work responsibilities and personal life demands are a test for nearly everyone today. How often have we felt frustrated because we are attempting to be everything to everyone? How often have we found managing both roles simultaneously impossible? We can all rest assured that our company leaders not only know this, but can also relate.

With that in mind, the company offers a valuable program, the **Employee Assistance Program** or **EAP**, to help us confront these challenges head-on. And best of all, the program is available at no cost to you.

### ComPsych® Guidance Resources® Program

Our EAP program provides professional and confidential counseling services for us, and our families, including up to three face-to-face counseling sessions - at no cost to you. Guidance Resources Coordinators are available 24 hours a day, 7 days a week to assist us with a variety of concerns, including:

- Personal issues • Legal questions • Financial concerns

By calling 1-800-311-4327 we can get access to the help we need. Additional information and resources are available at [www.guidanceresources.com](http://www.guidanceresources.com) (enter the Company ID, GEN317).

### Did You Know?

Most of the Toys"R"Us medical, prescription drug and dental programs are "self-insured." That means Toys"R"Us - and not an insurance company - pays the actual cost of the claims not otherwise paid by associates via premium contributions, copays, co-insurance or deductibles. To help us administer this program, Toys"R"Us hired Aetna and Express Scripts to process claims and issue payments on our behalf, but as noted above, the claims are paid by Toys"R"Us.

In 2005, Toys"R"Us spent more than \$80 million on administration and health claims of U.S. associates and their dependents.

## TRU and BRU Web Sites Are Open for Business

The TRU and BRU web sites were successfully launched over the summer. With GSI Commerce, a leading e-commerce solutions provider, and Exel, a leading North American contract logistics provider, supporting the new platform, the transition to an independent platform was, by all accounts, seamless.



John Sullivan, Senior Vice President, Toysrus.com, had announced the move early in the summer, and has since expressed optimism over where things appear to be headed.

"We have been getting plenty of positive feedback from our online customers," he said. "They seem to appreciate the way we have integrated and co-branded our Web site with our stores."

They are pleased that they now have the ability to return most online purchases directly to stores."

## Update Your Benefit Plans Beneficiaries. It's painless!

With our hectic schedules at home and at work, most of us find it difficult to keep our company paperwork in order. Making all of those phone calls and sifting through the red tape never really appealed to any of us. Fortunately, times have changed. What once appeared difficult is now a snap. In just minutes, we can update our life, Accidental Death & Dismemberment insurance (AD&D), and 401(k) savings and profit sharing plan beneficiaries at any time during the year. Since designating a beneficiary is the only way to ensure that the benefits go to the person or people we want to receive them, it is important that we have a beneficiary identified for each plan. It is also important that we review our beneficiary designations periodically, as life events such as marriage, divorce, the birth of a child, or the death of a spouse, may necessitate a change in our primary or contingent beneficiary.

### Life and AD&D Beneficiaries

For those of us eligible for company-provided life insurance (all full-time associates and part-time associates with 1+ years of service) we may designate or update our beneficiary elections online using the "R" **Benefits Access** website. Visit "R" **Benefits Access** at <http://toysrus.eease.com>.

### 401(k) Savings and Profit Sharing Plan Beneficiaries

Now is also a good time to review or update our "TRU" **Partnership Employees' Savings and Profit Sharing Plan** beneficiaries. We can make updates by completing a Beneficiary Form available at [www.ameriprise.com/retirement](http://www.ameriprise.com/retirement) or by requesting one from the "TRU" **Partnership Participant Services Line** at 1-800-401-TOYS (8697). A Personal Identification Number (PIN) is required when calling the Services Line.

If we don't have a beneficiary designated under a plan when benefits are payable, the proceeds will be distributed in accordance with plan rules or, in some cases, state probate courts.