



AMERICAN GREETINGS CORPORATION CODE OF BUSINESS CONDUCT AND ETHICS

Revised February 17, 2004

INTRODUCTION

American Greetings Corporation has long enjoyed an excellent reputation in the business community. This reputation is due to not only the excellent quality of our products, but our adherence to high ethical standards in dealing with our customers, suppliers, shareholders and others in the investment community, government agencies, and other persons, as well as our own directors, officers and associates (Associates).

Each of our Associates is responsible for maintaining these high standards by, among other things, doing his or her job in compliance with all applicable laws, properly using company proprietary information and other assets and resources, keeping accurate records and treating others fairly and honestly.

The following Standards of Conduct are derived from the Company's corporate practices and policies, and summarize a number of the most important policies aimed at preventing potential criminal and civil liability. This Code of Business Conduct and Ethics has been approved by the Company's Board of Directors, and reconfirms the Company's position that illegal conduct can never be in the Company's best interests. It covers American Greetings Corporation and all its divisions and subsidiaries. The complete corporate policies are available from the Chief Financial Officer's office if you want more than a summary or have a question in a particular area.

Every Associate of the Company must strictly obey both the letter and spirit of all federal, foreign, state, provincial, municipal and local laws, ordinances and regulations in the conduct of the Company's business. In addition, Associates should avoid legal conduct that may appear illegal or unethical, and should consult the Legal Department if in doubt. Illegal conduct should be reported promptly to your supervisor, the Legal Department, the Internal Audit Department or anonymously by dialing 1-800-235-1150, as may seem appropriate under the circumstances.

STANDARDS OF CONDUCT

Accurate Books and Records

All funds, other assets and transactions of the Company must be properly documented, fully accounted for and promptly and accurately recorded in the Company's books and records in conformity with prescribed accounting principles. In particular, all Associates, including senior financial officers, must comply with United States law which: (1) requires that the books and records of the Company accurately and appropriately reflect all transactions (including any payment of money, transfer of property or furnishing of services), regardless of the legality of the transaction in another country where the transaction occurred; and (2) promote the full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the Company with the Securities and Exchange Commission.

Antitrust Laws

It is the Company's policy to comply with both the letter and the spirit of all applicable laws governing competition and relations with our competitors, customers and suppliers. These laws are complex and, if violated, may involve severe penalties for both the Company and the responsible individual, including imprisonment as well as civil and criminal fines. Briefly, do not:

1. Discuss prices or related terms with a competitor;
2. Agree with a competitor on output levels;
3. Divide customers, markets or territories with a competitor;
4. Without first consulting the Legal Department, require a customer to buy only AG products;
5. Agree with a competitor to boycott a supplier or customer;
6. Give one customer better terms than another customer, unless responding to direct competition;
7. Use one product to force the purchase of another one; or
8. Prepare presentation materials to customers, the public or suppliers or attend the Greeting Card Association or similar trade association meetings attended by competitors without considering antitrust implications.

If you have any questions in this area, you should refer to the Company's Antitrust Policy and Guidelines and consult the Legal Department.

Confidential Information

Confidential Company information (which includes, among other things, unannounced financial results, contracts, the contents of records, files, plans, reports, computer programs, designs, photographs, film, and customer lists) may not be given to anyone outside of the Company, without proper advance authority from the Company. The unauthorized taking or use of confidential Company information or trade secrets by you or someone else can constitute a felony.

Conflicts of Interest

No Associate may directly or indirectly maintain any undisclosed outside business or financial activity which conflicts with the interests of the Company or which interferes with the Associate's ability to discharge his or her corporate duties fully. Those circumstances which may be deemed to constitute a conflict of interest are outlined in the Company's Conflict of Interest policy. In addition, Associates with financial interests in concerns that do business with the Company must disclose any such relationship to the Company.

Corporate Opportunities

Associates are prohibited from (1) taking for themselves personally opportunities that are discovered through the use of corporate property, information or position; (2) using corporate property, information or position for personal gain; and (3) competing with the Company.

Customer/Supplier Relations

All customers and suppliers of the Company should be treated fairly and according to applicable laws, customs, regulations, and the Company's published policies. False or misleading statements to customers or suppliers regarding the Company, its products, its competitors, or relationships with other suppliers, are strictly prohibited. In addition, to avoid the appearance of improper relations with customers or suppliers, the following standards apply to giving or receiving business gifts, entertainment or certain payments to or from Associates:

Bribes, Kickbacks and Other Questionable Payments

Bribes, kickbacks and other improper payments are prohibited. No Associate of the Company may take or enter into any arrangement by way of commission, rebate, receipt or provision of anything of value, consulting or service agreement, bribe, kickback or other payment arrangement, when the Associate knows or should suspect from the surrounding circumstances, that the intent or probable result of the arrangement is to improperly influence the Associate or any other individual to make corporate decisions or take action that would materially benefit the person offering such payment or arrangement.

Gifts

Associates may not solicit, accept or offer gifts of money or property, gratuities, or any other personal benefit or favor of any kind from or to any business, firm or individual doing or seeking to do business with the Company - except for the giving or receiving of non-monetary gifts of nominal value, when permitted by Company policies, and not prohibited by applicable laws and/or local business customs.

Entertainment

Associates should not encourage or solicit entertainment from a business, firm or individual doing or seeking to do business with the Company. Otherwise, the giving or receiving of ordinary business meals and business-related entertainment is permissible, when consistent with Company policies, applicable laws and/or local business customs.

Equal Employment Opportunity/Anti-Sexual Harassment Policies

Company employment decisions and policies afford equal opportunity to all individuals regardless of race, color, religion, sex, national origin, age, handicap or any other such classification, as required by law. Applicable decisions include, but are not limited to: hiring, promotion, demotion, transfer, temporary or permanent separation and rate of pay. Also, accommodations for conditions of handicap or other disabilities will be made, as required by law. Workplace sexual harassment of any kind is expressly prohibited.

Environmental/Workplace Health

It is the Company's policy to conduct its operations in strict compliance with applicable environmental and health and safety laws and regulations, in keeping with good corporate citizenship and with a positive commitment to the protection of the natural and workplace environments.

Each Associate responsible for the Company's compliance with such laws should, as necessary and appropriate, consult with and be guided by the advice of the Environmental, Health and Safety (EHS) Department. In this important area Associates have a duty to immediately report any violations to the EHS Department.

Foreign Boycotts/Sales to Prohibited Countries

United States law imposes certain obligations on companies such as ours to refrain from assisting those countries engaged in international boycotts of other countries - principally Israel. Violation of these laws can lead to severe penalties being imposed against the Company. Therefore, Associates should promptly consult with the Legal Department if asked to participate in an international boycott. Such requests may take the following forms, among others: verification as to the countries with which the Company does or does not do business, a negative statement as to the origin of goods (e.g. the goods are not made in Israel), a statement as to the

nationality, race or religion of the Company's officers or directors, or a statement as to the nationality of the vessel to be used in the shipment of goods. In addition, it is a violation of law to sell the Company's products (either directly or through a third country) to certain countries against which the United States government has ordered an embargo (e.g., Libya, Cuba, North Korea).

Foreign Corrupt Practices Act

The Company requires all Associates to comply with the United States Foreign Corrupt Practices Act, which generally prohibits payments to foreign officials for the purpose of influencing them to act (or not act) with respect to the Company's foreign sales. Violation of this law can be a criminal offense and can expose the Company and the responsible Associate to significant fines and prison terms. It is also a violation of law to purposefully account for such payments in a manner that is misleading. Because modest payments to procure the performance of routine governmental actions are legal in some foreign countries, any questions regarding compliance with this complicated law should be directed to the Legal Department.

Insider Trading

Unless authorized, no Associate should, directly or indirectly, disclose material non-public Company information to a third party, nor purchase or sell (or advise someone else to purchase or sell) the Company's stock based upon such information. "Material" information is information which a reasonable investor would consider important in determining whether to buy or sell the Company's stock.

Political Contributions

Company assets (products, money, services, or anything else of value) may not be contributed, directly or indirectly, to any political candidate, campaign, or organization, except where permitted by law and approved in advance by the President of the Company. No direct or indirect pressure in any form is to be directed toward Associates to make any political contributions or to participate in the support of a specific political party or the political candidacy of any individual.

Software and Intellectual Property

It is the Company's policy to protect its own intellectual property and respect the intellectual property rights of others (including copyrights for computer software) covering materials that are purchased, leased or licensed for use in the Company's business. Penalties for violations of U.S. copyright laws can be as much as \$100,000 for individuals. All Associates are therefore prohibited from making unauthorized copies of computer software or other copyrighted material purchased or licensed by the Company, for use on the job or at home.

COMPLIANCE

The Company may be required to report any actual violations of law to the appropriate governmental authorities. To this end, the Company relies on individual Associates' among others, to monitor compliance with these Standards of Conduct and policies.

The reporting of any violations of law or this Code (anonymously, if so desired) is the responsibility of every Associate. In particular, any time an Associate has any knowledge of potentially criminal conduct, each Associate has an affirmative duty either to:

1. report such knowledge through the Company's normal reporting procedures; or
2. after reasonably concluding that exhausting such procedures is not feasible under the circumstances, to report it to the Company's Compliance Officer (the Chief Financial Officer), to the Company's Legal Department, or by calling 1-800-235-1150.

All reports of possible violations will be investigated and resolved. Associates will not be punished in any way for making a report about the conduct of others that they believe was true at the time it was made. No Associate, though, has the right to use such a report as a means to unjustly accuse or harass another.

The reason for requiring a report is to permit the Company to undertake an investigation and remedial action, that may be necessary to avoid possible future violations.