

Reconciliation of GAAP to Non-GAAP Financial Measures

STAPLES, INC. AND SUBSIDIARIES
Proforma Consolidated Statements of Income
(Dollar Amounts in Thousands, Except Per Share Data)
(Unaudited)

	13 Weeks Ended									
	November 3, 2007					October 28, 2006				
	As reported	Wage and hour settlement	Pro forma \$	Pro forma %	As reported	Tax benefit	Correction for prior years' stock-based compensation	Pro forma \$	Pro forma %	
Sales.....	\$ 5,168,351	\$ -	\$ 5,168,351	100.00%	\$ 4,756,550	\$ -	\$ -	\$ 4,756,550	100.00%	
Cost of goods sold and occupancy costs.....	3,662,677	-	3,662,677	70.87%	3,394,092	-	(343)	3,393,749	71.35%	
Gross profit.....	1,505,674	-	1,505,674	29.13%	1,362,458	-	343	1,362,801	28.65%	
Operating and other expenses:										
Operating and selling.....	823,903	-	823,903	15.94%	757,790	-	(3,887)	753,903	15.85%	
General and administrative.....	249,095	(38,000)	211,095	4.08%	199,066	-	(6,599)	192,467	4.05%	
Amortization of intangibles.....	4,371	-	4,371	0.08%	3,421	-	-	3,421	0.07%	
Total operating expenses.....	1,077,369	(38,000)	1,039,369	20.11%	960,277	-	(10,486)	949,791	19.97%	
Operating income.....	428,305	38,000	466,305	9.02%	402,181	-	10,829	413,010	8.68%	
Interest and other income, net	(264)	-	(264)	(0.01%)	(1,321)	-	-	(1,321)	(0.03%)	
Income before income taxes and minority interest.....	428,569	38,000	466,569	9.03%	403,502	-	10,829	414,331	8.71%	
Income tax expense.....	154,285	13,680	167,965	3.25%	113,555	33,343	2,262	149,160	3.14%	
Income before minority interest.....	274,284	24,320	298,604	5.78%	289,947	(33,343)	8,567	265,171	5.57%	
Minority interest.....	(234)	-	(234)	(0.00%)	19	-	-	19	0.00%	
Net income.....	\$ 274,518	\$ 24,320	\$ 298,838	5.78%	\$ 289,928	\$ (33,343)	\$ 8,567	\$ 265,152	5.57%	
Earnings Per Share:										
Basic earnings per common share.....	\$ 0.39	\$ 0.04	\$ 0.43		\$ 0.40	\$ (0.04)	\$ 0.01	\$ 0.37		
Diluted earnings per common share.....	\$ 0.38	\$ 0.04	\$ 0.42		\$ 0.39	\$ (0.04)	\$ 0.01	\$ 0.36		
Weighted average shares outstanding:										
Basic.....	702,258,662				718,172,288					
Diluted.....	715,257,576				736,235,167					

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STAPLES, INC. AND SUBSIDIARIES
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 (Dollar Amounts in Thousands, Except Per Share Data)
 (Unaudited)

	39 Weeks Ended									
	November 3, 2007				October 28, 2006					
	As reported	Wage and hour settlement	Pro forma \$	Pro forma %	As reported	Tax benefit	Correction for prior years' stock-based compensation	Pro forma \$	Pro forma %	
Sales.....	\$ 14,048,240	\$ -	\$ 14,048,240	100.00%	\$ 12,874,870	\$ -	\$ -	\$ 12,874,870	100.00%	
Cost of goods sold and occupancy costs.....	10,047,260	-	10,047,260	71.52%	9,226,811	-	(343)	9,226,468	71.66%	
Gross profit.....	4,000,980	-	4,000,980	28.48%	3,648,059	-	343	3,648,402	28.34%	
Operating and other expenses:										
Operating and selling.....	2,307,233	-	2,307,233	16.42%	2,138,922	-	(3,887)	2,135,035	16.58%	
General and administrative.....	650,676	(38,000)	612,676	4.36%	559,113	-	(6,599)	552,514	4.29%	
Amortization of intangibles.....	11,681	-	11,681	0.08%	9,667	-	-	9,667	0.08%	
Total operating expenses.....	2,969,590	(38,000)	2,931,590	20.87%	2,707,702	-	(10,486)	2,697,216	20.95%	
Operating income.....	1,031,390	38,000	1,069,390	7.61%	940,357	-	10,829	951,186	7.39%	
Interest and other income, net	(2,756)	-	(2,756)	(0.02%)	(5,330)	-	-	(5,330)	(0.04%)	
Income before income taxes and minority interest.....	1,034,146	38,000	1,072,146	7.63%	945,687	-	10,829	956,516	7.43%	
Income tax expense.....	372,293	13,680	385,973	2.75%	308,742	33,343	2,262	344,347	2.67%	
Income before minority interest.....	661,853	24,320	686,173	4.88%	636,945	(33,343)	8,567	612,169	4.75%	
Minority interest.....	(636)	-	(636)	(0.00%)	(234)	-	-	(234)	(0.00%)	
Net income.....	\$ 662,489	\$ 24,320	\$ 686,809	4.89%	\$ 637,179	\$ (33,343)	\$ 8,567	\$ 612,403	4.76%	
Earnings Per Share:										
Basic earnings per common share.....	\$ 0.94	\$ 0.03	\$ 0.97		\$ 0.88	\$ (0.04)	\$ 0.01	\$ 0.85		
Diluted earnings per common share.....	\$ 0.92	\$ 0.03	\$ 0.95		\$ 0.86	\$ (0.04)	\$ 0.01	\$ 0.83		
Weighted average shares outstanding:										
Basic.....	707,301,022				722,468,584					
Diluted.....	723,415,325				741,535,481					