

Staples, Inc.

Calculations for Financial Measures

(See definitions below for gross cost of goods sold, gross margin, gross inventory, gross trade accounts receivable and gross trade accounts payable which are used in the following calculations.)

Comparable (Comp) Store Sales %:

This is calculated as the year over year percentage change in sales for store locations that were open for business in comparable periods during the prior year. Stores become comparable in the 13th full fiscal month in which they are open. For international locations, the prior year sales are translated using the current year's average exchange rates for comparability.

Customer Count Comps %:

This is calculated as the year over year percentage change in the number of customer sales transactions, net of sales returns transactions, for store locations that were open for business in comparable periods during the prior year and for the Staples Business Delivery division. Stores become comparable in the 13th full fiscal month in which they are open.

Gross Margin Comps %:

This is calculated as the year over year percentage change in gross margin dollars for store locations that were open for business in comparable periods during the prior year. Stores become comparable in the 13th full fiscal month in which they are open. For international locations, the prior year gross margin dollars are translated using the current year's average exchange rates for comparability.

Average Sales Per New Store Week Growth %:

This is calculated as the year over year percentage change in average sales per new store week. Average sales per new store week is calculated by taking sales for the quarter for new stores (any new store opened during the fiscal year) divided by the number of weeks they were opened within the quarter. For international locations, the prior year sales are translated using the current year's average exchange rates for comparability.

Effects of Foreign Currency Translation:

Sales and business unit income excluding the effects of foreign exchange rate changes are calculated by comparing the actual results translated at the current year's exchange rates to the actual results translated at the prior years' exchange rates.

Inventory Turns:

This is calculated as gross cost of goods sold for the most recent 12 fiscal months divided by the average of the most recent 13 fiscal month's gross inventory balance.

Average Inventory Per Open Store:

This is calculated as our gross inventory balance for our retail stores and retail distribution centers at the end of the current reporting period divided by the number of open stores on the last day of the reporting period.

Accounts Payable as a % of Inventory:

This is calculated as our gross trade accounts payable balance at the end of the current reporting period divided by our gross inventory balance at the end of the current reporting period.

Days Sales Outstanding (DSO):

This is calculated for the quarter as the average of the most recent four fiscal month's gross trade accounts receivable balance for our Contract division divided by sales for the most recent three fiscal months for our Contract division divided by 91days.

Free Cash Flow:

This is calculated as net cash provided by operating activities less cash used for the acquisition of property and equipment and lease rights.

Return on Net Assets (RONA):

This is calculated as Net Operating Profit After Taxes (NOPAT) for the most recent 12 months divided by the average of the most recent 13 month's net asset balance. Both the NOPAT and net asset amounts included in the calculation are adjusted from the amounts provided in our financial statements to more accurately reflect certain items related to our business. More detailed information related to the current period calculation is reported in the Investor Information section of our website.

Definitions:

Gross cost of goods sold and gross margin - Based on weighted average vendor invoice cost at the SKU level, excludes promotional allowances, shrink, obsolescence and other margin related items that are not part of the vendor invoice cost.

Gross inventory - Based on weighted average vendor invoice cost at the SKU level, excludes capitalized promotional allowances, shrink reserves, obsolescence reserves and other inventory related reserves that are not part of the vendor invoice cost.

Gross trade accounts receivable – Accounts receivable for our Contract division excluding the related reserve for bad debts and excluding borrowings under our accounts receivable securitization program.

Gross trade accounts payable - Merchandise trade payables plus accruals for merchandise received but not yet invoiced, excluding vendors with net debit balances. Excludes expense payables.