First Quarter 2014 Results

May 6, 2014

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The Private Securities Litigation Reform Act of 1995, as amended, (the "Act") provides protection from liability in private lawsuits for "forward-looking" statements made by public companies under certain circumstances, provided that the public company discloses with specificity the risk factors that may impact its future results. We want to take advantage of the "safe harbor" provisions of the Act. Certain statements made during this presentation are forward-looking statements under the Act. Except for historical financial and business performance information, statements made during this presentation should be considered forward-looking as referred to in the Act. Much of the information that looks towards future performance of our company is based on various factors and important assumptions about future events that may or may not actually come true. As a result, our operations and financial results in the future could differ materially and substantially from those we have discussed in the forward-looking statements made during this presentation. Certain risks and uncertainties are detailed from time to time in our filings with the United States Securities and Exchange Commission ("SEC"). You are strongly urged to review all such filings for a more detailed discussion of such risks and uncertainties. The company's SEC filings are readily obtainable at no charge at www.sec.gov and at the company's website at investor.officedepot.com. During portions of today's presentation, we may refer to results which are not GAAP numbers. A reconciliation of non-GAAP numbers to GAAP results is available on our website at investor.officedepot.com.

Roland Smith

Chairman and Chief Executive Officer

First Quarter 2014 Highlights

- **Strong 1st Quarter Performance**
  - ✓ Adjusted operating income(1) of $72 million vs. $54 million pro forma 1Q13
  - ✓ Synergy realization earlier than expected
  - ✓ SG&A improved from pro forma 1Q13

- **Raising 2014 Adjusted Operating Income Outlook**
  - ✓ Anticipate full year adjusted operating income of not less than $160 million
  - ✓ Improved operational execution and accelerated synergy realization

- **Preliminary Analysis to Optimize U.S. Retail Store Portfolio**
  - ✓ Expect to close at least 400 stores, including approximately 150 in 2014
  - ✓ At least $75 million of additional annual run-rate synergies by end of 2016

[1] Non-GAAP number. Excludes special items. A reconciliation of GAAP to non-GAAP numbers can be found at investor.officedepot.com

2014 Critical Priorities

2014 Annual Operating Plan

Productivity & Efficiency

- Synergies & Efficiencies
- Retail Footprint
- IT Platform
- Common Assortment
- Marketing Platform
- Supply Chain Approach

Strategy & Growth

- Improve Profit Margins
- Unique Selling Proposition
- Vision & Strategy

Lean & Effective Organization

Culture & Values

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New Leadership Appointments

EVP and Chief Strategy Officer – **Juliet Johansson**

Strategic consulting experience at McKinsey and senior executive roles at Ryder

SVP Merchandising - **Petter Knutrud**

25 years merchandising experience, 19 at Staples

EVP Retail – **Troy Rice**

Senior executive roles at multi-unit retail chains, including The Home Depot and Toys 'R' Us

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U.S. Retail Store Optimization

Stage 1 — *Stage 2* — *Stage 3*

Initial Analysis

Preliminary optimization	**Finalize optimization**	**On-going real estate operations**	**Store of the future**
• Identify initial group of expected store closures while testing optimization plan assumptions	• Complete analysis to determine optimal portfolio to improve profitability • Sequence store closures in waves to maximize benefit	• Negotiate favorable lease terms • Evaluate locations as leases near expiration or opportunistically	• Define optimal store format aligning with USP • Test and Implement

Thoughtful, store-by-store evaluation – factors include store performance, sales transfer, stranded costs, store closing costs, expected impacts to other channels and overall go-to-market strategy

Store Closures/Exits

	2014	2015-2016
U. S. Retail Stores	~150	250+
Canada - Grand & Toy	19	
Mexico - Grupo OfficeMax	92 *(expected)*	

At least $75M in run-rate synergies by end of 2016

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More Than $675 Million in Synergies

Total Annual Run-Rate by End of 2016

- **Total annual run-rate cost synergies include:**
  - ✓ At least $75 million from U.S. retail store portfolio optimization
  - ✓ ~$130 million from purchasing synergies (COGS)
  - ✓ More than $470 million from SG&A/distribution/occupancy
- **Expect to realize $180 million in cost synergies during 2014**
  - ✓ ~$50 million from purchasing synergies (COGS)
  - ✓ ~$130 million from SG&A/distribution/occupancy
- **Annual run-rate cost synergies of $360 million by end of 2014**

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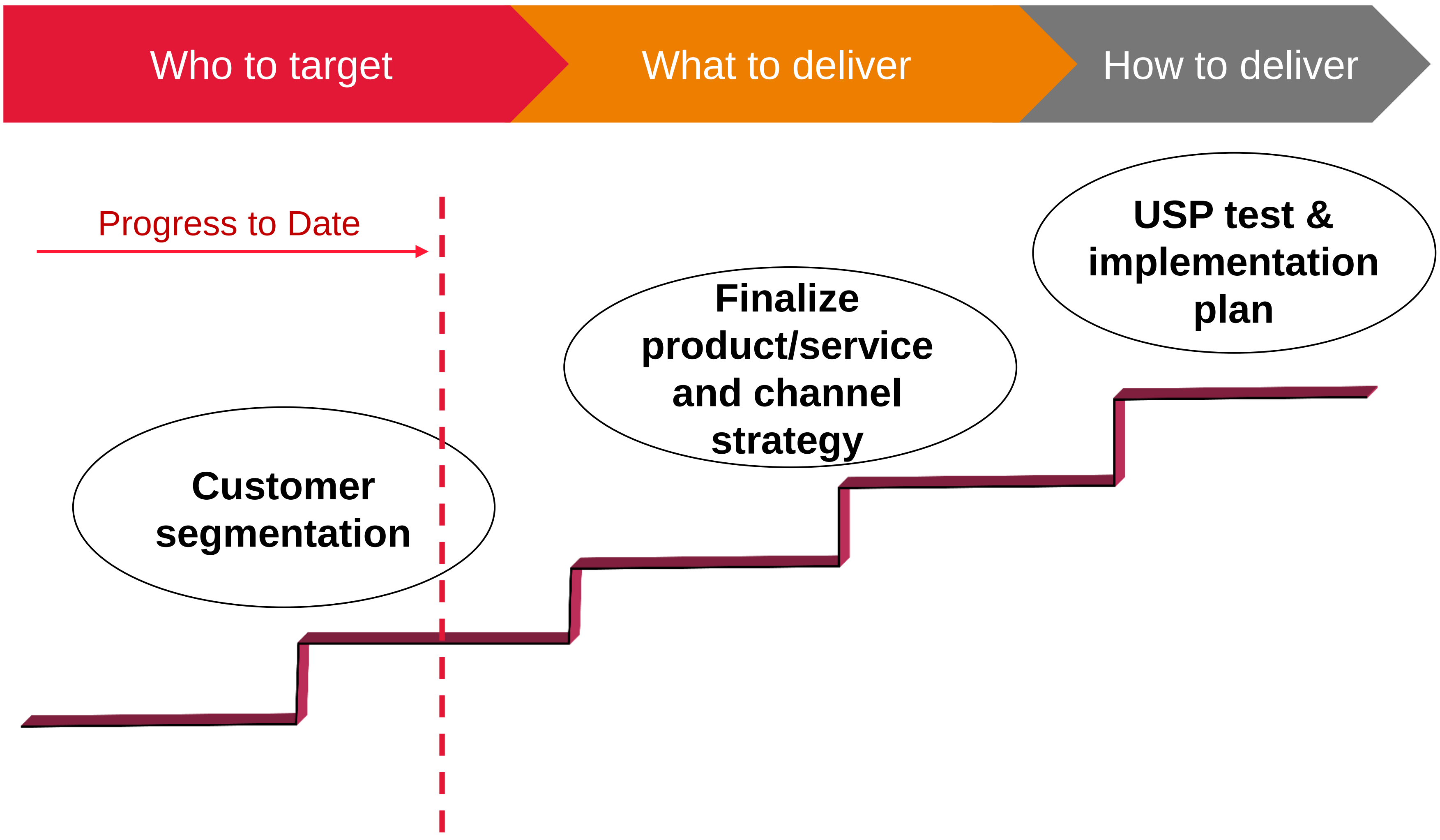
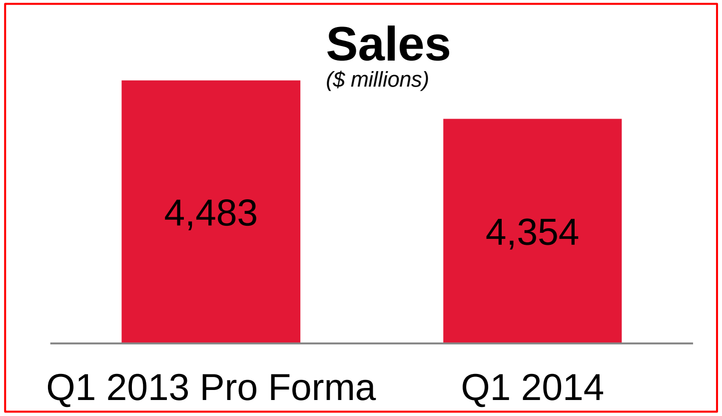
Delivering a Unique Selling Proposition

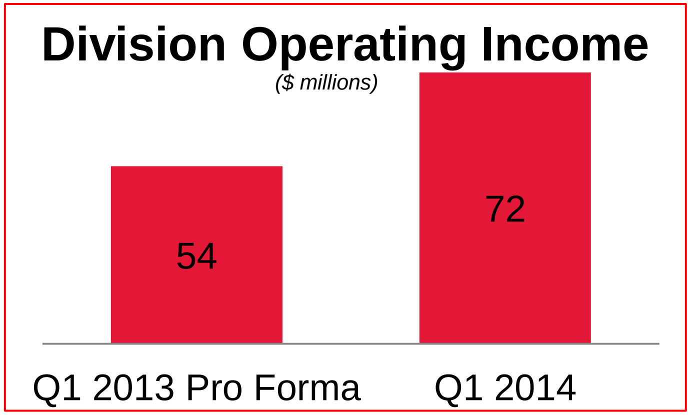


Steve Hare

Executive Vice President and Chief Financial Officer

Consolidated Financial Summary – Q1 2014





- Q1 2014 sales of $4.4 billion, down 3% from pro forma Q1 2013
- Gross profit decreased by $61 million and gross margin declined 68 bps versus pro forma Q1 2013
- SG&A expenses decreased by $79 million versus pro forma Q1 2013
- Q1 2014 adjusted operating income(1) of $72 million and adjusted net income(1) of $38 million or $0.07 per share
  - ✓ Adjusted operating income(1) up 33% versus pro forma Q1 2013
  - ✓ Adjusted net income(1) up over 100% versus pro forma Q1 2013

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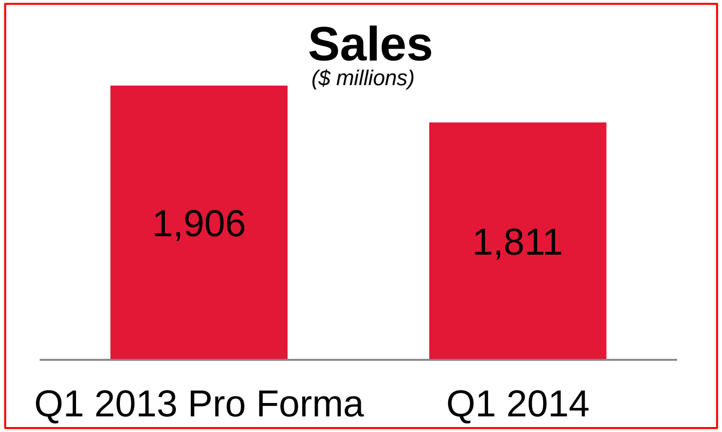
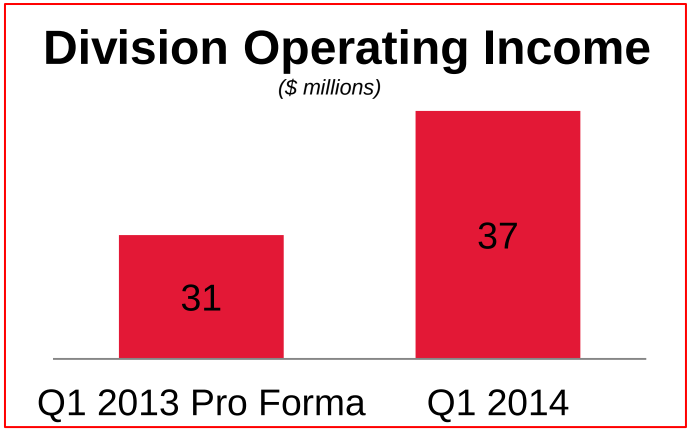
North American Retail – Q1 2014





- Q1 2014 sales decreased 5% versus pro forma Q1 2013; same store sales down 3%
  - ✓ Sales declined in computers and related products
  - ✓ Improvement in Copy & Print sales
- Q1 2014 operating income of $37 million; up 19% from pro forma Q1 2013
  - ✓ Lower SG&A including payroll, advertising, and other in-store expenses offset flow through impact of lower sales

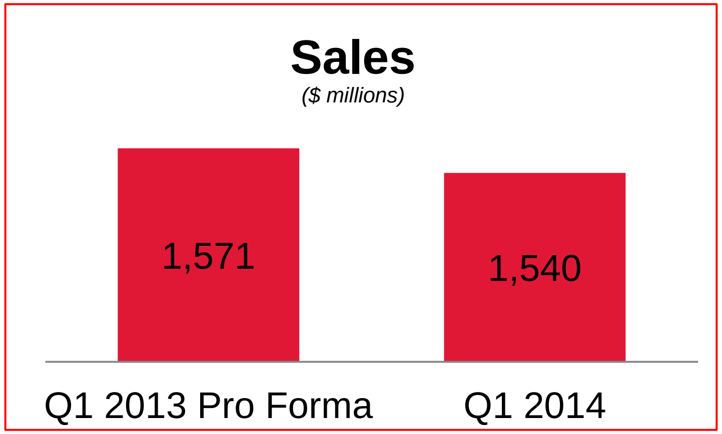
North American Retail Key Initiatives

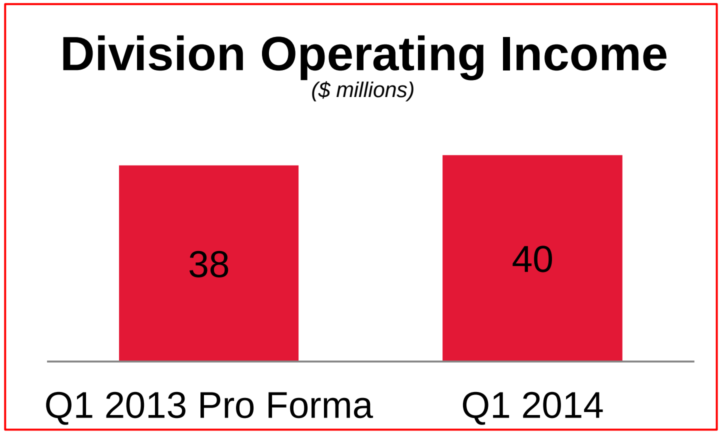
- Completed right-sizing of field leadership

- Implement one-store operating model
  - ✓ Optimize staffing & labor model
  - ✓ Enhanced selling model
  - ✓ Streamlined logistics process
  - ✓ KPIs & reporting
  - ✓ Consistent bonus & incentive plans

- Flawlessly execute retail portfolio optimization

Business Solutions – Q1 2014





- Q1 2014 sales decreased 2% versus pro forma Q1 2013
  - ✓ Contract channel sales down low single digits, Direct channel sales up slightly
  - ✓ Continued transition from call center sales to web sales in Direct
- Greater mix of lower margin enterprise accounts in combined portfolio
- Q1 2014 divisional income of $40 million, up 5% versus pro forma Q1 2013
  - ✓ Lower payroll, advertising, and other SG&A synergies more than offset flow-through of lower sales

Business Solutions Key Initiatives

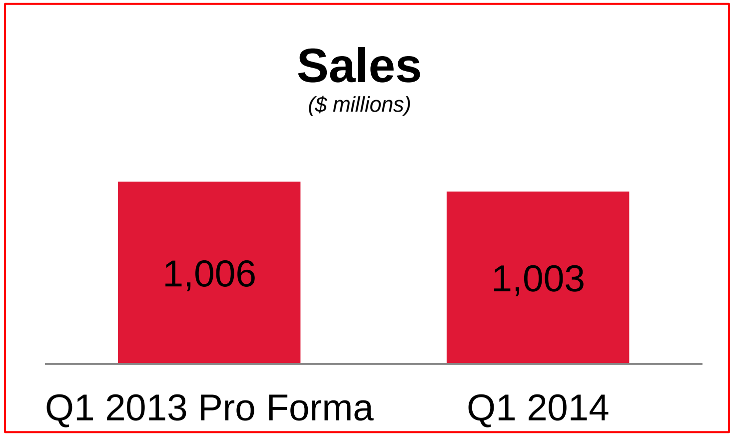
Contract

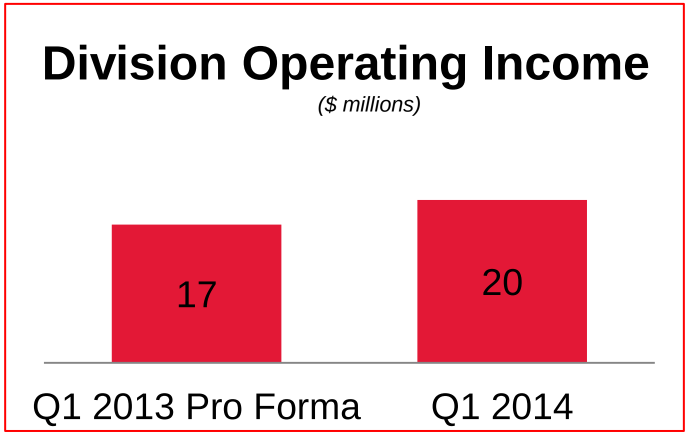
- Drive profitable sales by aligning pricing, assortment and incentive strategies
- Expand into more profitable customer segments
- Grow adjacent product categories

Direct

- Common web platform leveraging both brands
- Improve online experience & optimize digital marketing

International – Q1 2014





- Q1 2014 sales decreased 1% in constant currency versus pro forma Q1 2013
  - ✓ European Contract and Direct sales down
  - ✓ Timing of Easter holiday benefited sales comparison to prior year

- Q1 2014 operating income of $20 million, up 18% versus pro forma Q1 2013
  - ✓ Lower operating expenses, including payroll and advertising, offsetting negative flow-through impact of lower sales and lower gross margin

International Key Initiatives

- Reorganize Europe from a country to channel-based model to eliminate duplication and reduce operating costs
- Increase gross margin through private brand penetration, optimized pricing and lower distribution costs
- Increase sales force effectiveness with improved customer targeting and incentive strategies
- Improve online customer experience and optimize digital & catalog marketing spend

Balance Sheet/Cash Flow Highlights – Q1 2014

Net Cash Position	• Total liquidity of approximately $2 billion at end Q1 2014 ✓ $870 million of cash & equivalents ✓ $1.1 billion available from asset-backed lending facility • Total debt of $720 million, excluding $854 million non-recourse debt related to Timber Notes
Cash Flow	• Operating cash use of $74 million in Q1 2014
Cash Merger Costs	• $80 million of merger-related cash payments in Q1 2014
Capex	• Capital Expenditures of $39 million in Q1 2014
Sale of Boise Stock Distribution	• Approximately half of owned shares were sold during Q1 for proceeds of $22 million

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2014 Outlook

- Adjusted operating income not less than $160 million
- Cash merger integration expenses of approximately $300 million, including employee-related spend
- Up to $50 million in Capex related to integration
- Capital expenditures of approximately $150 million (core business)
- Depreciation & amortization of approximately $300 million

Path to Transformation

Organizational Design & Integration → **Sales & Margin Stabilization** → **Long Term Growth Opportunities**

More Than $675 million in Synergies

Questions & Answers