

**STAPLES, INC. AND SUBSIDIARIES**  
**Reconciliation of GAAP to Non-GAAP Income Statement Disclosures**  
(Dollar Amounts in Millions, Except Per Share Data)  
(Unaudited)

For the non-GAAP measures related to results of operations, reconciliations to the most directly comparable GAAP measures are shown below:

	13 Weeks Ended				Non-GAAP
	GAAP	Loss on sale of businesses and assets, net	Costs related to restructuring and strategic plans	Merger-related costs	
	April 30, 2016				
Gross Profit	\$ 1,112	\$ -	\$ -	\$ -	\$ 1,112
Operating income (loss)	122	32	11	21	186
Interest and other expense, net	36	-	-	(31)	5
Loss on early extinguishment of debt	-	-	-	-	-
Income (loss) from continuing operations before income taxes	86				181
Income tax expense (benefit)	26				26
Adjustments	-				34
Adjusted income tax expense (benefit)	26				60
Income (loss) from continuing operations	<u>\$ 60</u>				<u>\$ 121</u>
Effective tax rate	30.0%				33.1%
Diluted earnings per share from continuing operations	\$ 0.09				\$ 0.19

	13 Weeks Ended						Non-GAAP
	GAAP	Impairment of long- lived assets	Loss on sale of businesses and assets, net	Costs related to restructuring and strategic plans	Merger-related costs	Litigation	
	July 30, 2016						
Gross Profit	\$ 1,025	\$ -	\$ -	\$ 4	\$ -	\$ -	\$ 1,029
Operating income (loss)	(167)	15	16	6	250	16	136
Interest and other expense, net	12	-	-	-	(7)	-	5
Loss on early extinguishment of debt	26	-	-	-	(26)	-	-
Income (loss) from continuing operations before income taxes	(205)						131
Income tax expense (benefit)	(98)						(98)
Adjustments	-						141
Adjusted income tax expense (benefit)	(98)						43
Income (loss) from continuing operations	<u>\$ (107)</u>						<u>\$ 88</u>
Effective tax rate	47.5%						33.1%
Diluted earnings per share from continuing operations	\$ (0.17)						\$ 0.13

**13 Weeks Ended**

**October 29, 2016**

	GAAP	Impairment of long-lived assets	Loss on sale of businesses and assets, net	Costs related to restructuring and strategic plans	Non-GAAP
Gross Profit	\$ 1,262	\$ -	\$ -	\$ -	\$ 1,262
Operating income (loss)	337	2	2	3	344
Interest and other expense, net	13	-	-	-	13
Loss on early extinguishment of debt	-	-	-	-	-
Income (loss) from continuing operations before income taxes	324				331
Income tax expense (benefit)	114				114
Adjustments	-				(4)
Adjusted income tax expense (benefit)	114				110
Income (loss) from continuing operations	<u>\$ 210</u>				<u>\$ 221</u>
Effective tax rate	35.1%				33.1%
Diluted earnings per share from continuing operations	\$ 0.32				\$ 0.34

**13 Weeks Ended**

**January 28, 2017**

	GAAP	Impairment of long-lived assets	Loss on sale of businesses and assets, net	Costs related to restructuring and strategic plans	Litigation	Non-GAAP
Gross Profit	\$ 1,195	\$ -	\$ -	\$ -	\$ -	\$ 1,195
Operating income (loss)	(427)	645	5	23	(3)	243
Interest and other expense, net	1	-	-	-	-	1
Loss on early extinguishment of debt	-	-	-	-	-	-
Income (loss) from continuing operations before income taxes	(428)					242
Income tax expense (benefit)	66					66
Adjustments	-					14
Adjusted income tax expense (benefit)	66					80
Income (loss) from continuing operations	<u>\$ (494)</u>					<u>\$ 162</u>
Effective tax rate	-15.4%					33.1%
Diluted earnings per share from continuing operations	\$ (0.76)					\$ 0.25