

**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:

|   | <b>13 Weeks Ended</b> |                                 |                 |
|---|-----------------------|---------------------------------|-----------------|
|   | <b>April 29, 2017</b> |                                 |                 |
|   | <b>GAAP</b>           | <b>Adjustments <sup>1</sup></b> | <b>Non-GAAP</b> |
| Operating income                                      | \$ 163                | \$ 8                            | \$ 171          |
| Interest and other expense, net                       | 5                     | —                               | 5               |
|   | 158                   |                                 | 166             |
| Income from continuing operations before income taxes | 158                   |                                 | 166             |
| Income tax expense                                    | 53                    |                                 | 53              |
| Adjustments <sup>2</sup>                              | —                     |                                 | —               |
|   | 53                    |                                 | 53              |
| Adjusted income tax expense                           | 53                    |                                 | 53              |
|   | \$ 105                |                                 | \$ 113          |
| Income from continuing operations                     | \$ 105                |                                 | \$ 113          |
| Effective tax rate                                    | 33.6%                 |                                 | 32.0%           |
| Income from continuing operations per common share:   |                       |                                 |                 |
| Diluted earnings per common share                     | \$ 0.16               |                                 | \$ 0.17         |

1. Includes \$5 million of restructuring costs, \$1 million of impairment charges, \$1 million loss on the sale of property and equipment, and \$1 million included in Selling, general and administrative expenses that relates to our strategic initiatives.
2. Includes \$3 million of income tax expense related to the impact of tax deficiencies associated with share-based payment awards, and which relates to the adoption of a new accounting pronouncement that was not applied retrospectively. This expense was offset by \$3 million of income tax benefit associated with the adjustments referred to in footnote 1.

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

Note that certain percentage figures shown in the tables above may not recalculate due to rounding.