Third Quarter 2016 Results

November 2, 2016

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Steve Hare

Executive Vice President and Chief Financial Officer

Third Quarter 2016 Summary

($ in millions, except per share amounts)	3Q16 GAAP	3Q16 Non-GAAP*	3Q15 GAAP	3Q15 Non-GAAP*
Operating Income	$117	$158	$81	$161
Income Tax Expense (Benefit)	$(240)	$57	$21	$52
Net Income from Continuing Operations	$330	$89	$42	$92
Discontinued Operations, Net of Tax	$(286)	--	$(36)	--
Net Income	$44	$89	$6	$92
Earnings per Share from Continuing Operations	$0.61	$0.16	$0.08	$0.17
Earnings per Share from Discontinued Operations	$(0.54)	--	$(0.07)	--
Earnings per Share	$0.08	$0.16	$0.01	$0.17

- Total company sales declined 7% compared to Q3 2015
  - ✓Down 4% adjusted for planned U.S. store closures*
  - ✓Impacted by customer attrition and fewer customer additions in prior periods
- 3Q16 Adjusted operating income of $158 million, essentially flat to 3Q15
  - ✓Excludes $40 million in acquisition, integration, restructuring and asset impairment charges
  - ✓YTD Adjusted operating income* of $360 million, up versus prior year
- 3Q16 Adjusted EPS from continuing operations of $0.16, essentially flat to 3Q15
  - ✓Excludes after-tax impact of $15 million loss on extinguishment of debt
  - ✓Excludes impact from reversal of U.S. valuation allowance and loss on discontinued operations

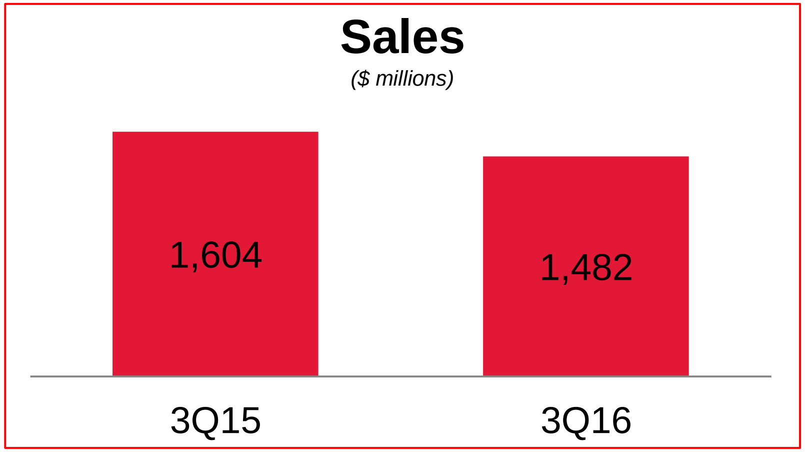
* Non-GAAP measure. A reconciliation of GAAP to non-GAAP measures can be found at investor.officedepot.com.

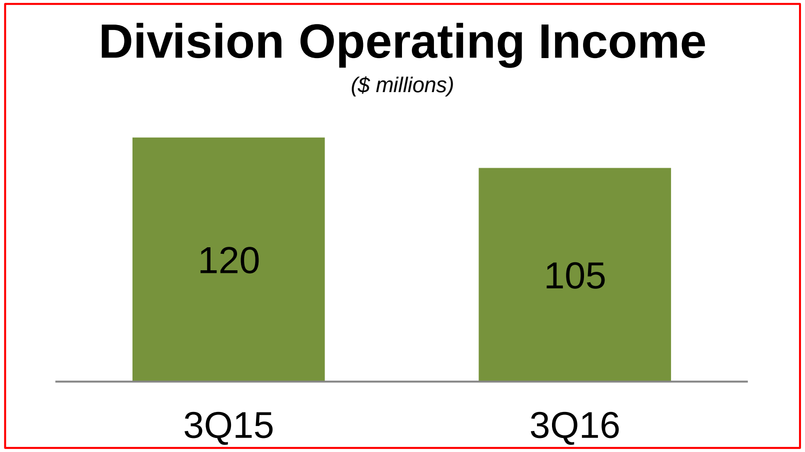
Sale of International Operations

- Entered into deal to sell the European business to the AURELIUS group
- Optimistic transaction can close by end of 2016
- Remaining international businesses generate approximately $600 million in annual sales

- Actively marketing for sale the international businesses located in:
  - ✓ Australia
  - ✓ New Zealand
  - ✓ South Korea
  - ✓ Mainland China
- Currently intend to retain the sourcing and trading operations in Asia

North American Retail – 3Q16





- 3Q16 comparable sales decreased 2%; total sales decreased 8% mainly driven by planned store closures
  - ✓ Transaction counts decreased with average order value down slightly
  - ✓ Sales up in cleaning/breakroom, furniture and copy and print
  - ✓ Sales down in technology (ink, toner and computers)
- 3Q16 division income decreased $15 million compared to 3Q15
  - ✓ Negative flow-through impact from lower sales and lower gross margin rate
  - ✓ $7 million of favorable legal settlements recorded in 3Q15
  - ✓ Partially offset by lower occupancy and SG&A expenses including payroll

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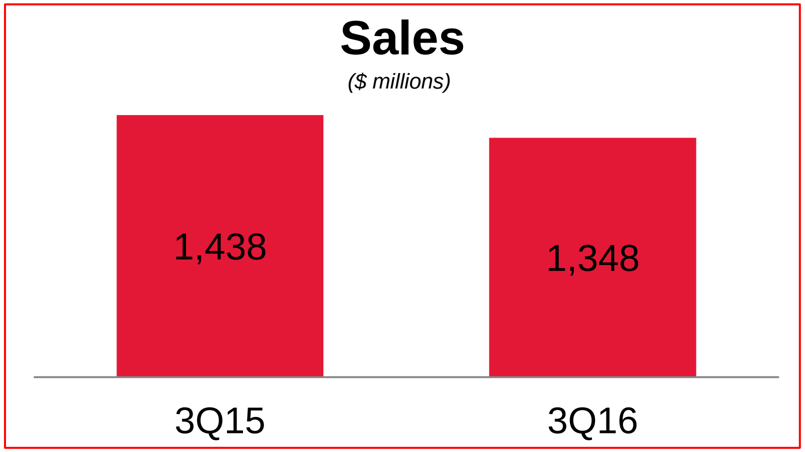
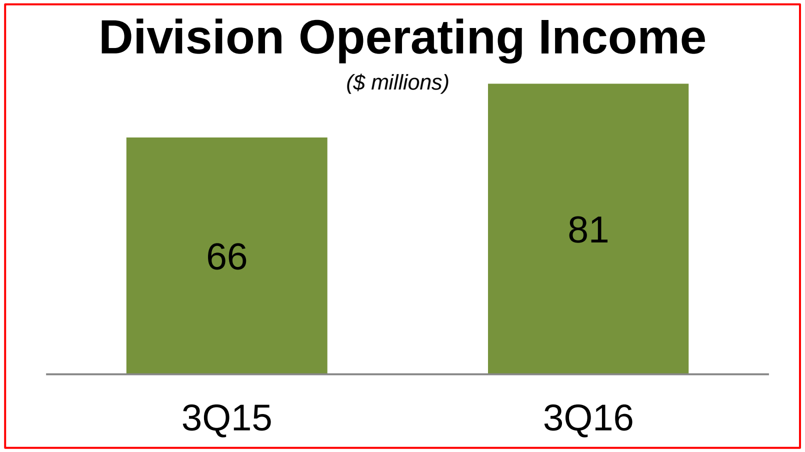
Business Solutions – 3Q16





- 3Q16 sales decreased 6% versus 3Q15 in constant currency
  - ✓ Contract channel sales declined driven by customer attrition originating during the period of business disruption, though current pipeline showing improvement
  - ✓ Direct channel sales decreased due to continued softness in catalog sales and higher buy online, pick-up in store purchases recorded in the Retail division
  - ✓ Sales declined across most product categories but increased in copy and print, cleaning/breakroom and with our K-12 education customers

- 3Q16 division income increased $15 million compared to 3Q15
  - ✓ Lower SG&A expenses including payroll and synergies, coupled with a flat gross margin rate, more than offset the negative flow-through impact of lower sales

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Balance Sheet / Cash Flow Highlights

Net Cash Position (of Continuing Operations)	• Total liquidity of approximately $1.9 billion at end of 3Q16 ✓ $0.8 billion of cash & equivalents ✓ $1.1 billion available on asset-based lending facility • Retired 9.75% senior secured notes due 2019 • Debt of $388 million at end of 3Q16, excluding non-recourse timber notes
Operating Cash Flow (of Continuing Operations)	• Operating cash provided $199 million in 3Q16, including: ✓ $25 million in OfficeMax merger integration costs ✓ $14 million in Staples acquisition-related costs ✓ $8 million in restructuring activities
Capex	• Capex of $26 million in 3Q16 ✓ Includes merger integration capex of $8 million
Shareholder Return	• Repurchased 16 million shares for $55 million in 3Q16 • Paid cash dividend of $0.025 per share or approximately $13 million in 3Q16

2016 Outlook Summary

- Fourth quarter total company sales expected to be lower compared to 2015 primarily as a result of:
  - ✓ Previous customer losses, though expect the rate of decline to improve sequentially as Contract channel sales pipeline strengthens
  - ✓ Accelerating U.S. retail store closures with approximately 65 in 4Q16
- The company continues to expect to generate between $450 million and $470 million in adjusted operating income* in 2016
  - ✓ Compares to adjusted operating income* of $438 million in 2015
- Free cash flow of continuing operations* in excess of $375 million in 2016
  - ✓ Capital expenditures from continuing operations estimated at $120 million
  - ✓ Approximately $190 million of depreciation & amortization expense
- Estimated annual non-GAAP effective tax rate of approximately 40% for fiscal 2016, with a cash tax rate of between 10% and 15%

* Non-GAAP measure. A reconciliation of GAAP to non-GAAP measures can be found at investor.officedepot.com.

Roland Smith

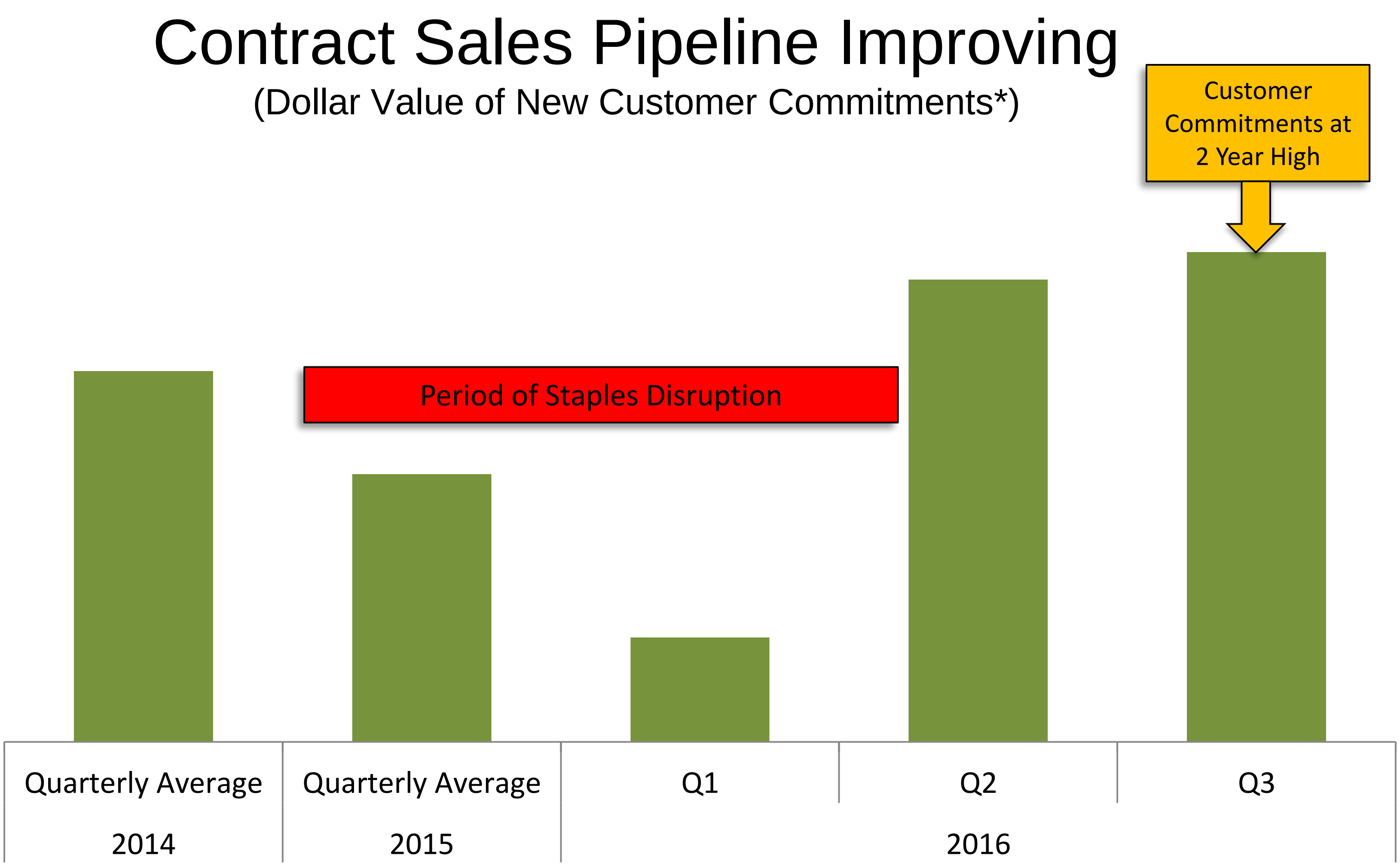
Chairman and Chief Executive Officer

3-Year Strategic Plan

Company focus is to grow profitably and provide shareholder value

Accelerate Contract	Optimize and Reinvent Retail	Cost Saving Programs	Shareholder Return
Rebuild new business pipeline	Expand store closure program	Operating model efficiencies	Reduce interest expense
Expand into adjacent categories	Streamline operating model	Indirect procurement	Ongoing share repurchases
Optimize sales coverage model	Test Store of the Future model	Lower overall G&A costs	Quarterly cash dividend

Accelerate Contract and Initiatives for Growth



* Includes large and enterprise customers

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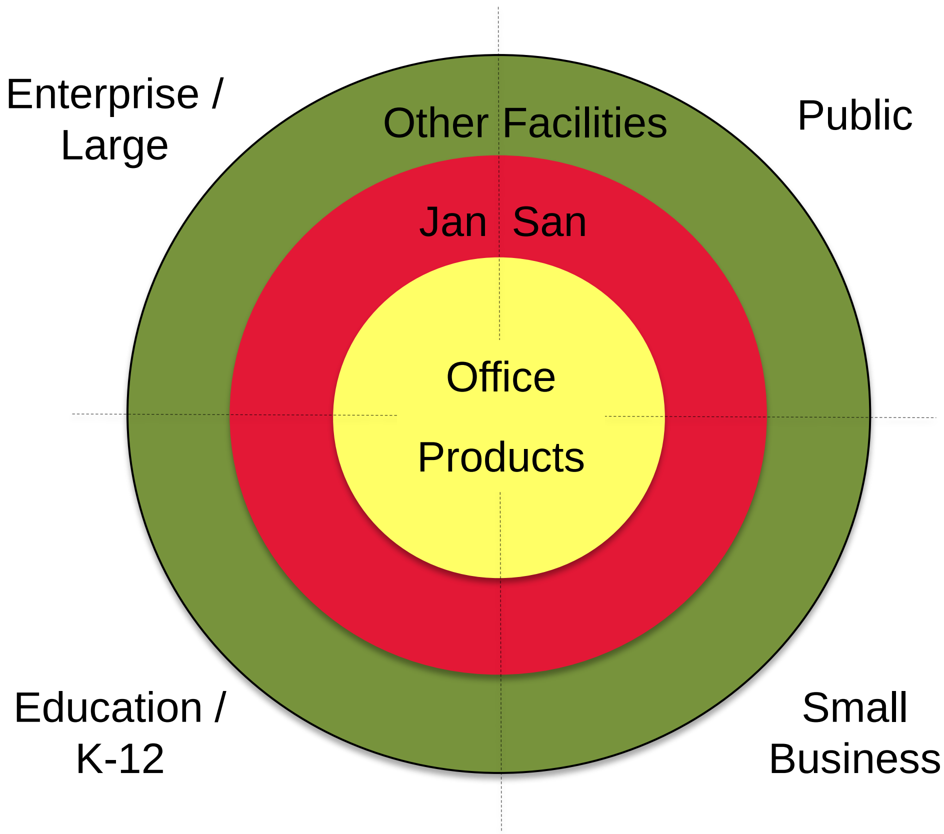
Accelerate Contract and Initiatives for Growth

- Migration of legacy OfficeMax customers proceeding ahead of our current schedule
- Target to have all distribution centers on a common platform by end of Q1 2017
- Initiatives underway to reduce inventory levels and harmonize SKU assortment
- Focus on building capabilities to support expansion into adjacent categories
- Continuing to test new “Business Select” initiative with improved value proposition for small business customers

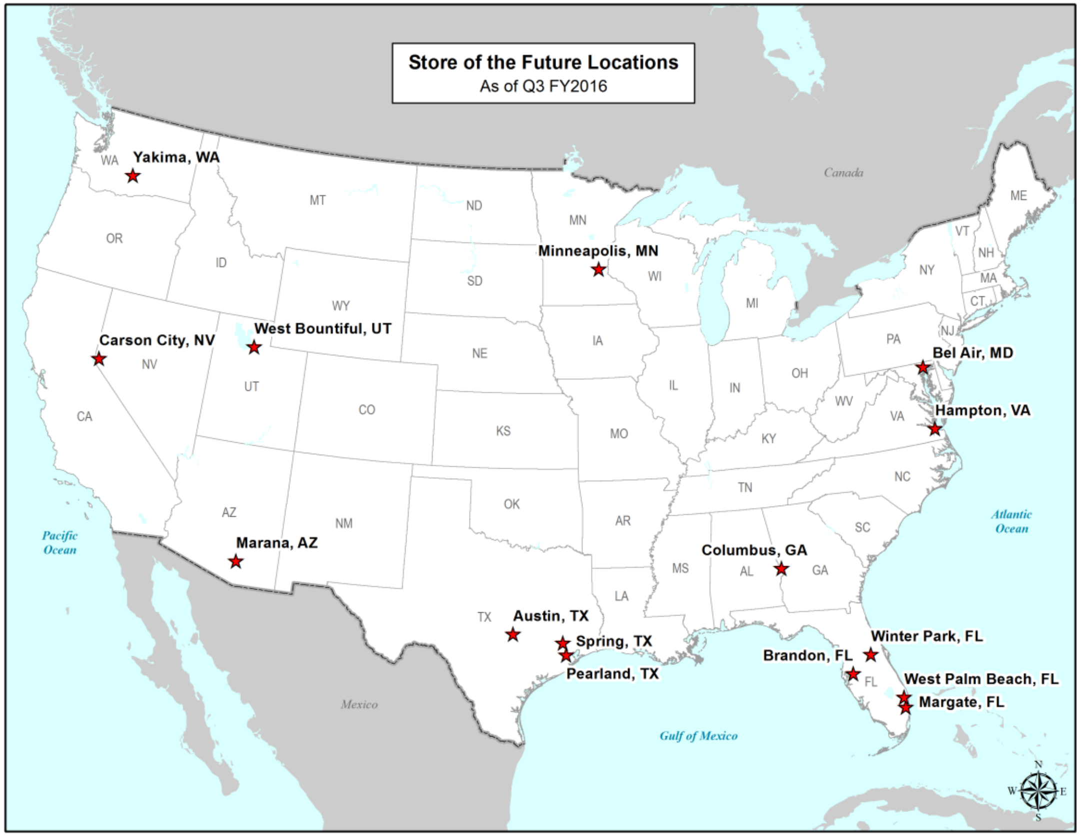


Optimize Retail

- Launched phase 2 of store closure program to include approximately 300 store closures over the next three years
- Closed 7 stores in Q3 and now accelerating closures to approximately 65 stores in Q4
- Reduction of about 2.8 million sq.ft. of real estate in 2016
- Sales transfer rates continue to exceed expectations
- Rolling out new workforce management tool in Q4 to more effectively manage labor costs
- Streamlining store tasks to allow more customer-facing interaction

Reinvent Retail

- Converted a total of 15 new 15,000 sq.ft. store of the future formats so far in 2016
- New format benefits include:
  - ✓ Changed one-third of SKUs; removed slow-moving and lower margin and added higher quality
  - ✓ Curated assortment of products
  - ✓ Better product adjacencies
  - ✓ Easier navigation and signage
  - ✓ Increased space dedicated to expanded key service offerings
- Customer feedback remains very positive
- Targeting a total of 25 stores in 2016 and 100 stores in 2017



Visit investor.officedepot.com for a complete listing of new stores!

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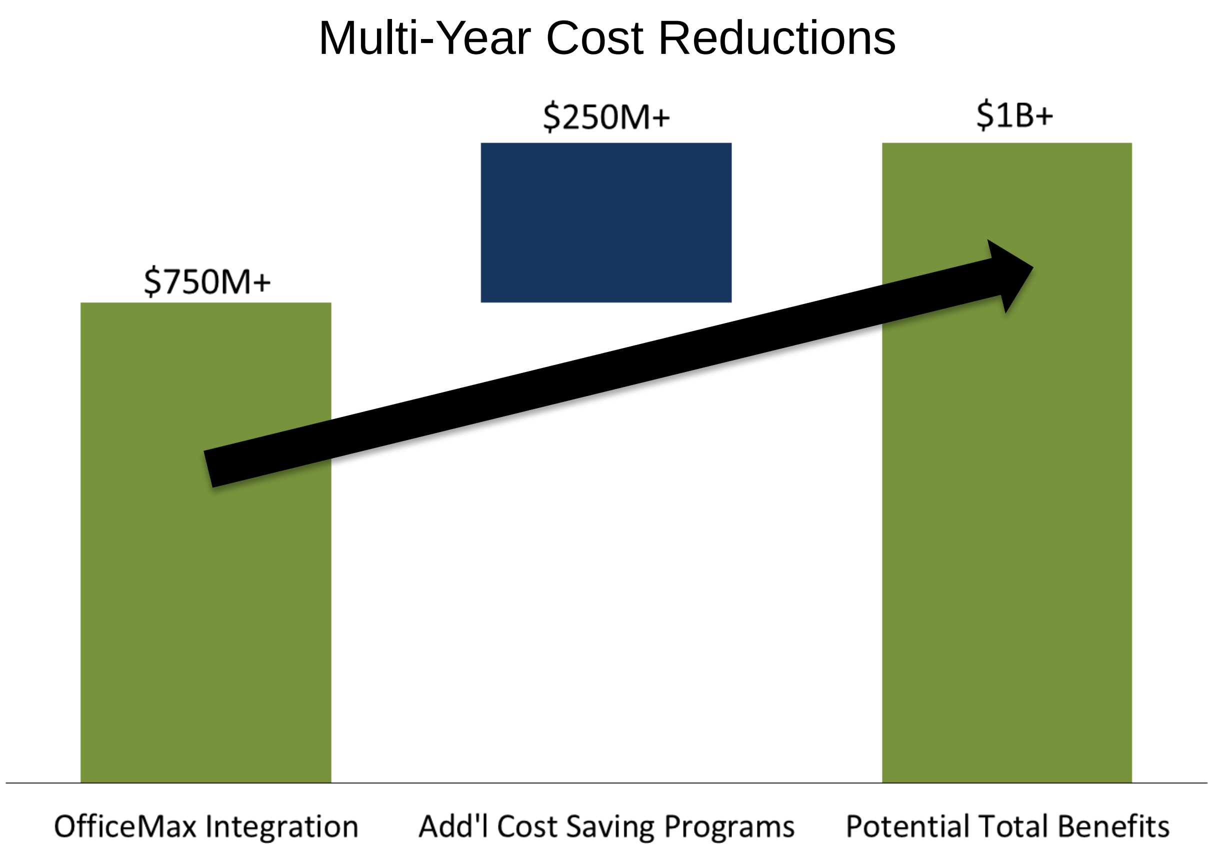
Cost Savings Programs

- OfficeMax integration remains on track to achieve more than $750 million in synergies
- Phase 2 of store closure program underway
- Executing initiatives to streamline operations and reduce general and administrative costs
- Realigned company for a more omni-channel focus
- Engaged Bain to assist with reducing indirect procurement spend
- Expect to deliver over $250 million of annual cost reductions by end of 2018



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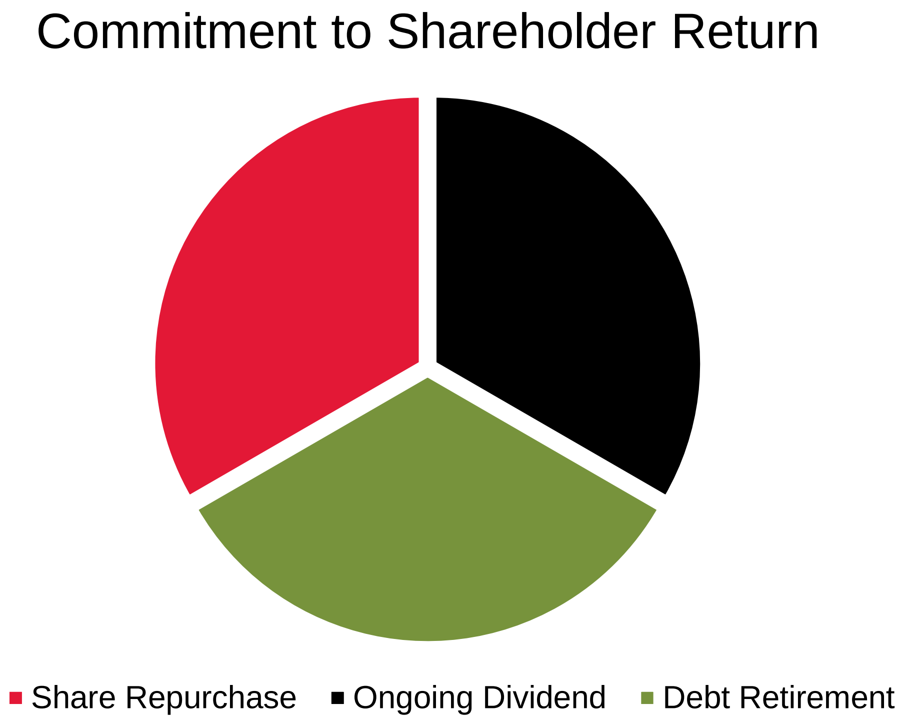
Capital Structure and Shareholder Return

- Retired 9.75% senior secured notes for $262 million, resulting in $24 million in future annual cash interest savings
- Paid cash dividend of $0.025 per share in Q3 and declared next dividend to be paid on December 15th
- Repurchased approximately 23 million shares for $81 million since inception of the program in May through end of Q3 2016
- Approximately $170 million remaining on current authorization
- Utilized over $350 million or 95% of year-to-date free cash flow to improving shareholder returns



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2017 Preliminary Outlook

- Total company sales anticipated to be lower compared to 2016
- Adjusted operating income* of approximately $500 million
- Capital expenditures expected to be approximately $200 million
- Free cash flow of continuing operations* anticipated to be in excess of $300 million

* Non-GAAP measure. A reconciliation of GAAP to non-GAAP measures can be found at investor.officedepot.com.

Conclusion

- Detailed strategic plan focused on profitable growth and providing shareholder value
- Winning new business and rebuilding sales pipeline
- Aggressively pursuing several attractive growth initiatives
- Expect to deliver substantial incremental cost savings
- Solid liquidity position and ability to generate future cash flows
- Commitment to enhance shareholder return

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