

STAPLES, INC. AND SUBSIDIARIES
Proforma Consolidated Statements of Income
(Dollar Amounts in Thousands, Except Per Share Data)
(Unaudited)

	Quarter Ended			
	February 2, 2008	February 3, 2007		
	As reported	As reported	14th week	13 weeks without one time items
Sales.....	\$ 5,324,442	\$ 5,285,919	\$ (369,775)	\$ 4,916,144
Cost of goods sold and occupancy costs.....	3,774,751	3,739,977	(271,775)	3,468,202
Gross profit.....	1,549,691	1,545,942	(98,000)	1,447,942
Operating and other expenses:				
Operating and selling.....	824,541	807,327	(41,000)	766,327
General and administrative.....	204,308	211,155	(2,000)	209,155
Amortization of intangibles.....	3,983	4,748	-	4,748
Total operating expenses.....	1,032,832	1,023,230	(43,000)	980,230
Operating income.....	516,859	522,712	(55,000)	467,712
Interest and other expense, net	(3,477)	(2,929)	-	(2,929)
Income before income taxes and minority interest.....	520,336	525,641	(55,000)	470,641
Income tax expense.....	187,321	189,230	(19,800)	169,430
Income before minority interest.....	333,015	336,411	(35,200)	301,211
Minority interest.....	(166)	(87)	-	(87)
Net income.....	<u>\$ 333,181</u>	<u>\$ 336,498</u>	<u>\$ (35,200)</u>	<u>\$ 301,298</u>
Earnings Per Share:				
Basic earnings per common share.....	<u>\$ 0.48</u>	<u>\$ 0.47</u>	<u>\$ (0.05)</u>	<u>\$ 0.42</u>
Diluted earnings per common share.....	<u>\$ 0.47</u>	<u>\$ 0.46</u>	<u>\$ (0.05)</u>	<u>\$ 0.41</u>
Weighted average shares outstanding:				
Basic.....	697,410,720	714,704,854		
Diluted.....	710,563,111	734,107,022		

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Year Ended

	February 2, 2008			February 3, 2007				
	As reported	Wage and hour settlement	Pro forma \$	As reported	Tax benefit	Correction for prior years' stock- based compensation	53rd week	52 weeks without one time items
Sales.....	\$ 19,372,682	\$ -	\$ 19,372,682	\$ 18,160,789	\$ -	\$ -	\$ (369,775)	\$ 17,791,014
Cost of goods sold and occupancy costs.....	13,822,011	-	13,822,011	12,966,788	-	(343)	(271,775)	12,694,670
Gross profit.....	5,550,671	-	5,550,671	5,194,001	-	343	(98,000)	5,096,344
Operating and other expenses:								
Operating and selling.....	3,131,774	-	3,131,774	2,946,249	-	(3,887)	(41,000)	2,901,362
General and administrative.....	854,984	(38,000)	816,984	770,268	-	(6,599)	(2,000)	761,669
Amortization of intangibles.....	15,664	-	15,664	14,415	-	-	-	14,415
Total operating expenses.....	4,002,422	(38,000)	3,964,422	3,730,932	-	(10,486)	(43,000)	3,677,446
Operating income.....	1,548,249	38,000	1,586,249	1,463,069	-	10,829	(55,000)	1,418,898
Interest and other income, net	(6,233)	-	(6,233)	(8,259)	-	-	-	(8,259)
Income before income taxes and minority interest.....	1,554,482	38,000	1,592,482	1,471,328	-	10,829	(55,000)	1,427,157
Income tax expense.....	559,614	13,680	573,294	497,972	33,343	2,262	(19,800)	513,777
Income before minority interest.....	994,868	24,320	1,019,188	973,356	(33,343)	8,567	(35,200)	913,380
Minority interest.....	(802)	-	(802)	(321)	-	-	-	(321)
Net income.....	\$ 995,670	\$ 24,320	\$ 1,019,990	\$ 973,677	\$ (33,343)	\$ 8,567	\$ (35,200)	\$ 913,701
Earnings Per Share:								
Basic earnings per common share.....	\$ 1.41	\$ 0.04	\$ 1.45	\$ 1.35	\$ (0.05)	\$ 0.01	\$ (0.04)	\$ 1.28
Diluted earnings per common share.....	\$ 1.38	\$ 0.04	\$ 1.42	\$ 1.32	\$ (0.05)	\$ 0.01	\$ (0.04)	\$ 1.24
Weighted average shares outstanding:								
Basic.....	704,828,447			720,527,652				
Diluted.....	720,202,271			739,678,366				