Staples, Inc.
Five Hundred Staples Drive
Framingham, Massachusetts 01702

Staples, Inc. Amended and Restated International Employee Stock Purchase Plan

Prospectus for the employees of the European Economic Area ("EEA") (direct or indirect) subsidiaries of Staples, Inc.

Pursuant to Article 23 of the Law of June 16, 2006 on the public offerings of securities and the admission to trading of securities on a regulated market, the Belgian Banking, Finance and Insurance Commission has approved this prospectus on June 15, 2010. This prospectus was established by the issuer and the issuer is responsible for this prospectus. The prospectus has been approved in connection with the operations proposed to the investors. The visa represents neither an assessment of the transaction's opportunity or quality nor the authentication of the financial and accounting information presented or more generally the issuer's position, by the Belgian Banking, Finance and Insurance Commission.

This prospectus will be made available to the employees of the EEA subsidiaries of Staples, Inc. if the offerings under the plan listed above are considered public offerings in their respective jurisdiction. At the time of the approval of this prospectus, these jurisdictions are Austria, Belgium, France, Germany, Ireland, Italy, Norway, the Netherlands, Sweden and the United Kingdom. This prospectus will be made available on the intranet of Staples, Inc. and free paper copies will be available to the employees upon request by contacting the Human Resources Departments of their employers.

When participating in the ESPP, certain risk factors must be taken into account. With respect to these risk factors, reference is made to page 7 and following of this prospectus.

Note to the prospectus

This prospectus was established in accordance with the principles laid down in the Law of June 16, 2006 on the public offerings of securities and the admission to trading of securities on a regulated market, in Directive 2003/71/EC of November 4, 2003 and in Commission Regulation 809/2004 of April 29, 2004.

This prospectus contains, among other things, a summary conveying the essential characteristics of, and risks associated with, the issuer and the offered securities. More detailed information concerning the issuer and the securities to be offered is reflected in the exhibits attached to this prospectus. The documents referred to in the relevant chapters are attached as annexes to this prospectus.

Company responsible for the prospectus

The responsibility for this prospectus is assumed by Staples, Inc., a company incorporated and existing under the laws of the State of Delaware, U.S.A., with its registered office at Five Hundred Staples Drive, Framingham, Massachusetts 01702, U.S.A., represented by its Board of Directors. Staples, Inc. ensures, having taken all reasonable care, that the information contained in this prospectus is, to the best of its knowledge, in accordance with the facts and that the prospectus does not contain omissions likely to affect the import of the prospectus.

TABLE OF CONTENTS

LIST OF EXHIBITS

I. Summary

Preliminary remark

The issuer warns the reader that:

- this summary should be read as an introduction to the prospectus;
- any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor;
- where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated; and
- civil liability attaches to those persons who have tabled the summary including any translation thereof, and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus.

Risk factors

The risk factors to be taken into consideration when participating in the Staples, Inc. Amended and Restated International Employee Stock Purchase Plan (the "ESPP" or the "Plan") consist, on the one hand, of risks related to the participation in the ESPP itself, and, on the other hand, risks related to Staples, Inc.'s (the "Company" or "Staples") business.

The risks related to the participation itself in the ESPP can be summarized as follows:

- Participation in the ESPP is subject to the same risks as inherent to any investment in shares (such as a change of the stock exchange price of the shares).

- Participation in the ESPP is subject to a currency risk (*e.g.* USD/EUR or USD/Sterling pound) that could adversely affect the foreseen value derived from the participation in the ESPP.

- The possible tax and/or social security consequences of the participation in the ESPP could adversely affect the foreseen value derived from the participation in the ESPP.

The risks related to the Company's business, that, if they were to occur, may affect its business and future results, can be summarized as follows:

- Global economic conditions may continue to cause a decline in business and consumer spending which could adversely affect the Company's business and financial performance.

- The Company's market is highly competitive and it may not continue to compete successfully.

- The Company's growth may strain its operations and it may not successfully integrate acquisitions to realize anticipated benefits.

- The Company may be unable to continue to enter new markets successfully.

- The Company's expanding international operations expose it to risks inherent in foreign operations.

- Fluctuations in foreign exchange rates could lead to lower earnings.

- The Company may be unable to attract and retain qualified associates.

- The Company's quarterly operating results are subject to significant fluctuation.

- The Company's effective tax rate may fluctuate.

- If the Company is unable to manage its debt, it could materially harm its business and financial condition and restrict its operating flexibility.

- The Company's business may be adversely affected by the actions of and risks associated with its third-party vendors.
- The Company's expanded offering of proprietary branded products may not improve its financial performance and may expose it to intellectual property and product liability claims.
- Technological problems may impact the Company's operations.
- The Company's information security may be compromised.
- Various legal proceedings, third party claims, investigations or audits may adversely affect the Company's business and financial performance.
- Changes in federal, state or local regulations may increase the Company's cost of doing business.

A. Information concerning the offer

A.1. Description of the offer

General information

Staples, Inc., a Delaware corporation, with its headquarters at Five Hundred Staples Drive, Framingham, Massachusetts 01702, United States of America, has decided to offer eligible employees of its designated subsidiaries the possibility to acquire at a discounted price common shares of Staples, Inc. having a par value of US$ 0.0006 per share (the "Shares") under the ESPP. The Company's Shares are listed on the Nasdaq Global Select Market (the "Nasdaq"). The ticker symbol for the Company's Shares is "SPLS".

The total number of Shares made available for purchase under the ESPP is 2,775,000.

Purpose

The purpose of the ESPP is to provide eligible employees of certain non-U.S. subsidiaries of Staples with opportunities to purchase common stock of the Company.

Administration

Pursuant to the Compensation Committee charter, the Board of Directors of the Company (the "Board") has delegated authority for all equity and incentive plans, including the ESPP, to the Compensation Committee. Each of the Compensation Committee and the Board has the authority to make rules and regulations for the administration of the ESPP and its interpretations and decisions are final and conclusive. An offering period generally extends for six months; however, the Compensation Committee may, in its discretion, choose an offering period of 12 months or less for each offering, choose a different offering period for each offering and begin additional offering periods to allow participation by associates of new qualified subsidiaries after an offering period has commenced. The Compensation Committee or the Board may, in its discretion, adopt or implement rules under the ESPP to comply with local jurisdictional laws or rules. Additionally, pursuant to the terms of the ESPP, the Company's Committee on Employee Benefits (the "Committee") has administrative authority under the Plan. The ESPP also provides administrative authority to two officers of the Company, acting jointly, to engage in certain administrative tasks in connection with the implementation of the ESPP. However, such officers do not have the authority to increase the number of shares available under the ESPP.

Eligibility

All employees of any non-U.S. subsidiary of the Company and any other subsidiary designated by the Board or the Committee from time to time (a "Subsidiary"), including any director who is an employee of a Subsidiary, are eligible to participate in one or more of the offerings of options to purchase Shares provided that:

(a) they have been employed by the Subsidiary for at least 90 days prior to enrolling in the Plan;

(b) they are employees of the Subsidiary on the first day of the applicable Plan Period (as defined below);

(c) they meet any other requirements imposed from time to time by the Board or the Committee on employees of one or more Subsidiaries.

An employee shall, however, not be eligible to receive purchase rights under the ESPP if such employee, immediately after the option is granted, owns five percent (5%) or more of the total combined voting power or value of the stock of the Company or any Subsidiary.

No employee may be granted an option which permits his/her rights to purchase Staples common stock under this Plan and any other employee stock purchase plan of the Company and its subsidiaries (as defined by the Board or the Committee), to accrue at a rate which exceeds US$25,000 of the fair market value of Staples common stock (determined at the Offering Commencement Date of the Plan Period, as defined hereafter) for each calendar year in which the option is outstanding at any time. Options granted during any Plan Period to all officers and directors of the Company shall not equal or exceed fifty percent (50%) of the total options granted during such Plan Period.

Offerings

The Company will make one or more offerings ("Offering") to employees to purchase stock under the ESPP. Each January 1 and July 1 will be an offering commencement date ("Offering Commencement Date") whereby each Offering Commencement Date will begin a period of six (6) months ending on June 30 or December 31, as applicable, (a "Plan Period") during which payroll deductions will be made and held for the purchase of Staples common stock at the end of the Plan Period. The Board or Committee may, at its discretion, choose a different Plan Period of twelve (12) months or less for subsequent Offerings.

Participation

In order to participate in the ESPP, eligible employees must enroll in such manner and at such time approved, from time to time, by the Board or the Committee, prior to the applicable Offering Commencement Date.

Contributions

The enrollment in the ESPP will authorize a regular payroll deduction from the compensation received by the employee during the Plan Period. Unless an employee changes his enrollment in a manner prescribed by the Committee from time to time or withdraws from the Plan, his or her deductions and purchases will continue at the same rate for future offerings under the Plan as long as the Plan remains in effect.

The Company will maintain payroll deduction accounts for all participating employees. With respect to any offerings made under the ESPP, an employee may authorize a payroll deduction in any amount in any whole percentage up to a maximum of ten percent (10%) of the eligible compensation he or she receives during the Plan Period or such shorter period for which deductions from payroll are made. For these purposes, eligible compensation includes regular earnings, sale rewards, and select other sales-related payments. Eligible compensation does not include overtime payments, incentive compensation, shift premiums, bonuses, contributions to employee fringe benefits plans, allowances, reimbursements, income or gains on the exercise of Staples stock options or stock appreciation rights, and other special payments. This definition of eligible compensation is subject to change.

Each participating employee shall designate what percentage of his or her payroll deductions during the Offering shall be used to purchase Staples common stock upon the completion of such Offering, subject to any limits as may be imposed for such Offering by the Board or the Committee. Any change in compensation during the Plan Period will result in an automatic corresponding change in the amount withheld. The payroll deductions shall be made in the applicable local currency and will be converted into United Stated currency at the prevailing rate of exchange in effect on the date determined by the Board or the Committee from time to time.

The Board or the Committee may permit direct contributions by eligible employees of a Subsidiary instead of payroll deductions if it determines such action to be advisable, and on such terms as it deems advisable. In the event that such direct contributions are permitted, the Board or Committee may modify other terms of this Plan to reflect such direct contributions.

In Belgium, all payroll deductions from an employee's compensation will be credited to a special bank account that will be opened with KBC Bank, Havenlaan 12, 1080 Brussels, Belgium, by the Belgian employer in the name of all Belgian employees who will own the account in the proportion of their respective contributions or in the name of each individual employee. The Belgian local employer manages the account(s) and transfers the amounts to the Company on the respective dates for the purchase of shares under the ESPP. In other jurisdictions, individual bookkeeping accounts will be maintained for each employee and all payroll deductions from the employee's compensation shall be credited to such participant's ESPP account and shall be deposited with the general funds of the Company. Interest shall not be paid on sums deducted from an employee's compensation pursuant to the ESPP.

An employee may discontinue his or her payroll deduction once during any Plan Period, up to such deadline as may be established by the Board or the Committee, prior to the close of business on the last business day, in such manner as may be permitted by the Board or Committee. However, an employee may not increase or decrease his or her payroll deduction during a Plan Period. If an employee elects to discontinue his or her payroll deductions during a Plan Period, amounts previously withheld will be refunded to the employee without interest. The refund will be made in the currency in which such participating employee's deductions were originally made or, if such employee is employed in a country which maintains a fixed exchange rate between its local currency and Euros, there may be repayment in Euros.

Purchase of shares

On the Offering Commencement Date of each Plan Period, the Company will grant to each eligible employee who is then a participant in the Plan an option to purchase on the last business day of such Plan Period (the "Exercise Date"), at the option price hereinafter provided for, the largest number of shares (including fractional shares determined in the manner set forth below) of Staples common stock (subject to any limits as may be imposed for such Offering by the Board or the Committee) as does not exceed the number of shares determined by dividing US$12,500 by the Fair Market Value (as defined below) of Staples common stock on the Offering Commencement Date of such Plan Period; provided that, if the Plan Period is any period other than six months, then US$12,500 shall be adjusted proportionately to reflect the length of the Plan Period.

The purchase price for each share purchased will be 85% of the Fair Market Value (as defined below) of Staples common stock on (i) the first business day of such Plan Period or (ii) the Exercise Date, whichever shall be less.

Fair market value shall mean (a) the closing price on any national securities exchange on which Staples common stock is listed, (b) the closing price of Staples common stock on the Nasdaq Global Select Market or (c) the average of the closing bid and asked prices in the over-the-counter-market, whichever is applicable, as published in The Wall Street Journal. If no sales of Staples common stock were made on such a day, the price of Staples common stock for purposes of clauses (a) and (b) above shall be the reported price for the next preceding day on which sales were made ("Fair Market Value").

Each employee who continues to be a participant in the Plan on the Exercise Date shall be deemed to have exercised his option at the option price on such date and shall be deemed to have purchased from the Company the number of shares of Staples common stock (including fractional shares calculated up to 5 decimal places) reserved for the purpose of the Plan that his accumulated payroll deductions on such date will pay for, in United States currency as of that date, but not in excess of the maximum number determined in the manner set forth above, subject to any limits on allocation as may be imposed by the Board or the Committee for such Offering.

Any balance remaining in an employee's payroll deduction account at the end of a Plan Period will be automatically refunded to the employee in the local currency or there may be payment in Euros.

Withdrawal

An employee may at any time up to such deadline as may be established by the Board or the Committee, which deadline shall be prior to the close of business on the last business day in a Plan Period, and for any reason, permanently draw out the balance accumulated in the employee's account (which will be paid in the local currency or, at the discretion of the Board or the Committee, there may be Payment in EUR), and thereby withdraw from participation in an Offering by completing the "I-ESPP Participant Withdrawal Form" available on the Company's intranet and handing it over to the local Human Resources department. Partial withdrawals are not permitted. The employee may not begin participation again during the remainder of the Plan Period. The employee may participate in any subsequent Offering in accordance with terms and conditions established by the Board or the Committee.

Delivery of Certificates

Certificates representing shares of Staples common stock purchased under the Plan may be issued only in the name of the employee, in the name of the employee and another person of legal age as joint tenants with rights of survivorship, or (in the Company's sole discretion) in the name of a brokerage firm, bank or other nominee holder designated by the employee or in the name of the Plan with appropriate allocation to the participating employee. The Company may, in its sole discretion and in compliance with applicable laws, authorize the use of book entry registration of shares in lieu of issuing stock certificates.

Stockholder's rights

Neither the granting of an option to an employee nor the deductions from his or her pay shall constitute such employee a stockholder of the shares of Staples common stock covered by an option under this Plan until such shares have been purchased by and issued to him or to an account for his benefit.

Transferability

Rights under this Plan are not transferable by a participating employee other than by will or the laws of descent and distribution, and are exercisable during the employee's lifetime only by the employee.

Notification upon sale of Shares – Black out dates

Each employee agrees, by entering the Plan, to promptly give the Company notice of any disposition of shares purchased under the Plan within such period as the Committee or Board may require from time to time. Moreover, associates grade level 40 and above and certain other employees cannot sell their shares during the so-called "black out dates", *i.e.*, dates when it is against Staples' policy to sell Staples' stock. Generally, such restrictions apply during the period starting four weeks (or any other applicable period under the then applicable black-out policy of Staples) before the end of each fiscal quarter up to and including the end of the day when Staples publicly releases earnings. The employee can obtain a calendar showing the "black out dates" from his local HR department.

Dividends on Shares purchased under the ESPP

Each employee who enrolls in the Plan agrees, for so long as shares of Staples common stock purchased by the employee at any time under the Plan (the "Purchased Shares") are held by the employee in an account with a bank, transfer agent, or other financial institution designated by the Company to hold the Purchased Shares (the "Financial Institution"), to (1) participate in the Staples dividend reinvestment program maintained by the Financial Institution (the "DRIP") such that the employee shall receive, in lieu of any cash dividend paid or payable by the Company with respect to the employee's Purchased Shares that are held in an account with the Financial Institution (the "Captive Shares"), shares of Staples common stock (including any fractional shares) pursuant to the terms of the DRIP, and (2) allow the Company to take all reasonably necessary and appropriate actions to ensure that the amount of any cash dividend paid or payable by the Company with respect to the employee's Captive Shares is paid in the form of Staples common stock instead of cash.

Term of the ESPP

The ESPP shall continue in effect until its termination by the Board or its Compensation Committee.

A.2 Application of Funds

To the extent consistent with applicable law, all funds received or held by the Company or any Subsidiary under the ESPP may be combined with other corporate funds and may be used for any corporate purpose and moved outside the country in which they are deducted from payroll.

A.3 Costs related to the sale of Shares

If an employee acquires Shares under the ESPP, he or she will incur certain costs upon a subsequent sale of the Shares. These costs are inherent to any sale of shares on the Nasdaq and will be charged by the broker (E*TRADE) who sells the respective Shares on behalf of the employee. These costs are currently as follows:

TRANSACTION PRICING

	Transaction via Web or Interactive Voice Response	*Transaction Via Broker*
Sale transaction minimum	US$ 14.95 minimum on all trades	US$ 14.95 minimum on all trades
1-50	US$ 0.00 per share	US$ 0.00 per share
51	US$ 24.96	US$ 24.96
Shares 52 and up	US$ 0.01 per share	US$ 0.01 per share

SPECIAL REQUEST FEES

Broker Assist Fee	US$ 35
Check Request Fee	US$ 5 per request for customers in the U.S. US$ 15 per request for customers outside the US (USD or foreign currency)
Wire Transfer	US$ 25 outgoing for customers in the US US$ 15 outgoing for customers outside the US (USD or foreign currency)
Express Mail	US$ 20 (USD or foreign currency)
Postage and Handling	US$ 0

B. General Information concerning Staples

B.1 Company history and activities

Staples was incorporated in 1985 as a Delaware corporation for an unlimited period of time. Staples has its registered office at Five Hundred Staples Drive, Framingham, Massachusetts 01702, United States of America (telephone number +1 (508) 253-5000). As per January 30, 2010, Staples had approximately 54,149 full-time and 36,946 part-time employees in the U.S. and abroad.

Shares of the Company having a par value of US$ 0.0006 per Share are publicly traded on the Nasdaq Global Select Market (the "Nasdaq"). The ticker symbol for the Company's Shares is "SPLS". The ISIN Code of the Company's Shares is US8550301027.

Staples is the world's leading office products company. Staples pioneered the office products superstore concept by opening the first office products superstore in Brighton, Massachusetts in 1986 to serve the needs of small businesses. The office products industry has experienced significant growth since 1986, expanding to include a variety of retailers, dealers, and distributors, including other high-volume office supply chains. In July 2008, Staples completed the acquisition of Corporate Express N.V. ("Corporate Express"), one of the world's leading suppliers of office products to businesses and institutions.

Staples and its subsidiaries operate three business segments: North American Delivery, North American Retail and International Operations.

The North American Delivery segment is comprised of three businesses: "Contract" (including Corporate Express), "Staples Business Delivery" and "Quill".

Contract: The Contract operations focus on serving the needs of mid-sized businesses and organizations through Staples Business Advantage and Fortune 1000 companies through Staples National Advantage. The acquisition of Corporate Express significantly increased the size of the Company's Contract business in the United States, and established its Contract business in Canada. Contract customers often require more service than is provided by a traditional retail or mail order business. Through its Contract sales force, the Company offers customized pricing and payment terms, usage reporting, the stocking of certain proprietary items, a wide assortment of eco-friendly products and services, and full service account management.

Staples Business Delivery: The Staples Business Delivery operations combine the activities of its direct mail catalog business, its Staples.com web site, and its Canadian Internet sites. Staples Business Delivery is primarily designed to reach small businesses and home offices, offering next business day delivery for most office supply orders in a majority of the Company's markets. The Company markets Staples Business Delivery through Internet and other broad-based media advertising, direct mail advertising, catalog mailings, and a telesales group generating new business and growing existing accounts.

Quill: Acquired by Staples in 1998, Quill is an Internet and catalog business with a targeted approach to servicing the needs of small and medium-sized businesses in the United States. To attract and retain its customers, Quill offers outstanding customer service, Quill brand products, and special services. Quill also operates Medical Arts Press, a specialty Internet and catalog business offering products for medical professionals.

The Company's strategies for North American Delivery focus on customer service, customer acquisition and retention, and selling a broader assortment of products and services to its customers to grow sales and increase profitability. The addition of Corporate Express expanded the Company's offerings into new areas and enhanced the Company's offerings in existing areas, including facilities and breakroom supplies, printing, promotional products, furniture, and data center supplies.

The North American Retail segment consists of 1,888 stores in the United States and Canada at the end of the first quarter of 2010. The Company operates a portfolio of four retail store formats, tailored to the unique characteristics of each location. The "Dover" superstore represents the majority of its U.S. store base. The customer friendly "Dover" design appeals to the customer with an open store interior that provides a better view of the Company's wide selection and makes it easier to find products.

The Company also operates a 14,600 square foot store format designed for rural markets and a 10,000 square foot store suited to dense urban markets such as New York City.

Additionally, the Company operates approximately 20 stand alone copy and print shops to address the attractive quick print market opportunity. This 4,000 square foot store is designed for locations with high customer density and offers a full service copy and print shop and a broad assortment of core office supplies.

The Company's strategy for North American Retail focuses on offering an easy-to-shop store with quality products that are in-stock and easy to find, with fast checkout and courteous, helpful and knowledgeable sales associates. The Company's goals are to continue to be a destination for core supplies categories like ink and toner, to become an authority for business technology through its rapidly growing EasyTech service offering, and to establish leadership in copy and print services.

The Company's International Operations segment consists of businesses in 23 countries in Europe, Asia, South America and Australia.

The Company's European Office Products business represents a balanced multi-channel portfolio serving Contract, Retail, and Catalog customers in 17 countries. The Company operates 328 retail stores in seven countries, with the largest concentration of stores in the UK, Germany and the Netherlands. The Company operates a catalog business in 15 countries, with a significant concentration of sales in France and Italy. The acquisition of Corporate Express added a large European Contract business to its portfolio, including sizable operations in the Nordics and Germany.

The Company's strategies for the Company's European Office Products business focus on increasing profitability by achieving purchasing synergies, reducing overhead expense, and improving the performance of its supply chain. The Company has implemented a more streamlined regional management structure to reduce administrative costs, reinforce its multi-channel value proposition and leverage best practices.

The Company also operates a European printing systems business which it acquired from Corporate Express. This business is a leading value added reseller of printing equipment and related services, supplies, and spare parts, and is the largest independent distributor of Heidelberg offset printing presses.

The Company continues to establish a foundation for growth in Asia and South America, where its businesses are in various stages of development. The Company operates retail and delivery businesses in China, a delivery business in Taiwan through a joint venture with UB Express, and a multi-channel business in India through a joint venture with Pantaloon Retail Limited. The Company also operates delivery businesses in Argentina and Brazil and operates two stores in Argentina.

With the acquisition of Corporate Express N.V., the Company became the majority 58.6% shareholder of Corporate Express Australia Limited ("Corporate Express Australia"), a public company traded on the Australian Stock Exchange. On March 16, 2010, the Company announced that it had made an offer to acquire all of the shares of Corporate Express Australia that it did not own for cash consideration of

AUD$5.60 per share (the "Offer"), representing a total enterprise value of AUD$1.0 billion (approximately $930 million based on the foreign exchange rate at May 1, 2010). The Offer is subject to a 90% minimum acceptance condition and there being no significant movements in the Australian stock market. Corporate Express Australia's board of directors has unanimously recommended the Offer subject to no superior proposal emerging.

B.2 Research and development; patents and trademarks

The Company owns or has applied to register numerous trademarks and service marks in the United States and throughout the world in connection with its businesses. Some of the Company's principal global and regional marks include Staples, the Staples red brick logo, Staples the Office Superstore, the Easy Button, "that was easy", Quill, the Quill feather logo, Corporate Express, and many other marks incorporating "Staples," which in the aggregate the Company considers to be of material importance to its business. While the duration of trademark registrations varies from country to country, trademarks are generally valid and may be renewed indefinitely so long as they are in use and their registrations are properly maintained.

The Company owns and maintains a number of patents internationally on certain products, systems and designs. The Company also owns copyrights for items such as packaging, training materials, promotional materials and in-store graphics. In addition, the Company has registered and maintains numerous Internet domain names, including many that incorporate "Staples."

B.3 Particular provisions of the bylaws

The Company's annual meeting of shareholders is held for the purpose of electing directors and conducting other business as may properly come before the meeting and shall be held each year.

B.4 Board of Directors (as per April 26, 2010)

Name	*Age*
Basil L. Anderson	65
Arthur M. Blank	67
Mary Elizabeth Burton	58
Justin King	48
Carol Meyrowitz	56
Rowland T. Moriarty	63
Robert C. Nakasone	62
Ronald L. Sargent	54
Elisabeth A. Smith	46
Robert E. Sulentic	53
Vijay Vishwanath	50
Paul F. Walsh	60

B.5 Executive Officers (as per February 26, 2010)

Name	Function
Kristin A. Campbell	Senior Vice President, General Counsel, Secretary
Joseph G. Doody	President – Staples North American Delivery
Christine T. Komola	Senior Vice President, Corporate Controller
John J. Mahoney	Vice Chairman, Chief Financial Officer
Michael A. Miles	President, Chief Operating Officer
Demos Parneros	President – U.S. Stores
Ronald L. Sargent	Chairman, Chief Executive Officer

To the extent that such fact is required to be disclosed in Exhibits II or III, for at least the previous five years, none of the directors or executive officers of the Company has:

(a) been convicted in relation to fraudulent offences;

(b) been associated with any bankruptcies, receiverships or liquidations when acting in their capacity of directors or executive officers of the Company; or

(c) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

There are no family relationships between any of the directors and the executive officers listed above.

As indicated in the Company's Annual Report on Form 10-K (Exhibit II), the Company has adopted guidelines regarding corporate governance, amongst which a "Code of Ethics", the full text of which is available on the Company's website, at www.staples.com, under the "Corporate Information – Investor Information – Corporate Governance – Code of Ethics" captions. This item is available in print (free of charge) to any shareholder who requests it from Nan Stout, VP Business Ethics, 500 Staples Drive, Framingham, MA 01702, United States of America, telephone (508) 253-7960.

C. Financial Information Concerning Staples, Inc.

C.1 Statutory auditors

The statutory auditors of Staples over the fiscal years ended on January 30, 2010, January 31, 2009 and February 2, 2008 were Ernst & Young LLP, 200 Clarendon Street, Boston, MA 02116, United States of America. The accounts for those years, prepared in accordance with the U.S. GAAP, were audited, and the audit reports contained no qualification.

C.2 Share capital

As of May 18, 2010, Staples had 729,918,637 common shares outstanding, with a par value of US$0.0006 per Share.

The aggregate market value of voting stock held by non-affiliates, based on the last sale price of Staples' common stock on July 31, 2009, as reported by Nasdaq, was approximately US$15.1 billion. The current stock exchange price of the Shares can be found on the Company's website (www.staples.com, under the "Investor Relations – Stock Price Information" captions).

There are no shareholders in the Company that, directly or indirectly, singly or jointly, exercise or are capable of exercising control over the Company.

As of December 31, 2009, to the Company's knowledge, the following shareholders of Staples beneficially owned 5% or more of its Shares:

(i) FMR LLC, 82 Devonshire Street, Boston, Massachusetts 02109 holding 85,362,465 Shares, representing 11.79% of the Company's common stock; and

(ii) Wellington Management Company, LLP, 75 State Street, Boston, Massachusetts 02109 holding 81,288,173 Shares, representing 11.24% of the Company's common stock.

For the fiscal years ended on January 30, 2010, January 31, 2009 and February 2, 2008 no third parties have attempted a public takeover bid on the Company, by purchase or exchange of Shares of the Company.

C.3 Key financial data

The key financial data (in U.S. GAAP) as per the fiscal years ended on January 30, 2010, January 31, 2009 and February 2, 2008 are set forth hereafter:

STAPLES, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

(Dollar Amounts in Thousands, Except Share Data)

	January 30, 2010	January 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,415,819	$ 633,774
Receivables, net	1,811,365	1,841,231
Merchandise inventories, net	2,261,149	2,404,174
Deferred income tax asset	353,329	281,101
Prepaid expenses and other current assets	333,105	636,978
Total current assets	6,174,767	5,797,258
Property and equipment:		
Land and buildings	1,051,391	1,040,754

Leasehold improvements	1,268,848	1,183,879
Equipment	2,035,658	1,949,646
Furniture and fixtures	966,783	926,702
Total property and equipment	5,322,680	5,100,981
Less accumulated depreciation and amortization	3,158,147	2,810,355
Net property and equipment	2,164,533	2,290,626
Lease acquisition costs, net of accumulated amortization	25,083	26,931
Intangible assets, net of accumulated amortization	579,923	701,918
Goodwill	4,084,122	3,780,169
Other assets	688,906	476,153
Total assets	$ 13,717,334	$ 13,073,055
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,111,696	$ 1,967,597
Accrued expenses and other current liabilities	1,603,354	1,404,709
Commercial paper	—	1,195,557
Debt maturing within one year	67,269	277,691
Total current liabilities	3,782,319	4,845,554
Long-term debt	2,500,329	1,968,928
Other long-term obligations	579,746	636,142
Stockholders' Equity:		
Preferred stock, $.01 par value, 5,000,000 shares authorized; no shares issued	—	—
Common stock, $.0006 par value, 2,100,000,000 shares authorized; issued 896,655,170 shares at January 30, 2010 and 882,032,761 shares at January 31, 2009	538	529
Additional paid-in capital	4,379,942	4,048,398
Accumulated other comprehensive loss	(89,337)	(494,327)
Retained earnings	5,869,138	5,367,341
Less: treasury stock at cost, 167,990,178 shares at January 30, 2010 and 166,427,240 shares at January 31, 2009	(3,388,395)	(3,357,734)
Total Staples, Inc. stockholders' equity	6,771,886	5,564,207
Noncontrolling interests	83,054	58,224
Total stockholders' equity	6,854,940	5,622,431
Total liabilities and stockholders' equity	$ 13,717,334	$ 13,073,055

See notes to consolidated financial statements, which can be found on pages C-8 and following of the Company's Annual Report on Form 10-K for the fiscal year ended on January 30, 2010 (Exhibit II).

STAPLES, INC. AND SUBSIDIARIES

Consolidated Statements of Income

(Dollar Amounts in Thousands, Except Share Data)

	Fiscal Year Ended		
	January 30, 2010	January 31, 2009	February 2, 2008
Sales	$ 24,275,451	$ 23,083,775	$ 19,372,682
Cost of goods sold and occupancy costs	17,801,548	16,836,839	13,822,011
Gross profit	6,473,903	6,246,936	5,550,671
Operating and other expenses:			
Selling, general and administrative	4,907,236	4,631,219	3,986,758
Integration and restructuring costs	84,244	173,524	—
Amortization of intangibles	100,078	70,265	15,664
Total operating expenses	5,091,558	4,875,008	4,002,422
Operating income	1,382,345	1,371,928	1,548,249
Other income (expense):			
Interest income	6,117	28,485	46,726
Interest expense	(237,025)	(149,774)	(38,335)
Miscellaneous income (expense)	4,457	(7,555)	(2,158)
Consolidated income before income taxes	1,155,894	1,243,084	1,554,482
Income tax expense	398,783	428,863	559,614
Consolidated net income	757,111	814,221	994,868
Income (loss) attributed to the noncontrolling interests	18,440	8,957	(802)
Net Income attributed to Staples, Inc	$ 738,671	$ 805,264	$ 995,670
Earnings per common share			
Basic	$ 1.04	$ 1.15	$ 1.41
Diluted	$ 1.02	$ 1.13	$ 1.38
Dividends declared per common share	$ 0.33	$ 0.33	$ 0.29

See notes to consolidated financial statements, which can be found on pages C-8 and following of the Company's Annual Report on Form 10-K for the fiscal year ended on January 30, 2010 (Exhibit II).

Quarterly results will be published on the Company's Quarterly Reports on Form 10-Q, which are available on the Company's website (www.staples.com, under the "Corporate Information – Investor Information – SEC filings" captions).

The Company's dividend history can be found in the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2010 (Exhibit II) and on the Company's website (www.staples.com, under the "Corporate Information – Investor Information – Investor Package" captions).

The cost of the stock-based compensation for U.S. GAAP accounting purposes is elaborated upon in the Company's Annual Report on Form 10-K for fiscal year ended January 30, 2010 (Exhibit II). In addition, the Company has incurred legal costs of approximately EUR**25,000** to implement this prospectus in order to offer securities under the ESPP to eligible employees of its subsidiaries in the EEA.

II. Risk factors

The risk factors to be taken into consideration when participating in the ESPP consist, on the one hand, of risks related to the participation of the ESPP itself, and, on the other hand, risks related to the Company's business.

The risks related to the participation itself in the ESPP can be summarized as follows:

- Participation in the plan is subject to the same risks as inherent to any investment in shares (such as a change of the stock exchange price of the shares).

- Participation in the plan is subject to a currency risk (*e.g.* USD/EUR or USD/Sterling pound) that could adversely affect the foreseen profit resulting from the participation in the ESPP.

- The possible tax and / or social security consequences of the participation in the ESPP could adversely affect the foreseen profit resulting from the participation in the ESPP.

Information concerning the risk factors related to the Company's business, that may affect future results of the Company, is reported in the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2010 (Exhibit II) and in the Company's Quarterly Report on Form 10-Q for the first quarter ended on May 1, 2010 (Exhibit VI).

III. Information on the offer

Information concerning the offer, including offer statistics, the method and expected timetable and admission to trading details, is set forth in the Staples, Inc. Amended and Restated International Employee Stock Purchase Plan (Exhibit I), in the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2010 (Exhibit II) and in the Company's Quarterly Report on Form 10-Q for the first quarter ended on May 1, 2010 (Exhibit VI).

IV. Key information on the Company’s financial condition, capitalization and risk factors

Information concerning the Company’s financial condition, including selected financial data, information on capitalization and indebtedness and a description of the risk factors is set forth in the Company’s Annual Report on Form 10-K for the fiscal year ended January 30, 2010 (Exhibit II), the Definitive Proxy Statement on Form DEF 14A (Exhibit IV), in the Company’s Current Report on Form 8-K (Exhibit III) and in the Company’s Quarterly Report on Form 10-Q for the first quarter ended on May 1, 2010 (Exhibit VI).

The reasons for the offer and the use of proceeds are described in I.A above.

V. Information on the Company

Information on the Company, including its history and development, a business overview, its organizational structure and information concerning its property, plants and equipment is set forth in the Company’s Annual Report on Form 10-K for the fiscal year ended January 30, 2010 (Exhibit II) and in the Company’s Quarterly Report on Form 10-Q for the first quarter ended on May 1, 2010 (Exhibit VI).

VI. Operating and financial review and prospects

Information concerning the Company’s operating results, its liquidity and capital resources, research and development, patents and licenses, trends, etc. is set forth in the Company’s Annual Report on Form 10-K for the fiscal year ended January 30, 2010 (Exhibit II), in the Company’s Current Report on Form 8-K (Exhibit III) and in the Company’s Quarterly Report on Form 10-Q for the first quarter ended on May [1, 2009 (Exhibit VI).

VII. Directors, senior management and employees

Information concerning the Company’s directors and senior management, their remuneration, Board practices, the Company’s employees and concerning share ownership is set forth in the Company’s Annual Report on Form 10-K for the fiscal year ended January 30, 2010 (Exhibit II), in the Company’s Definitive Proxy Statement (Exhibit IV) and the Company’s Additional Proxy Statement on Form DEFA14A (Exhibit V).

VIII. Major shareholders and related party transactions

Information concerning major shareholders of the Company, related party transactions and information concerning interests of experts and advisers is set forth in the Company’s Annual Report on Form 10-K for the fiscal year ended January 30, 2010 (Exhibit II), in the Company’s Definitive Proxy Statement (Exhibit IV) and the Company’s Additional Proxy Statement on Form DEFA14A (Exhibit V).

IX. Additional information

More detailed information about the Company’s businesses, as well as the contact information for the different subsidiaries is available on the Company’s website (www.staples.com).

The Annual Report on Form 10-K for fiscal years ending January 30, 2010, January 31, 2009 and February 2, 2008, as well as Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, are also made available on the Company's website (www.staples.com, under the "Corporate Information – Investor Information - SEC filings" captions) after the Company electronically files such materials with, or furnishes them to, the SEC.

Required filings by the Company's officers and directors and certain third parties with respect to transactions or holdings in Company shares are also made available on the Company's website, as are proxy statements for the Company's shareholder meetings. These filings may also be read and copied at the SEC's Public Reference Room at 100 F Street, NE, Room 1580 Washington, D.C. 20549. The SEC also maintains an internet site (www.sec.gov) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

Information about the Company's Board and Board Committees, including Committee charters, is available on the Company's website (www.staples.com, under the "Corporate Information – Investor Information – Corporate Governance" captions). This information is also available in print (free of charge) to any shareholder who requests it from the Company's Investor Relations department.

EXHIBITS

EXHIBIT I – STAPLES, INC. AMENDED AND RESTATED INTERNATIONAL EMPLOYEE STOCK PURCHASE PLAN

EXHIBIT II - ANNUAL REPORT ON FORM 10-K
FOR FISCAL YEAR ENDED JANUARY 30, 2010

filed by Staples, Inc. on March 2, 2010

EXHIBIT III - CURRENT REPORT ON FORM 8-K

Filed by Staples, Inc. on May 20, 2010

EXHIBIT IV – DEFINITIVE PROXY STATEMENT ON FORM DEF 14A

FILED BY STAPLES, INC. ON APRIL 26, 2010

EXHIBIT V – ADDITIONAL PROXY STATEMENT ON FORM DEF A14A

FILED BY STAPLES, INC. ON APRIL 26, 2010

EXHIBIT VI – QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED ON MAY 1, 2010
FILED BY STAPLES, INC. ON MAY 20, 2010

EXHIBIT VII – TAX AND SOCIAL SECURITY CONSEQUENCES OF PARTICIPATION IN THE ESPP

Information concerning the tax and social security consequences of participation in the ESPP is hereinafter summarized.

1. AUSTRIAN TAX AND SOCIAL SECURITY CONSEQUENCES

The following is intended to briefly summarize certain tax consequences associated with the purchase of shares of Staples common stock under the ESPP, as well as the sale of shares obtained under the ESPP.

This discussion reflects the tax and other law as in effect on May 19, 2010. Such laws are often complex and change frequently. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires shares or sells shares acquired under the ESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee is a citizen or resident of another country than Austria, the information contained in this description may not be applicable to the employee.

Enrollment in the ESPP

The employee is not subject to tax when he/she enrolls in the ESPP or a new purchase period begins.

Purchase of Shares

When shares are purchased under the ESPP, the employee will be subject to income tax on the difference (or spread) between the fair market value of the shares on the date of purchase and the purchase price.

Dividends

Where shares are acquired under the ESPP, dividends may be paid with respect to these shares if the Company, in its discretion, declares a dividend. The employee will be subject to tax in Austria on any dividends received, provided the employee exceeds the tax exemption available for dividends and other forms of income not subject to wage tax withholding. The employee will also be subject to U.S. federal income withholding tax (at a rate of 30%) at source. The employee may be entitled to a foreign tax credit against his/her Austrian income tax for the U.S. federal income tax withheld. This also applies to the dividends paid out in the form of shares according to the terms and conditions of the DRIP.

Sale of Shares

If the employee subsequently sells the shares purchased under the ESPP within 12 months after purchasing them ("speculative sale") and if his/her total gain from the sale of the shares (and the sale of other moveable property) within 12 months after their acquisition and other speculative sales of movable property and/or real estate in the same year exceeds a certain exempt amount, the employee will be subject to tax on the total speculative gain from the sale of moveable property (including shares) and real estate within the above time periods ("speculation tax"). If the employee holds the shares for more than 12 months, he/she will not be subject to tax when he/she subsequently sells the shares, provided he/she does not hold 1% or more of the Company's common stock and has not held 1% or more of the Company's common stock during the last five years. This also applies to the shares acquired through the DRIP.

Withholding and Reporting

If the local employer is involved in the implementation of the ESPP, the local employer is required to withhold income tax at the normal progressive income tax rates. If the benefit granted under the ESPP were to be considered as an extraordinary one-time payment, taxation may however occur at a rate of 6%, provided however that this special taxation is not already absorbed by other additional payments (such as holiday - and Christmas allowance). If the local employer is involved in the implementation of the ESPP, the local employer is also required to report the taxable amount on the employee's salary forms.

Social Security

If the local employer is involved in the implementation of the ESPP, social security contributions are due on the fringe benefit derived from the participation in the ESPP, at least to the extent that the respective employee has not yet reached the contribution ceiling.

2. BELGIAN TAX AND SOCIAL SECURITY CONSEQUENCES

The following is intended to briefly summarize certain tax consequences associated with the purchase of shares of Staples common stock under the ESPP, as well as the sale of shares obtained under the ESPP.

This discussion reflects the tax and other law as in effect on May 21, 2010. Such laws are often complex and change frequently. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires shares or sells shares acquired under the ESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee is a citizen or resident of another country than Belgium, the information contained in this description may not be applicable to the employee.

Enrollment in the ESPP

The employee is not subject to tax when a stock purchase right is granted to him/her under the ESPP (*i.e.*, when the employee subscribes to the ESPP).

Purchase of Shares

When shares are purchased under the ESPP, the employee will be subject to personal income tax (at the normal progressive income tax rates) on the difference (or spread) between the fair market value of the shares on the date of purchase and the purchase price.

Example:
- Accumulated contributions at the end of a certain purchase period: US$ 1,000
- Purchase price: US$21.00
- Number of shares purchased: 50
- Stock exchange price on the purchase date: US$ 22.75

The employee will be taxed on the difference between US$ 22.75 and US$ 21.00 (*i.e*., US$ 1.75) times the number of shares purchased (*i.e.*, 50) or 50 x US$ 1.75 = US$ 87.50 or EUR 70.95 (at an exchange rate of US$ 1: EUR 0.8108). This taxable amount, *i.e.,* US$ 87.50 or EUR 70.95 in the example, will be taxed at the normal progressive income tax rates. If the employee were, for instance, to be taxed at a 50% rate, the tax due will amount to US$ 43.75 or EUR 35.48 (at an exchange rate of US$ 1: EUR 0.8108).

If, however, the employee undertakes to hold the shares for a minimum period of two years as of their purchase in a written agreement with the Company, and actually hold the shares during that period of time, the fringe benefit may be reduced, from a tax perspective, to the difference between 100/120th of the fair market value of the shares on the purchase date and the amount paid for the shares.

Sale of Shares

When the employee subsequently sells the shares purchased under the ESPP, he/she will normally not be subject to tax.

Dividends

Where shares are acquired under the ESPP, dividends may be paid with respect to these shares if the Company, in its discretion, declares a dividend. The dividends received will be subject to income tax in Belgium (at a rate of 15% or 25%, as the case may be) and to U.S. federal income withholding tax (at a rate of 30%). The employee may be entitled to reduce the U.S. federal income withholding tax rate (to 15%) provided that the appropriate certifications concerning domicile in Belgium are provided, required by the United States Internal Revenue Service (*i.e.,* Substitute Form W-8/BEN Certificate of Foreign Status and Instructions, available from the brokerage firm(s) retained by the Company).

Withholding and Reporting

Because the Company does not charge the costs related to the ESPP to the employee's local employer and because the local employer does not intervene in the ESPP, the local employer should not be required to withhold income tax at the time of the taxable event. Under the given facts, the employer should also not be required to report the taxable amount in the employee's salary forms. It is, however, the employee's responsibility to report the benefit in kind on his/her annual income tax return and to pay any taxes resulting from the purchase of the shares. In addition, the employee is obliged to report any security or bank account held outside Belgium on his/her annual income tax return.

Social Security

Because the Company does not charge the costs related to the ESPP to the employee's local employer and because the local employer is not directly or indirectly involved in the ESPP, no social security contributions are in principle due on the fringe benefit derived from the participation in the ESPP.

3. FRENCH TAX AND SOCIAL SECURITY CONSEQUENCES

The following is intended to briefly summarize certain tax and social security contributions consequences associated with the purchase of shares of Staples common stock under the ESPP, as well as the sale of shares obtained under the ESPP.

This discussion reflects the tax and other law as in effect on May 20, 2010. Such laws are often complex and change frequently. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires shares or sells shares acquired under the ESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee is a citizen or resident of another country than France and/or is not subject to the French social security contributions regime, the information contained in this description may not be applicable to the employee.

Enrollment in the ESPP

The employee is not subject to tax or social security contributions when he/she enrolls in the ESPP or in new purchase period begins.

Purchase of Shares

The difference (or discount) between the fair market value of the Company's shares on the date of purchase and the purchase price paid by the employees is treated as additional salary and subject to personal income tax. The additional salary will be subject to social security contributions (paid by the employer and the employee), to the general social insurance contribution ("CSG") and to the contribution for the reimbursement of social insurance debt ("CRDS").

Dividends

Whether received in France or abroad, revenues on foreign securities received by French tax residents is subject to personal income tax at the employee's marginal rate after application of certain allowances. The employee may elect for a withholding tax on the gross amount of dividends received prior to each payment of dividends. Such an election triggers some additional consequences which need to be reviewed by the employee before electing for such withholding of tax at source.

Any tax withheld in the United States (at a rate of 30%) gives rise to a tax credit in France up to the amount of French taxes corresponding to these revenues, if the required formalities are fulfilled pursuant to the August 31, 1994 convention, to eliminate double taxation, in force between France and the United States.

The dividends are also subject to additional social taxes computed on the gross amount of the dividends.

Sale of Shares

When the shares are later sold, the net sale gain calculated as the difference between the net sale price and the fair market value of the shares on the date of purchase, will be subject to capital gains tax for securities sales at the rate of 18%, only if the aggregate gross proceeds from any sale of stock realized by the employee and his or her household during a calendar year exceed a certain exempt amount set annually. Regardless of whether such threshold has been exceeded, the capital gain, if any, will be subject to additional social taxes of 12.1%. The employee may realize a capital loss if the net sale price for the shares is lower than the fair market value on the date of purchase. With respect to 18% taxation only, the capital loss can be offset against the capital gain of the same nature realized by the employee (and his or her household) during the same year or during the 10 following years only if the above mentioned threshold is exceeded. With respect to the 12.1% social taxes, the capital loss can be offset against the capital gain of the same nature realized by the employee (and his or her household) during the same year or during the 10 following years irrespective of the threshold (*i.e.*, as from first Euro sale). The employee should review the modified rules with his/her personal tax advisor prior to selling his/her shares and filing the relevant personal income tax return. A capital loss cannot be offset against other kind of income (such as salary).

In addition, the employees must declare any bank and investment accounts opened, used or closed abroad during the fiscal year concerned to the French tax authorities. Also, if the employees transfer abroad or from a foreign source amounts, titles, securities without using the intermediary of financial organizations (banks, Treasury, Banque of France, Caisse des Dépôts et Consignations), the employee should declare to the custom authorities each transaction for an amount equal or exceed to EUR 10,000 (for 2010).

The information above is general in nature. The employees should address any particular questions to a specialized advisor.

Withholding and Reporting

The employer of the employee is not required to withhold personal income tax when the shares are purchased, provided that the employee is a French tax resident. However, because the income realized upon the purchase of the shares is treated as additional salary under French law, the employee's employer is required to report this income on its annual declaration of salaries which is filed with the social security authorities and on the employee's pay slip for the month of the purchase. Also, the employee's employer will pay the employer's portion of social security contributions and withhold the employee's portion of social security contributions due on the amount corresponding to the difference between the fair market value of the Company's shares on the date of purchase and the purchase price paid by the employees. If the total amount of social security contributions to be withheld exceeds the legal amount of authorized withholding from the salary of the employee, the employee undertakes to make satisfactory arrangements to pay the social security contributions for which he or she is liable. Alternatively, as authorized by the employee, the Company may withhold the applicable social security contributions from the shares which the employee acquires on the purchase date.

The additional salary will also be included in the taxable income that the employee must report on his or her personal income tax return to be filed with the French tax administration in the year following the year of purchase. If the employee realizes a capital gain or receives dividends, the employee must report these incomes on his or her personal income tax returns to be filed with the French tax administration, respectively, in the year following the year of sale of the shares or the year following the year of the receipt of the dividends. Specific reporting and paying obligations arises in the case where the employee elects for the withholding tax in which case the employee is responsible for reporting and paying this tax as well as the corresponding additional social taxes before the 15th of the month which follows the payment of dividends and - in principle and subject to certain conditions - after deduction of the tax allowance corresponding to the amount of taxes paid in the United States.

4. GERMAN TAX AND SOCIAL SECURITY CONSEQUENCES

The following is intended to briefly summarize certain tax consequences associated with the purchase of shares of Staples common stock under the ESPP, as well as the sale of shares obtained under the ESPP.

This discussion reflects the tax and other law as in effect on May 24, 2010. Such laws are often complex and change frequently. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires shares or sells shares acquired under the ESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee is a citizen or resident of another country than Germany, the information contained in this description may not be applicable to the employee.

Enrollment in the ESPP

The employee will not be subject to tax when an option is granted to him/her under the ESPP (*i.e.*, when the employee enrolls in the ESPP or are offered participation in the ESPP).

Purchase of Shares

When shares are purchased, the employee will be subject to income tax on the difference (or spread) between the fair market value of the shares on the date of purchase and the purchase price. In addition, solidarity surcharge (5.5%) and church tax (up to 9%), if applicable, arise on the income tax owed. The employee also will be subject to social insurance contributions on the spread to the extent the employee has not already exceeded his/her applicable contribution ceiling.

The employee may be able to deduct from the spread an amount of EUR 360 per calendar year if the ESPP is offered to all employees of the employing local entity with a tenure of at least one year. The old rule, according to which the participating employee may be able to deduct from the discount the lesser of (i) EUR 135, and (ii) 50% of the value of the shares on the relevant date, remains applicable under certain circumstances. In principle, the old rule should apply according to the most favorable principle whenever an employee has a right to receive shares at a discount or without remuneration on the basis of an agreement which entered into force prior to April 1, 2009, the shares are transferred to the employee prior to January 1, 2016 and the employer is not obliged to apply the new rule outlined above in the same calendar year. The participating employee should confirm with his or her tax advisor whether any of these deductions apply in his or her particular situation.

Sale of Shares

Any capital gain realized from the sale of shares that were purchased after December 31, 2008 will be subject to a flat rate capital gains withholding tax at a rate of 25% (plus solidarity surcharge and church tax, if applicable) irrespective of the holding period of the shares. The taxable amount is equal to the difference between the sale proceeds and the fair market value of the shares at the time of their purchase, less sales related costs. As a matter of principle, the flat tax is to be withheld at source by the financial institution in Germany where the shares are held in a custodial account. The Company does not assume any responsibility to withhold German income tax, etc. on the capital gain. If the flat rate withholding tax does not apply, e.g. because the shares are not held in a custodial account in Germany, the capital gain must be declared by the employee in his or her personal tax return as taxable income and the tax must be paid by the participating employee. The capital gain is, however, subject to the same tax rates as if the flat rate withholding taxation had applied. If the total investment income from all sources of the employee (including capital gains, dividend payments, interest income, etc.) in the particular tax year does not exceed EUR 801 (or EUR 1,602 for married tax payers filing jointly) the capital gain would be tax free in Germany. Furthermore, the employee may elect a personal assessment to apply his or her personal income tax rate in case the flat rate exceeds his or her personal income tax rate.

The flat rate withholding tax does, however, not apply to capital gains generated from the sale of shares if the employee owns or has owned at least 1% of the stated capital at any time during the last five years of the Company, or holds the shares as a business asset, which is rather unlikely in case of employees. In such circumstances, 60% of the capital gain realized will be taxed at the participating employee's ordinary income tax rate (plus solidarity surcharge and church tax, if applicable).

Dividends

When shares are acquired under the ESPP, dividends may be paid with respect to these shares if the Company, in its discretion, declares a dividend. In such case, the employee will be subject to income tax on dividend payments that he/she receives (plus solidarity surcharge and church tax, if applicable). The dividends received will be subject to income tax in Germany and to U.S. federal income withholding tax (at a rate of 30%). In Germany, dividend payments are subject to a flat rate tax of 25 % on the full amount of the dividend payment (plus solidarity surcharge and church tax, if applicable). As a matter of principle, the flat tax is to be withheld at source by the financial institution in Germany where the shares are held in a custodial account. The Company does not assume any responsibility to withhold German income tax, etc. on dividends. If the flat rate withholding tax does not apply, e.g. because the shares are not held in a custodial account in Germany, the dividend income must be declared by the employee in his or her personal tax return as taxable income and the tax must be paid by the participating employee. The dividend income is, however, subject to the same tax rates as if the flat rate withholding taxation had applied. However, if the total investment income from all sources of the employee (including capital gains, dividend payments, interest income, etc.) in the particular tax year does not exceed EUR 801 (or EUR 1,602 for married tax payers filing jointly) the dividend payments would be tax free in Germany. Furthermore, if the flat tax rate exceeds the personal income tax rate, the employee may elect a personal assessment to apply his or her personal income tax rate. The employee may be entitled to a tax credit against his/her German income tax for the U.S. federal income tax withheld.

Withholding and Reporting

The employer (local entity) will withhold, report and pay income tax, solidarity surcharge and church tax to the competent authority when shares are purchased for the employee under the ESPP. It is the employee's responsibility to pay and report any taxes due when he/she sell shares acquired under the ESPP and if he/she receives dividends unless the flat rate withholding tax on dividend income and capital gains applies.

Social Security

The employer (local entity) will withhold employee social security contributions when the shares are purchased by the employee (subject to applicable contribution ceilings). Furthermore, the employer will report and pay employer and employee social security contributions to the competent authority when the income is obtained at the purchase of the shares.

5. IRISH TAX AND SOCIAL SECURITY CONSEQUENCES

The following summary is intended to briefly summarize certain tax consequences associated with the purchase of shares of Staples common stock under the ESPP as well as the sale of shares obtained under the ESPP.

This discussion reflects the tax and other law as in effect on May 21, 2010. Such laws are often complex and change frequently. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires shares or sells shares acquired under the ESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee is a citizen or resident of another country other than Ireland, the information contained in this description may not be applicable to the employee.

Enrollment in the ESPP

The employee will not be subject to tax when he or she enrolls in the ESPP or a new purchase period begins.

Purchase of Shares

When shares are purchased under the ESPP, the employee will be subject to income tax and an income levy on the difference (or "spread") between the fair market value of the shares on the date of purchase and the purchase price.

Income tax due in respect of the spread must be paid directly by the employee to the Irish Collector General within 30 days of purchase. The employee must complete a return in the prescribed form (Form RTSO1) and submit it to the Irish Collector General together with the tax payment. Income tax due on the spread will be calculated using the higher rate of income tax. However, where the employee is liable to income tax at the standard rate only on the basis that his/her total income does not exceed the standard rate threshold, an application may be made to the Irish Revenue Commissioners (on an individual basis) to pay the tax at the standard rate. The requisite approval must be obtained in advance of paying over the tax and if the employee does not receive the required approval in advance of the payment deadline date, the employee must calculate his or her tax liability at the higher income tax rate and later seek a refund of tax overpaid.
The income levy due in respect of the spread does not have to be paid within 30 days of purchase but rather the normal self-assessment tax payment dates will apply. This means that the income levy must generally be paid by 31 October following the end of the tax year in which the shares are purchased. However, the employee should take account of the benefit when considering whether he/she should make a preliminary income tax payment on or before 31 October during the tax year in which the shares are purchased.

The employee will not be subject to social insurance contributions on the discount when shares are purchased under the ESPP.

Dividends

Where shares are acquired under the ESPP, dividends may be paid with respect to those shares if the Company, in its discretion, declares a dividend. Any dividends paid will be subject to tax in Ireland and also to U.S. federal income withholding tax (at a rate of 30%). The employee may be entitled to reduce the U.S. federal income withholding tax rate (to 15%) provided that the appropriate certifications concerning residence in Ireland are provided, as required by the United States Internal Revenue Service (*i.e.* Substitute Form W-8/BEN Certificate of Foreign Status and Instructions, available from Brokerage firm(s) retained by the Company).

Dividends will be subject to income tax in Ireland at the employee's marginal rate and will also be liable to an income levy at progressive rates depending on the individual's aggregate level of income during the relevant tax year in which the dividends are received. Irish tax due on dividends must be paid by the employee directly to the Irish Revenue Commissioners under the self-assessment system. The employee will be taxed in Ireland on the gross dividend received but may be entitled to a credit for any U.S. federal income tax withheld in respect of those dividends.

Sale of Shares

When the employee sells shares acquired under the ESPP, he or she will be subject to capital gains tax. The taxable amount will be calculated as the difference between the sale price (net of any costs of sale) and the purchase price plus the amount on which the employee was subject to income tax in respect of the acquisition of the shares. The capital gain must be calculated by reference to the Euro equivalent of the purchase price and sale price based on the rates of exchange pertaining on the respective dates. The gain is subject to capital gains tax to the extent it exceeds the employee's annual exemption amount (currently €1,270).

Withholding and Reporting

The employer is not required to withhold income tax or social insurance contributions at the time the shares are purchased or sold. However, the employer will report the grant of purchase rights and the purchase of shares under the ESPP to the Irish Revenue Commissioners. It is the employee's responsibility to report and pay any taxes resulting from the purchase or the sale of shares.

Additional Reporting Requirements

If the employee is a director, shadow director or secretary of an Irish subsidiary of the Company, he or she is subject to certain notification requirements under the Companies Act, 1990. Among these requirements is an obligation to notify the Irish subsidiary in writing when he or she receives an interest (e.g.*,* stock purchase rights, shares) in the Company and the number and class of shares or rights to which the interest relates. In addition, the employee must notify the Irish subsidiary when he or she sells shares acquired under the ESPP. The employee must notify the Irish subsidiary of the acquisition or disposal of an interest in shares within five days following the day of acquisition or disposal of the interest in shares. These notification requirements also apply to any rights or shares acquired by the employee's spouse or child(ren) under the age of 18.

Social Security

Social Security is not payable in respect of either the purchase or sale of shares acquired under the ESPP.

6. <u>ITALIAN TAX AND SOCIAL SECURITY CONSEQUENCES</u>

The following is intended to briefly summarize certain tax consequences associated with the purchase of shares of Staples common stock under the ESPP, as well as the sale of shares obtained under the ESPP.

This discussion reflects the tax and other law as in effect on May 21, 2010. Such laws are often complex and change frequently. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires shares or sells shares acquired under the ESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee is a citizen or resident of another country than Italy, the information contained in this description may not be applicable to the employee.

Enrollment in the ESPP

The employee is not subject to tax when he/she enrolls in the ESPP or a new purchase period begins.

Purchase of Shares

Provided that the employee does not sell the common stock received upon exercise to his/her employer or to Staples or, in the three years following the date of purchase, the employee does not otherwise dispose of the shares, the spread *(i.e.*, the difference between the average of the official prices of the shares in the month preceding the purchase and the price the employee pays for the shares) will not constitute taxable income up to a threshold of EUR 2,065 per year. Any benefit exceeding the EUR 2,065 threshold will be qualified as employment income and taxed as such in the year of purchase.

If the employee sells the shares acquired under the Plan before the three-year holding period expires, or, irrespective of the time of resale sells the shares to its employer or to Staples, the discount previously exempted will be taxed in the year during which the sale occurs.

Accordingly, if the discount is taxed, the employer is required to withhold income tax and report the discount at purchase. In this case, the discount will also be subject to social insurance contributions.

Dividends

If shares are acquired under the ESPP, dividends may be paid with respect to those shares if the Company, in its discretion, declares a dividend. Dividends received will be subject to income tax in Italy and to U.S. federal income withholding tax (at a rate of 30%). The employee may be entitled to reduce U.S. federal income withholding tax rate (to 15%) provided that the appropriate certifications concerning domicile in Italy are provided, required by the United States Internal Revenue Service (*i.e.*, Substitute Form W-8/BEN Certificate of Foreign Status and Instructions, available from the brokerage firm(s) retained by the Company). Any dividends, including non-cash dividends, are also subject to a 12.5% Italian withholding tax, since it is highly likely that the employee holds a “non-qualified” shareholding (*i.e.*, 2% or less than 2% of the voting rights in the Company shareholders' meeting or 5% or less than 5% of the capital of the Company). No tax credit for the withholding tax paid in U.S. is granted to offset the 12.5% Italian withholding tax. In the unlikely event that the employee holds a "qualified shareholding" (*i.e.*, more than 2% of the voting rights in the Company shareholders' meeting or more than 5% of the capital of the Company) different rules on dividends taxation would apply.

Sale of Shares

The employee will be subject to capital gains tax when he/she subsequently sells the shares purchased under the Plan.

The capital gains realized will be subject to a 12.5% rate, since it is highly likely that the shares sold represent 2% or less than 2% of the voting rights (or 5% or less than 5% of the outstanding shares) of Staples stock (*i.e.*, is a "non-qualified" shareholding). Should the stock exceed the above percentage, different rules of determination of the capital gain tax would apply.

If the shares were totally exempt from tax at purchase (*i.e.*, when the spread did not exceed EUR 2,065), the capital gain will be the difference between the sale price and the purchase price (*i.e.*, the net profit). In the case of shares that were previously totally taxed (*i.e.*, when the shares were sold to the employer or to Staples or during the three years holding period) or partially taxed at purchase (*i.e.*, where the spread exceeded EUR 2,065), the taxable capital gain is the difference between the sale price and the sum of the purchase price and the amount subject to taxation as employment income.

In calculating capital gains tax, the employee may subtract any expenses incurred to produce the gain, except interest, and losses from the sale of any other non-qualified shareholding (or from the sale of any other qualified shareholding) or from the sale of other capital investments. If losses exceed gains, the difference can be carried forward for the next four years. Capital gains (or losses) must be reported in the employee's annual tax return and the applicable capital gains tax shall be paid, together with the personal income tax.

If the employee sells a non-qualified shareholding (as defined above), he/she may also elect to be taxed under one of two alternative tax regimes, which are designed to preserve the anonymity of the securities owner. To be eligible for either of these methods, the employee must however keep the stock certificates in the custody of a broker authorized by the Italian Ministry of Finance. Common feature of the two alternative regimes is that the broker takes care of the calculation and payment of the capital gain tax which is in any case levied at 12.5% rate.

Withholding and Reporting

The local employer has no withholding or reporting obligations at the time the employees join the ESPP and are granted a stock purchase right.

Withholding and reporting of income taxes and social insurance taxes will be required in the event the discount is taxed as income in-kind, *i.e.*, when the discount exceeds the EUR 2,065 threshold and when the employee sells the shares to his/her employer or to Staples or during the mandatory three-year holding period.

The employee is responsible for reporting the employment income, including the discount in the event it is taxable, on his/her annual tax return. Further, if the employee subsequently sells his/her shares to Staples or during the mandatory three-year holding period, it is also his/her responsibility to notify his/her employer of the sale. The employee is also responsible for reporting capital gains (or losses) and any dividends he/she receives in his/her annual tax return and paying the applicable taxes, if no substitute tax or definitive withholding tax have been previously applied on the same items of income.

In addition, the employee must report in his/her annual tax returns (or a special form if no tax return is due) any foreign investments, including shares, he/she holds abroad at the end of the year in excess of EUR 10,000.

Social Security

Social insurance taxes will be required in the event the discount is taxed as income in-kind, *i.e.*, when and to the extent the discount exceeds the EUR 2,065 threshold and when the employee sells the shares to his/her employer or to Staples or during the mandatory three-year holding period.

7. NORWEGIAN TAX AND SOCIAL SECURITY CONSEQUENCES

The following is intended to briefly summarize certain tax consequences associated with the purchase of shares of Staples common stock under the ESPP, as well as the sale of shares acquired under the ESPP.

This discussion reflects the tax and other law in effect on May 21, 2010. Such laws are often complex and change frequently. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires shares or sells shares acquired under the ESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to the employee's particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee is a citizen or resident of another country than Norway, the information contained in this description may not be applicable to the employee.

Enrollment in the ESPP

The employee is not subject to tax when he/she enrolls in the ESPP or a new purchase period begins.

Purchase of Shares

On the exercise date, when the employee purchases shares of Staples common stock, the employee will be subject to taxation on the difference between the fair market value of such shares at the time the shares are made available to the employee and the exercise price paid for the shares (the "spread"). The spread will be taxable as employment income, subject to income tax and social insurance contribution at a marginal tax rate of 47.8% (2010 rates, including the employees part of the social security contribution). The employee may be able to exclude from the taxable amount up to 20% of the fair market value of the shares on the date of exercise (when the shares were made available to the employee), but not more than

NOK 1,500 per year, if the ESPP is offered to “all employees”.

Dividends

Where shares are acquired under the ESPP, dividends may be paid with respect to those shares if the Company, in its discretion, declares a dividend. Any dividends paid will be subject to tax in Norway and also to U.S. federal income withholding tax (at a rate of 30%). The employee may be entitled to reduce the U.S. federal income withholding tax rate (to 15%) provided that the appropriate certifications concerning residence in Ireland are provided, as required by the United States Internal Revenue Service (*i.e.* Substitute Form W-8/BEN Certificate of Foreign Status and Instructions, available from Brokerage firm(s) retained by the Company).

The employee will be subject to Norwegian income tax on any dividends distributed on the shares acquired under the ESPP at a tax rate of 28%. Norwegian personal shareholders may be entitled to deduct a calculated allowance when calculating their taxable dividend income.

The allowance is calculated on a share-by-share basis, and the allowance for each share is equal to the fair market value of the shares at the time the shares were made available to the employee (base value), multiplied by a risk-free interest rate. Any part of the calculated allowance in one year exceeding the dividend distributed on this share is added to the base value and included in the basis for calculating the allowance the following year.

Any withholding tax which is levied, might be set off against Norwegian tax on the dividend.

Sale of Shares

When the employee subsequently sells or otherwise dispose of the shares acquired under the ESPP, the employee will be subject to taxation at a tax rate of 28%. The taxable amount will equal the difference between the sale proceeds and the market value of the shares at the time the shares were made available to the employee (base value), less any costs such as brokerage fees.

The employee may be entitled to deduct an allowance when calculating the taxable amount. The allowance for each share is equal to the total of allowance amounts calculated for dividends for this share for previous years less dividends distributed on this share. The allowance may be deducted only to reduce a taxable gain, and may not be deducted to produce or increase a capital loss for tax purposes.

Tax Withholding and Reporting

In general, the local Norwegian subsidiary will be required to report the grant of options under the ESPP to the tax authorities. The local Norwegian subsidiary will also be required to report the spread on the date of exercise as taxable income to the local tax authorities, and will also be required to withhold income taxes and social insurances charges on such amount.

The employee is required to report the taxable dividend income, and any income realized on the subsequent realization of shares acquired under the ESPP. The employee will also be responsible for paying the tax of such amounts to the tax authorities.

Wealth Tax

Wealth tax is assessed at the end of each tax year, and the tax is based on the fair marked value of the assets held on 1 January in the year following the relevant tax year. Both options and shares held are subject to wealth tax.

The employee will be subject to wealth tax on the value of the accumulated payroll deduction held on behalf of the employee on 1 January in the year following the relevant tax year.

The value of the option for wealth tax purposes is the fair market value of the options on 1 January in the year following the relevant tax year. However, if the options are unvested, non-transferable and conditioned upon the requirement that the employee remains employed at the time of exercise, the options may be exempt from wealth tax. Since there is uncertainty regarding the applicability of this exemption, the employee should provide the tax authorities with information regarding the options in his/her annual tax return if he/she maintains that no wealth tax is payable. The employee should include an explanation as to why the option should not be subject to wealth tax (*e.g.*, the option has not vested yet, the option is non-transferable, the option is conditioned upon the achievement of certain requirements).

Finally, the shares held at the end of the year will be subject to wealth tax based on the fair market value of the shares on 1 January in the year following the relevant tax year.

The marginal wealth tax rate is 1.1% (2010 rates).

8. NETHERLANDS TAX AND SOCIAL SECURITY CONSEQUENCES

The following is intended to briefly summarize certain tax consequences associated with the purchase of shares of Staples common stock under the ESPP, as well as the sale of shares obtained under the ESPP.

This discussion reflects the tax and other law as in effect on May 14, 2010. Such laws are often complex and change frequently. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires shares or sells shares acquired under the ESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to the employee's particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee is a citizen or resident of another country than the Netherlands, the information contained in this description may not be applicable to the employee.

Enrollment in the ESPP

The employee is not subject to tax when he/she enrolls in the ESPP or a new purchase period begins.

Purchase of Shares

The employee will be subject to tax when the right to purchase shares under the ESPP becomes unconditional. This will likely occur at the time of purchase. The employee will be subject to income tax/wage withholding tax and social insurance contributions (in respect of the latter to the extent the employee has not already exceeded the applicable wage ceiling) on the difference between the fair market value of the shares on the date of purchase and the purchase price.

Dividends

If shares are acquired under the ESPP, dividends may be paid with respect to those shares if the Company, in its discretion, declares a dividend. Any dividends paid will be subject to U.S. federal income withholding tax (based on the Netherlands – United States tax treaty at a rate of 15%). Dividends are exempt from taxation in the Netherlands, provided the employee holds less than 5% of the Company's outstanding shares. The employee may be entitled to a tax credit against his/her Dutch income tax for the U.S. federal income tax withheld.

Investment Tax

In case the employee holds less than 5% of the Company's outstanding shares, the employee is subject to an investment yield tax of 1.2% (*i.e.*, Box III income) on the average of the value of all assets (including shares of the Company) that he or she owns at the end of the calendar year. An exemption is available on the first EUR 20,661 (for 2010) of the average value of the assets held over the calendar year involved.

Sale of Shares

When the employee subsequently sells the shares purchased under the ESPP, he/she will not be subject to any capital gains tax, provided he/she holds less than 5% of the Company's outstanding shares.

Withholding and Reporting

The employee's employer will withhold and report any wage tax and social insurance contributions on the taxable amount at purchase. The employee will be responsible for paying the difference, if any, between the wage taxes withheld and the actual income tax liability. The employee also must report any taxable benefit derived from the ESPP on his/her personal income tax return.

9. SWEDISH TAX AND SOCIAL SECURITY CONSEQUENCES

The following is intended to briefly summarize certain tax consequences associated with the purchase of shares of Staples common stock under the ESPP, as well as the sale of shares obtained under the ESPP.

This discussion reflects the tax and other law as in effect on May 19, 2010. Such laws are often complex and change frequently. In particular, rates of income tax and social security contributions are expected to change in the coming years. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires shares or sells shares acquired under the ESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee is a citizen or resident of another country than Sweden, the information contained in this description may not be applicable to the employee.

Enrollment in the ESPP

The employee is not subject to tax when he/she enrolls in the ESPP or a new purchase period begins.

Purchase of Shares

When shares are purchased under the ESPP, the employee will be subject to income tax on the difference between the fair market value of the shares on the date of purchase and the purchase price (the "spread"). Swedish income tax consists of both municipal tax and state tax. The rate of municipal tax depends on the municipality and ranges from approximately 29 percent to 34 percent. The average municipal tax rate is approximately 31 percent. In addition to municipal tax, taxpayers who earn more than SEK 384,600 in taxable income must pay a state tax of 20 percent on any excess amount. For taxpayers who earn more than SEK 545,200, an extra 5 percent is levied on any excess amount, which brings the top state tax rate to 25 percent. Accordingly, an average combined municipal and state tax rate of approximately 57 percent applies to individuals earning more than SEK 545,200 per year.

Dividends

Where shares are acquired under the ESPP, dividends may be paid with respect to these shares if the Company, in its discretion, declares a dividend. The employee will be subject to capital gains tax in Sweden at a flat rate of 30 percent if the underlying shares are listed on an exchange (e.g., the Nasdaq) and otherwise at a flat rate of 25 percent. This also applies to dividends reinvested in accordance with the terms and conditions of the DRIP. The employee will also be subject to U.S. federal income withholding tax at source (at a rate of 30%). The employee may be entitled to reduce the U.S. federal income withholding tax rate (to 15%) provided that the appropriate certifications concerning residence in Sweden are provided, as required by the United States Internal Revenue Service (*i.e.* Substitute Form W-8/BEN Certificate of Foreign Status and Instructions, available from Brokerage firm(s) retained by the Company). The employee may be entitled to a foreign tax credit against his/her Swedish income tax for the U.S. federal income tax withheld.

Sale of Shares

When the shares acquired under the ESPP are subsequently sold, any capital gain is taxed at a flat rate of 30 percent if the shares are listed (and otherwise at a flat rate of 25 percent). The gain is calculated as the difference between the sales price and the fair market value of the shares at purchase. As an alternative, the employee may opt to be taxed on 80 percent of the sale proceeds, i.e., at a standardized purchase price at 20 percent provided the shares are listed.

If the sale results in a capital loss, the loss is deductible against certain types of capital gains realized during the same year. A tax reduction against other types of income, e.g., income from employment, is allowed to the extent the loss cannot be offset against capital gains realized in the same year. The amount that may be used to reduce the tax on income from other categories than capital income corresponds to 30 percent of the part of the deficit not exceeding SEK 100,000, and 21 percent of the deficit exceeding that amount.

Withholding and Reporting

The employer is required to withhold and report preliminary income tax on the spread at purchase to the Swedish Tax Agency. The employer may not retain shares of the Company stock to satisfy this withholding obligation without the employee's consent, but may withhold from the proceeds of shares sold on the date of purchase, if any. The employer must withhold from the employee's salary in the same calendar month shares are purchased. If the sum of the employee's monthly cash salary and other cash payments constituting remuneration for work does not cover the preliminary taxes that are to be withheld and reported by the employer, it is the employee's responsibility to make an extra payment to the Swedish Tax Agency. In addition, the employee is required by law to report the purchase of shares to the employer no later than January 15 of the year directly following the year in which the shares are purchased. Please note that the employer's withholding and reporting obligations arise at the time of purchase, even though the employee has additional time to fulfil his or her reporting obligation.

The employer must file a statement of income (form SKV 2300). The income statement must be submitted to the Swedish Tax Agency no later than January 31 of the year following the income year.

It is the employee's responsibility to report and pay any taxes resulting from the sale of shares or receipt of dividends.

Social Security

ISocial insurance contributions will be calculated on the spread at a rate of 31.42 percent (rate for income year 2010). However, it is the responsibility of the employer and not of the employee to pay and report the social insurance contributions.

10. UNITED KINGDOM TAX AND SOCIAL SECURITY CONSEQUENCES

The following is intended to briefly summarize certain tax consequences associated with the purchase of shares of Staples common stock under the ESPP, as well as the sale of shares obtained under the ESPP, by employees who are resident and ordinarily resident in the United Kingdom.

This discussion reflects the tax and other law as in effect on May 20, 2010. Such laws are often complex and change frequently. In particular, rates of income tax, National Insurance contributions ("NICs") and capital gains tax are expected to change in the coming year, as well as changes to personal allowance limits. Some changes, for example in relation to capital gains tax, may even be made in the current tax year as a result of the emergency budget that is expected to be published by the UK government on 22 June 2010. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires shares, receives dividends or sells shares acquired under the ESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to the employee's particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee was not resident and ordinarily resident in the United Kingdom at the time the purchase rights under the ESPP were granted or subsequently, or the employee is a citizen or resident of a country other than the United Kingdom, or the employee is subject to the remittance basis of taxation, the information contained in this description may not be applicable to the employee.

Enrollment in the ESPP

The employee is not subject to tax when he/she enrolls in the ESPP or when a new purchase period begins.

Purchase of Shares

When shares are purchased, the employee will be subject to income tax and employee NICs on the difference (or "spread") between the fair market value of the shares on the date of purchase and the purchase price. The spread will be classified as employment income and will be included in the employee's overall income in the year of purchase, and will be subject to income tax at the employee's marginal income tax rate (of up to 50%, depending on the employee's total annual earnings) to the extent that it exceeds the employee's personal allowance threshold (which is £6,475 for the tax year 6 April 2010 to 5 April 2011). In addition, employee NICs will be due on the spread at a rate of 11% to the extent the employee has not exceeded the upper earnings limit, which for the tax year 6 April 2009 to 5 April 2010 is £43,888 per annum (or £844 per week). To the extent the employee has exceeded the upper earnings limit, the employee will be subject to employee NICs at a rate of 1% on the spread.

Generally, the employer will withhold and account to HM Revenue and Customs ("HMRC") income tax and employee NICs when shares are purchased for the employee under the ESPP by deductions from his/her salary or other payments due to the employee, via the Pay-As-You-Earn ("PAYE") tax withholding system. However, the employee is ultimately responsible for the payment of any income tax and employee NICs due.

Please note that, in the event that there is no such withholding or the amount withheld is insufficient to cover the employee's actual liability, the employee must reimburse his/her employer for the income tax due (in excess of the amount withheld from the employee's salary or covered by the sale of shares, if any) within 90 days of the date of purchase of the employee's shares to avoid further tax consequences. If the employee fails to pay this amount to his/her employer within that time limit the employee may be treated as having received a deemed benefit in kind equal to the amount of tax not paid to his/her employer and he/she will have to pay further income tax and employee NICs on this benefit. In such case, the employer is not required to withhold income tax or the employee NICs on the benefit in kind, and the employee must include this in his/her self-assessment tax return for the tax year in which the purchase occurs.

Sale of Shares

When the employee subsequently sells the shares that he/she purchased under the ESPP, any capital gain, (*i.e.*, the difference between the sale price and the fair market value of the shares at the time of purchase) may be subject to capital gains tax.

Capital gains tax is only payable on gains from all sources in excess of the annual personal exemption in any tax year. For the tax year 6 April 2009 to 5 April 2010, this personal exemption is £10,100.

Since 6 April 2008, capital gains taper relief is no longer available. Currently, a flat rate of 18% will apply to all capital gains in excess of the employee's annual personal exemption on the sale of shares on and after 6 April 2008, *regardless of how long the employee holds the shares prior to sale*. Please note that this rate is expected to increase in 2010 or 2011.

If the employee acquires other shares in the Company, the employee will need to take into account the share identification rules in calculating the capital gains tax liability. The share identification rules were substantially modified with effect from 6 April 2008. From 6 April 2008, all shares of the same class in the Company, whether acquired pursuant to the ESPP or otherwise, will be treated as forming a single asset (a 'section 104 holding' or share pool), regardless of when the employee originally acquired them. The base cost of the shares in the share pool is calculated as the average base cost of all the shares in the share pool (rather than being calculated on the basis of selected shares within the share pool). However, the share pool does not apply in relation to any shares acquired on the same day as the employee sells any shares and any shares acquired within the following 30 days. Disposals are therefore taken to be made in the following order: (i) against acquisitions on the same day; (ii) against acquisitions within the 30 days following the disposal; and (iii) against shares in the share pool.

The employee is personally responsible for reporting any taxable income arising upon the sale or disposal of shares that he/she purchased under the ESPP on the employee's personal HMRC Self-Assessment Tax Return and for paying the applicable taxes directly to HMRC. The Company and/or the employee's employer have no responsibility in respect of the employee's capital gains tax liability.

Please note that the capital gains tax rules are complex and their impact will vary according to the employee's own circumstances. It is therefore recommended that the employee obtain his/her own independent tax advice prior to any acquisition, sale or disposal of shares by the employee.

Dividends

Where shares are acquired under the ESPP, dividends may be paid with respect to these shares if the Company, in its discretion, declares a dividend. The dividends received will be subject to income tax in the United Kingdom (at the employee's marginal income tax rate) and to U.S. federal income tax withholding at source (at a rate of 30%) (no NICs are due on dividends). The employee may be entitled to reduce U.S. federal income withholding tax rate (to 15%) provided that the appropriate certifications concerning domicile in the United Kingdom are provided, required by the United States Internal Revenue Service (*i.e.*, Substitute Form W-8/BEN Certificate of Foreign Status and Instructions, available from the brokerage firm(s) retained by the Company). The employee may be entitled to a U.K. tax credit for the U.S. taxes paid provided certain conditions are met.

Withholding and Reporting

The employer will be required to withhold and account to HMRC the income tax and employee NICs due when shares are purchased by the employee under the ESPP by deductions (via the PAYE tax withholding system) from his/her salary or other payments due to the employee. However, the employee is ultimately responsible for the payment of any income tax and employee NICs due. As mentioned above, if the amount withheld is not sufficient to cover the employee's actual liability, he/she is responsible for paying the difference to the employer and the employee must do so within 90 days of the date of purchase of the shares to avoid further tax consequences.

The employee should report details of any liabilities arising from the shares he/she acquires under the ESPP and shares sold or disposed of, together with details of any dividend income, to HMRC on the employee's personal HMRC Self-Assessment Tax Return. The employee will also be responsible for paying, directly to HMRC, any capital gains tax due as a result of the sale of shares acquired under the ESPP and any income tax due on dividends received. The Company has no responsibilities in respect of the employee's income tax liability in relation to dividends or capital gains.

The employer is required to report the details of the grant of purchase rights and the purchase of shares, as well as details of the spread and any tax and employee NICs withheld, to HMRC on its Annual UK Revenue Tax Return and its Annual Share Schemes Return.

Social Security

As set out above, when the shares are purchased the employee will be subject to employee NICs on the spread at a rate of 11% to the extent the employee has not exceeded the upper earnings limit, which for the tax year 6 April 2010 to 5 April 2011 is £43,888 per annum (or £844 per week). To the extent the employee has exceeded the upper earnings limit, the employee will be subject to employee NICs at a rate of 1% on the spread.

The following is intended to briefly summarize certain tax consequences associated with the purchase of shares of Staples common stock under the ESPP, as well as the sale of shares obtained under the ESPP, by employees who are resident and ordinarily resident in the United Kingdom.

This discussion reflects the tax and other law as in effect on May 20, 2010. Such laws are often complex and change frequently. In particular, rates of income tax and National Insurance contributions are expected to change in the coming years. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires shares or sells shares acquired under the ESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to the employee's particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee was not resident and ordinarily resident in the United Kingdom at the time the purchase rights under the ESPP were granted or subsequently, or the employee is a citizen or resident of a country other than the United Kingdom, the information contained in this description may not be applicable to the employee.

Enrollment in the ESPP

The employee is not subject to tax when he/she enrolls in the ESPP or a new purchase period begins.

Purchase of Shares

When shares are purchased, the employee will be subject to income tax and employee National Insurance contributions ("NICs") on the difference (or "spread") between the fair market value of the shares on the date of purchase and the purchase price. Income tax on the spread will be due at the employee's marginal income tax rate. Employee NICs will be due on the spread at a rate of 11% to the extent the employee has not exceeded the upper earnings limit, which for the tax year 6 April 2009 to 5 April 2010 is £43,888 per annum (or £844 per week). To the extent the employee has exceeded the upper earnings limit, the employee will be subject to employee NICs at a rate of 1% on the spread.

Generally, the employer will withhold income tax and employee NICs when shares are purchased for the employee under the ESPP by deductions from his/her salary or other payments due to the employee.

Please note that, in the event that there is no such withholding or the amount withheld is insufficient to cover the employee's actual liability, the employee must reimburse his/her employer for the income tax due (in excess of the amount withheld from the employee's salary or covered by the sale of shares, if any) within 90 days of the date of purchase of the employee's shares to avoid further tax consequences. If the employee fails to pay this amount to his/her employer within that time limit the employee may be treated as having received a deemed benefit in kind equal to the amount of tax not paid to his/her employer and he/she will have to pay further income tax and employee NICs on this benefit. In such case, the employer is not required to withhold income tax or the employee NICs on the benefit in kind, and the employee must include this in his/her self-assessment tax return for the tax year in which the purchase occurs.

Sale of Shares

When the employee subsequently sells the shares that he/she purchased under the ESPP, any capital gain, (*i.e.*, the difference between the sale price and the fair market value of the shares at the time of purchase) may be subject to capital gains tax.

Capital gains tax is only payable on gains from all sources in excess of the annual personal exemption in any tax year. For the tax year 6 April 2009 to 5 April 2010, this personal exemption is £10,100.

Since 6 April 2008, capital gains taper relief is no longer available. A flat rate of 18% will apply to all capital gains in excess of the employee's annual personal exemption on the sale of shares on and after 6 April 2008, *regardless of how long the employee holds the shares prior to sale*.

If the employee acquires other shares in the Company, the employee will need to take into account the share identification rules in calculating the capital gains tax liability. The share identification rules were substantially modified with effect from 6 April 2008.From 6 April 2008, all shares of the same class, whether acquired pursuant to the ESPP or otherwise, will be treated as forming a single asset (a 'section 104 holding' or share pool), regardless of when the employee originally acquired them. The base cost of the shares in the share pool is calculated on the average base cost of all the shares in the share pool.

However, the share pool does not apply in relation to any shares acquired on the same day as the employee sells any shares and any shares acquired within the following 30 days. Disposals are therefore taken to be made in the following order: (i) against acquisitions on the same day; (ii) against acquisitions within the 30 days following the disposal; and (iii) against shares in the share pool.

Please note that the capital gains tax rules are complex and their impact will vary according to the employee's own circumstances. It is therefore recommended that the employee obtain his/her own independent tax advice prior to any acquisition or sale of shares by the employee.

Dividends

Where shares are acquired under the ESPP, dividends may be paid with respect to these shares if the Company, in its discretion, declares a dividend. The dividends received will be subject to income tax in the U.K. (at the employee's marginal income tax rate) and to U.S. federal income withholding tax (at a rate of 30%) (no NICs are due on dividends). The employee may be entitled to a U.K. tax credit for the U.S. taxes paid provided certain conditions are met.

Withholding and Reporting

The employer will withhold income tax and employee NICs when shares are purchased by the employee under the ESPP by deductions from his/her salary or other payments due to the employee. As mentioned above, if the amount withheld is not sufficient to cover the employee’s actual liability, he/she is responsible for paying the difference to the employer and the employee must do so within 90 days of the date of purchase of the shares to avoid further tax consequences. The employee should report details of any liabilities arising from the shares he/she acquires under the ESPP and shares sold or disposed of, together with details of any dividend income, to HM Revenue & Customs ("HMRC") on the employee’s personal HMRC Self-Assessment Tax Return. The employee will also be responsible for paying any capital gains tax due as a result of the sale of shares acquired under the ESPP.

The employer is required to report the details of the grant of purchase rights and the purchase of shares, as well as the tax withheld, to HMRC on its Annual UK Revenue Tax Return and its Annual Share Schemes Return.

Social Security

As set out above, when the shares are purchased the employee will be subject to employee NICs on the spread at a rate of 11% to the extent the employee has not exceeded the upper earnings limit, which for the tax year 6 April 2009 to 5 April 2010 is £43,888 per annum (or £844 per week). To the extent the employee has exceeded the upper earnings limit, the employee will be subject to employee NICs at a rate of 1% on the spread.