

Corporate Express Australia Limited (Corporate Express)

Proposed acquisition of Corporate
Express by Staples

Investor Presentation

17 March 2010

Key Highlights

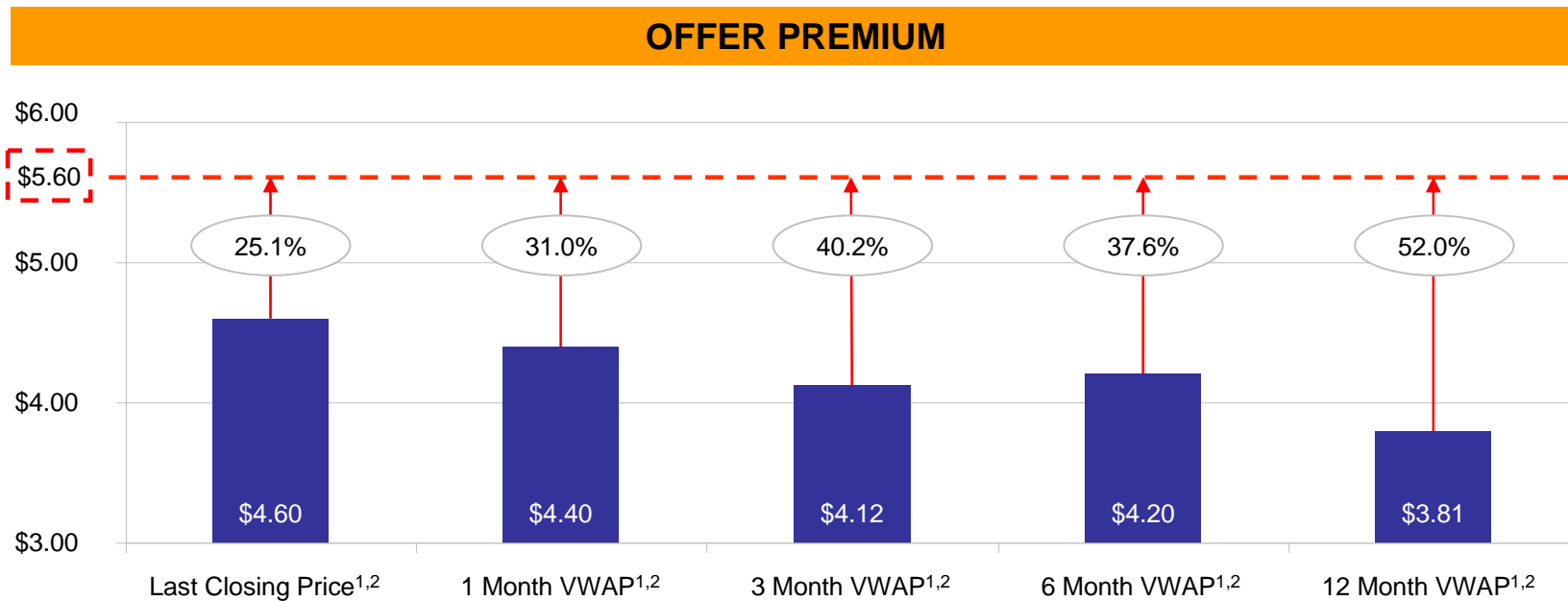
- **Implementation Agreement signed between Corporate Express and a wholly owned subsidiary of Staples, Inc. (Staples) on 17 March 2010**
- **Staples proposes off-market takeover offer for all the issued share capital in Corporate Express that it does not already own (the Offer)**
- **Offer consideration of \$5.60 cash per share**
- **Shareholders will keep the final dividend of 12.5¹ cents per share fully franked**
- **Corporate Express seeking Australian tax ruling to facilitate the payment of a fully franked special dividend of no more than 78 cents per share, which if paid, will reduce the takeover offer consideration by the same amount. If the tax ruling is obtained, the special dividend would be declared and become payable upon the Offer being declared unconditional**
- **Offer implies an equity value for Corporate Express of c.\$1.0 billion and an enterprise value of c.\$1.1 billion**
- **Offer unanimously recommended by Corporate Express' Independent Directors, subject to the Independent Expert determining that the Offer is fair and reasonable and no superior proposal emerges**
- **The Independent Directors have appointed Lonergan Edwards & Associates to prepare an Independent Expert's report**

Note:

1. The final dividend of 12.5 cents per share fully franked was declared on 2 March 2010 and will be paid on 14 April 2010. Corporate Express shares will trade ex-dividend from 18 March 2010.

Attractive Premia

- Offer consideration of \$5.60 per share represents an attractive premium
- To achieve a like-for-like comparison, the premia are calculated after adjusting for the 12.5 cents per share dividend which will be paid on 14 April 2010



Note:

1. ASX share price.

2. Last close as at 16 March 2010, (the day prior to Corporate Express' announcement of Staples' Off-market Takeover Proposal). VWAP represents the volume weighted average share price rounded to the nearest cent in the relevant period up to and including 16 March 2010.

Transaction Multiples

- Implied transaction multiples based on an Enterprise Value¹ of c.\$1.1 billion and FY09 reported EBITDA \$108.2 million and consensus FY10 EBITDA \$116.5 million²

EV/EBITDA TRANSACTION MULTIPLES



Note:

- Based on an offer price of \$5.60 per share, c.169.4 million shares on issue fully diluted and implied net debt of \$166.1 million (after adjusting for the payment of the final dividend on 14 April 2010).
- Based on I/B/E/S Consensus estimates for year ending 31 January 2011 EBITDA.

Conditions and Process

- **Implementation Agreement sets out details of conditions and process**
- **Off-market takeover conditions including:**
 - Staples becoming entitled to a relevant interest of 90% in Corporate Express fully diluted
 - approval of the Foreign Investment Review Board and New Zealand Overseas Investment Office
 - no prescribed occurrences¹
 - Corporate Express not announcing an intention to pay, declaring or paying a dividend or any other form of distribution of profits or capital other than the final dividend of 12.5 cents per share to be paid on 14 April 2010 and the special dividend of up to 78 cents per share
 - between the date of announcement and the close of the Offer, the All Ordinaries Index not falling and remaining 20% or more below the closing level of 4809 on 16 March 2010 for three consecutive trading days
- **Implementation Agreement sets out details of conditions relating to the Independent Directors' recommendation**
 - Unanimously recommend the Offer in the absence of a superior offer and subject to the Independent Expert determining the transaction fair and reasonable

Note:

1. The occurrences listed in section 652C of the Corporations Act 2001 (Cth).

Indicative Transaction Process

Event	Indicative Timing
Announcement of Transaction	17 March 2010
Bidders Statement lodged with ASIC	19 March 2010
Bidders Statement dispatched to shareholders	Early April 2010
Target statement dispatched to shareholders	Mid April 2010

Corporate Express Australia Ltd

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