



**Corporate Express
Australia Limited**

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7 May 2010

Tax Implications of share purchases after 7 May 2010

Summary

On 17 March 2010, Staples Australia Pty Limited (Staples Australia) announced an off-market takeover bid (Offer) for all of the ordinary shares (Shares) in Corporate Express Australia Limited (Corporate Express). In conjunction with the Offer it is proposed that Corporate Express pay a fully franked special dividend of up to 78 cents per Share (Special Dividend). The Special Dividend will not be more than 78 cents (but may be less).

As set out following, for various reasons any person who acquires Shares after 7 May 2010 may not be entitled to the franking benefits of any Special Dividend ultimately paid and should seek their own tax advice.

Special Dividend

The Special Dividend will only be payable if:

- a favourable draft tax ruling from the Australian Tax Office (ATO) has been received. There is no certainty a favourable tax ruling will be obtained, although discussions with the ATO are progressing. The ATO has indicated that the draft ruling should be issued by mid-May 2010. There is no certainty that this timing will be met;
- Shareholders approve Corporate Express paying the Special Dividend and taking other steps that may financially assist the acquisition of Shares by Staples Australia at the Extraordinary General Meeting (EGM) on 20 May 2010; and
- the Offer becomes unconditional.

Tax consequences for the special dividend

If the ATO issues a favourable tax ruling, the effect of the ruling is likely to be that for the dividend to be fully-franked in the hands of a shareholder, the shareholder must hold the Shares "at risk" for 45 consecutive days immediately prior to the ex-dividend date (for tax purposes) for the Special Dividend.

Based on the current Offer closing date of 23 June 2010, Corporate Express expects to decide around 10 June 2010 whether the Special Dividend should be paid and if so, the amount of the Special Dividend.

In this event, any person acquiring Shares after 7 May 2010 may find that the Special Dividend is unfranked in their hands.

Further details on the Taxation Consequences for the Special Dividend are set out on page 16 of the Corporate Express Target's Statement. A copy of the Target's Statement is available at www.ce.com.au

This proposed timing is subject to change. In addition, the ATO has not yet determined how the 45 day rule operates in the current circumstances. Investors should seek their own taxation and financial advice applicable to their own specific circumstances.

- Ends -

For further information please contact:

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