



# Crisis Media Kit

Lyndsey Colman

Professor Tusing

COM 212

December 6, 2012

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## Fact Sheet

### Information

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Donations: [staples.com/community](http://staples.com/community) or [Foundationinfo@staples.com](mailto:Foundationinfo@staples.com)

Investor Relations: [investor@staples.com](mailto:investor@staples.com)

Marketing/Advertising: [marketing@staples.com](mailto:marketing@staples.com)

Sponsorship Requests: [sponsorwise.com/staples](http://sponsorwise.com/staples)

If you are interested in submitting a product development idea to Staples, please visit <http://www.pdgevaluations.com/>.

If you are interested in becoming a vendor for Staples, please contact the Customer Service email above.

For the most complete response, email us with your question or request and we will get back to you as soon as possible. Please only call if you are on an immediate deadline (8 hours or less).

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## History

Staples, Inc. is the country's largest operator of office supplies superstores, offering a vast selection of products at low prices, primarily to small business owners. Staples pioneered this concept in 1986 and grew rapidly after opening its first store in the Boston area. The company subsequently expanded to areas outside the Northeast; by the early 2000s, there were about 1,300 Staples outlets located both in major metropolitan areas and smaller markets in 45 states, the District of Columbia, and 10 Canadian provinces. In addition to the retail operations, the company runs a delivery business that encompasses catalog and Internet businesses under the Staples and Quill names, as well as contract stationery businesses, which deliver office supplies to medium-sized and large companies. Staples' European operations consist of nearly 200 retail outlets, under the Staples name in the United Kingdom and Germany and under the name Office Centre in the Netherlands and Portugal. The firm also runs a number of international mail-order office-products businesses: JPG and Bernard in France and Belgium, Kalamazoo in Spain, Neat Ideas in the United Kingdom, and MondOffice in Italy.

### **Pioneering the Office Supplies Superstore Concept: 1980s**

Staples was founded in November 1985 by Thomas G. Stemberg and Leo Kahn, who had previously competed against each other in the Boston grocery market. Stemberg had worked in the New England food business since graduating from Harvard Business School in 1973. After his employer fired him in 1985 because of "philosophical differences," he used his years' worth of severance pay to explore other business opportunities.

Stemberg was interviewing for a job at a generalized warehouse club retailer when he noticed that the aisle featuring office supplies was in disarray, attesting to the popularity of the products, which moved quickly out of the store. When he learned that this small category of goods accounted for 7 percent of all warehouse store sales, Stemberg recognized a niche market that would provide him with the opportunity he wanted.

In formulating his concept for an office supplies warehouse, Stemberg drew on several demographic factors. As large corporations cut their workforces, small businesses were taking up the slack in the American economy, signaling a quickly expanding, lucrative market. In addition, the service sector of the economy was growing rapidly, and such businesses typically used a good deal of office supplies.

Stemberg's plan called for the elimination of the middleman in office supply distribution. Traditionally, manufacturers of paper and other items sold their goods to one of six major wholesalers around the country. The wholesalers then sold their goods to office supply dealers and stationery stores. The dealers sold supplies to large corporations, while stationers catered to small businesses and individuals. Along the way, however, the two layers of middlemen between the factory and the customer drove up costs dramatically.

With his Staples store, as he planned to call the outlet, Stemberg would collapse those two layers into one. Because supplies would be purchased directly from manufacturers, the store would be able to offer much lower prices than its competitors in the heavily fragmented retail environment. Stemberg hoped with this idea to gain a portion of the office supply market significant enough to justify purchasing in bulk. Stemberg expected that imitators would quickly copy his idea if it proved successful, so he set out to raise a large amount of capital to finance his company, hoping to expand Staples rapidly after its start-up and avoid losing ground to its competitors.

To do so, Stenberg approached his old nemesis Kahn, who invested \$500,000. In addition, Stenberg made presentations to venture capitalists in the Boston area and was met with an enthusiastic response. In the first round of financing, the company raised \$4 million. With this money, Stenberg set out to recruit a management team. Looking for people who shared his philosophy of how to run a business, he sought out those with a similar background, bringing in people who had worked at the same national grocery chain that he had. By the spring of 1986 everything was in place.

The first Staples Office Superstore opened its doors in May at 1660 Soldiers Field Road in Brighton, Massachusetts, a suburb of Boston. Consisting of one vast, open 14,000-square-foot space, the Staples store had a typical warehouse decor, with concrete floors and an unfinished ceiling. A huge array of goods was stacked on metal shelves, and shopping carts were provided for customers at the front. More than 40 workers were deployed to ring up sales at six cash registers. In an effort to provide customers with one-stop shopping, the store stocked everything that could conceivably be used in an office, from paper and pens, to office furniture, to microwave ovens. Most products were offered at a price half as low as that of Staples' competitors.

To drum up business, Staples gift certificates were sent to 35 local small business office managers, who would be surveyed on their reactions to the store when they made a purchase. After five weeks, only nine of the certificates had been redeemed, and Stenberg learned that he had a sizable marketing task ahead of him.

The marketing push began with an effort to differentiate Staples from other stationery outlets, in order to draw the company's targeted customers into the store. The company invested more than \$1 million in several linked minicomputers and a staff of three computer programmers and began amassing a database of small businesses. The database became part of a sophisticated multistep marketing program. Through telemarketing, Staples identified customers and enticed them into the stores. The profiles and buying habits of customers then became part of an extended database, enabling Staples to offer special discounts and encourage repeat business. With these strategies, Staples was able to begin building a solid customer base. In November 1986 the company opened its second store in Woburn, Massachusetts, another suburb of Boston. A third location emerged in Providence, Rhode Island, the following year, and the company began to plan for its expansion into the New York area.

As Staples broadened its geographical scope throughout the Northeast, the company decided to invest in a centralized distribution facility. Rents tended to be high in the crowded urban areas where Staples stores were located, and the company hoped that this move would allow it to offer a fuller selection in smaller facilities because fewer products would have to be stockpiled onsite at each location. With the distribution center, the company believed that it could replenish its shelves faster than competitors who had to rely on manufacturers for supplies. In addition, the central depot cut down on freight costs, as manufacturers were able to ship large amounts of goods to one location. It also kept payroll costs low. Staples began work on its 136,000-square-foot processing and distribution center in Putnam, Connecticut, in 1987. The decision to proceed with this project aroused controversy among Staples' management because the investment meant that the company would postpone becoming profitable for an even longer period of time.

**Late 1980s: Expanding Throughout Northeast, Going Public**

In June 1987 Staples made its first foray into the New York market, opening a store in Port Chester. By the end of the year the company had opened a total of nine stores that were clumped in the New York and metropolitan Boston areas. The following year Staples moved into the other major East Coast markets of Philadelphia and Washington, D.C. This was done in conjunction with the opening of the \$6 million distribution center.

In the winter of 1988, Staples stepped up its marketing efforts by sending potential customers a special catalog, with a coupon promising a free pen and pencil set with a purchase of \$10 or more. Of those who redeemed this offer, company data indicated that more than half would return to make future purchases.

By May 1988 Staples had opened 16 stores, and the company's revenues had risen to \$40 million. In its rapid Northeastern expansion, the company sought to lock up prime retail locations throughout the region so that competitors would have difficulty establishing their own stores. To support this rapid growth, Staples solicited three more rounds of financing from the investment banking community, raising a total of \$32 million.

The number of Staples stores had grown to 23 by the beginning of 1989. Whenever Staples opened a new store, the company bought a list of all the small businesses located within a 15-minute drive of the outlet. Buyers of office supplies from these firms were then contacted by telemarketers who announced the store's opening and garnered data about the buyers' purchasing habits. In return they received a coupon for free copy paper that would hopefully bring them into the store and spur word-of-mouth advertising.

In addition, the company offered customers a free Staples card that offered discounts on goods purchased. When customers filled out a card application, the company got data about the nature of their businesses. The numeric code on the card also enabled Staples to track their purchases precisely. All of this information was collated at the company's headquarters on a daily basis.

In February 1989 Staples introduced its Private Label products--generic office supplies at exceptionally low prices. This strategy was one that Stemberg had first implemented in the grocery business, when he introduced company-label groceries for Star Markets. In April Staples sold stock to the public for the first time, raising \$37 million to fund its further expansion. By the end of that month, the company's sales had reached \$120 million. Despite this strong growth in revenue, Staples had yet to make any earnings, although the company did turn in its first profitable quarter at the end of January 1989. Overall, losses since Staples' founding had reached \$14.1 million.

These losses were caused by the high cost of the company's start-up and expansion as well as the strong competition the company faced. As Stemberg had predicted, Staples had quickly been joined in the office supplies market by a host of imitators around the country. In mid-1989 the company slipped to second place in revenues behind Office Depot Incorporated; Office Club was making a strong showing in California; and retail giants Kmart and Ames were also deliberating a move into the stationery field. To counter these threats, Staples continued its rapid pace of new store openings. By the end of the year the company was operating 38 stores, and it had racked up sales of \$182 million.

### **Early 1990s: Further Growth**

Building on these gains, the following year Staples moved to centralize its Northeast delivery operations through a hub-and-spoke system set up with its Putnam facility at the center. This warehouse was augmented with a 32,000-square-foot delivery distribution center. The new system allowed Staples to set up a toll-free line for orders, which were then shipped for delivery the next day. The operation was dubbed Staples Direct.

In July 1990 the company also commenced operations in a new market, southern California. Staples made its inroad into this competitive field with three stores located in Orange County, California, and a separate California distribution facility. Staples had targeted Orange County because of its high number of small businesses and growing economy, viewing its move into this area as the first step of a planned 34-store California roll-out.

Staples followed its West Coast expansion with the introduction of a new retail concept, called Staples Express. The first of these stores was opened on Court Street in the heart of Boston's financial district. With a space only a third as large as the company's suburban stores, this facility stocked 2,700 items, or half of the usual complement, which were sold at the same low prices. Staples Express was designed to appeal to the small business operator in an urban area and was geared to quick trips and impulse buying on lunch hours and after work. Customer purchases were typically small, being no bigger than what a person could carry.

The unveiling of this prototype was part of the company's strategy to dominate the office supplies market through three distribution channels: the suburban superstore, the urban ministore, and phone-in direct delivery service. Also in 1990 Staples began to buy its products overseas. To conduct international buying the company formed a subsidiary called Total Global Sourcing, Inc.

By the end of the year, the number of Staples stores had doubled to 74, including nine in California, and the company's sales had nearly reached the \$300 million mark. Staples accelerated its California operations the next year when it bought ten Los Angeles stores from defunct superstore operator HQ Office Supplies Warehouse and converted them to Staples stores.

At the same time, Staples entered its first foreign venture, investing in The Business Depot, Ltd., a new Canadian office superstore. In the United States, Staples celebrated the opening of its 100th store, an outlet on Long Island in New York. By the end of the year, sales had risen 83 percent to reach \$547 million, and earnings grew by 117 percent.

In June 1992 Staples expanded into another region of the United States with the purchase of Office Mart Holdings Corporation for \$3.1 million. This company owned ten WORKplace stores in Florida. Staples had now moved into direct competition with its biggest rival, Florida-based Office Depot.

That year Staples made additional progress in its campaign to expand overseas. The company bought a 48 percent interest in MAXI-Papier, operators of five office superstores in cities around Germany. Staples also signed a partnership agreement with Kingfisher plc to open office



superstores in the United Kingdom. Sales at the end of 1992 reached \$883 million. In 1993 Staples celebrated the opening of its 200th store, and at that time the company announced plans for an additional 130 store openings over the next two years.

This ambitious schedule was set despite fluctuations in the price of Staples' stock. Wall Street had lost confidence in the company in early 1993 after Staples' two largest rivals embarked upon a rapid string of acquisitions, while Staples demonstrated difficulty rolling out a new line of personal computer products. To redress these problems, Staples pared down the number of machines and software programs it offered, to create a more manageable department. In addition, the company began to make a number of acquisitions of its own. Staples arranged to buy out its Canadian partner in The Business Depot for \$32 million in early 1994. The company also signed agreements to buy two contract stationers: New Jersey-based National Office Supply Company, for \$99 million; and Spectrum Office Products, of New York, for \$23 million. The former company boasted a nationwide distribution system.

### **Mid-1990s: Still Growing, Despite Blocked Merger with Office Depot**

In April 1994 Staples bought seven former Office America stores in Virginia, Arizona, and Kentucky and began to convert them to Staples outlets. In July, the company announced that it would buy D.A. MacIsaac, Inc., a regional contract office supplier, for \$15 million. A fourth contract stationer, Philadelphia Stationers, was later bought for \$14 million. These moves were all designed to increase Staples' size and penetration of the office supplies business, and they helped the company's revenues surpass the \$2 billion mark for the fiscal year ending in January 1995.

Staples next launched a two-year, \$240 million program to open an additional 170 new stores, entering still more new markets in the process, and to refurbish all of its existing outlets. The remodeling effort featured wider aisles, bigger in-store signs, and improved lighting. The company also launched a new advertising campaign in 1995, one that featured the tag line "Yeah, we've got that"; the ads, which captured several advertising awards, ran through early 2003. In the meantime, the latest expansion pushed 1995 sales past \$3 billion, making Staples only the sixth company in U.S. history to reach that mark within ten years of its founding. The following year the firm opened its 500th store. Also in 1996, Staples bought out its partner in the U.K. and German ventures, Kingfisher, in a £29.4 million deal. By this time there were 34 Staples outlets in the United Kingdom; the MAXI-Papier stores in Germany were subsequently rebranded under the Staples name.

In the boldest move yet in its brief history, Staples reached an agreement in September 1996 to acquire its main rival, Office Depot, for \$3.36 billion in stock. The deal had the potential to create the dominant player in the office-supply superstore sector, with 1,100 stores and annual revenues in excess of \$10 billion--far eclipsing what would be the number two player, OfficeMax, Inc., which had about 500 stores and sales of just over \$3 billion. In an attempt to head off antitrust objections, Stemberg and other officials from Staples and Office Depot tried to emphasize that the superstores did not just compete against each other--they also competed with mass marketers such as Wal-Mart Stores, Inc., warehouse clubs, direct marketers, and others. The Federal Trade Commission (FTC), however, did not buy this argument, with the agency's chief concern being that the merger would significantly reduce competition in a number of



markets where the two firms were competitors, leading to price increases as high as 10 percent. The FTC voted to block the deal in March 1997 and one month later rejected the deal again after Staples had reached an agreement to sell 63 stores to OfficeMax. The FTC then sued to stop the deal, and in late June a federal judge granted a preliminary injunction to block the transaction. At this point, Staples and Office Depot abandoned their merger plans, conceding defeat.

### **Late 1990s: Surpassing the 1,000-Store Mark**

In the wake of this setback, Staples lost no time in reasserting its position as the office supplies superstore growth leader. During 1997 the company opened 128 new stores in North America, bringing its store total to more than 740. Revenues for the year topped \$5 billion, making Staples the seventh company in U.S. history to reach that mark in a dozen years of operation or fewer. The expansion pace quickened in 1998, as 174 more stores made their debuts. That year, Staples also acquired Quill Corporation for about \$685 million in cash and stock as part of its effort to expand beyond retail outlets. The privately held Quill, based in Lincolnshire, Illinois, was a seller of office supplies via catalog and through direct (or "contract") sales to businesses. Quill, which had 1997 revenues of \$555 million, continued to operate independently as a Staples subsidiary. Other important developments in 1998 included the launching of the Staples online retail store, staples.com, and the promotion of Ronald L. Sargent from president of North American operations to president and COO of Staples (Stemberg continued to serve as chairman and CEO).

Staples' European operations were bolstered considerably in 1999 with the acquisitions of three companies: Sigma Burowelt of Germany, Office Centre of the Netherlands, and Office Centre of Portugal. Sigma Burowelt operated 15 office supply stores; these were subsequently rebranded under the Staples name, increasing the total in Germany to 41. There were 21 Office Centre outlets in the Netherlands and five in Portugal, as Staples entered those two markets for the first time. The Office Centre stores were conceptually different from the typical Staples outlet--they had more of a business-oriented membership format and were similar to warehouse clubs in the United States. Overall, Staples now had about 120 European stores. Later in 1999 the company opened its 1,000th store worldwide, becoming the first office supplies superstore retailer to do so. Also, the Staples Center opened in Los Angeles that year as the new arena home for the Lakers professional basketball team and the Kings professional hockey team. In this corporate sponsorship deal, Staples, Inc. agreed to pay \$100 million over a 20-year period. In the fall of 1999 Staples created a tracking stock for its Internet operations and began selling shares in the stock in private transactions.

### **Early 2000s: Competing in Uncertain Times**

After a remarkably and consistently successful performance since its founding--sales and earnings had increased 30 percent per year for 12 years--Staples finally ran into trouble in the early 2000s. During the latter months of 2000, the retail market for office supplies began foundering. The boom years of the 1990s were over, and the growth of small businesses and home offices--the core of Staples' customer base--was fading away. Early in 2000 the company announced plans to sell its Internet tracking stock through an initial public offering (IPO), but the bursting of the stock market bubble soon thereafter forced Staples to abandon this plan (the tracking stock was later converted into Staples stock). Furthermore, the firm had made a number of investments in various Internet services that were offered through its web site, which proved

to be a money-losing strategy. Staples announced in January 2001 that it would take a \$206 million writeoff related to various web investments. As a result, net income for fiscal 2000 totaled just \$59.7 million, compared to \$315 million for the previous year, although revenues increased 19 percent and surpassed the \$10 billion plateau for the first time. Later in 2001, the Internet operations were merged into Staples Direct, the company's thriving catalog unit.

In February 2002 Sargent was promoted to president and CEO, while Stenberg remained chairman. Sargent was charged with leading Staples through its transition from a growth-oriented young retail firm to a more mature company competing in an industry dealing with an increasingly saturated U.S. market. Changes began almost immediately. In March 2002 Staples announced a plan to close 31 underperforming stores, most of which were located in small towns, taking a charge of \$50.1 million in the process. The company also considerably slowed its pace of expansion, opening just 72 new stores in North America and 14 in Europe during fiscal 2002, compared to 117 and 19, respectively, the prior year. Furthermore, expansion into new markets was curtailed as well. Many of the new outlets were located in large metropolitan areas where Staples already had a presence. The company also launched a remodeling effort, converting a significant number of stores from the original warehouse design to more of a boutique look, with an open design and lower shelves--all aimed at making it easier and faster for customers to find what they were looking for. The new format was supported through an advertising campaign, launched in early 2003, featuring the new slogan, "That was easy." Finally, under Sargent, Staples eliminated hundreds of items from the store shelves as it sought to shift the chain's focus away from casual shoppers toward small businesses and what were termed "power users." The latter were defined as customers who purchased more than \$500 per year of office supplies, and such customers included home-based businesses, persons with home offices, and teachers. Small businesses and power users accounted for 70 percent of Staples' revenues and fully 90 percent of profits.

While overhauling its core North American retailing operations, Staples was also completing acquisitions at home and abroad. The company looked to purchase delivery-based businesses, which tended to have higher profit margins than retailing operations. In July 2002 Staples bought Medical Arts Press, Inc. (MAP) for \$383.2 million. Based in Minneapolis with 2001 revenues of \$168 million, MAP was a direct marketer of specialized printed office products and practice-related supplies to healthcare offices. MAP became a division of Quill Corporation. Staples in October 2002 spent EUR 806 million (US\$788 million) for the European mail-order businesses of Guilbert S.A., a subsidiary of Pinault-Printemps-Redoute S.A. of France. The operations gained through this deal had revenues of about \$425 million in 2001, and they sold office supplies and furniture via catalogs and Internet web sites to small businesses under several brands: JPG and Bernard in France and Belgium, Kalamazoo in Spain, Neat Ideas in the United Kingdom, and MondOffice in Italy.

Early indications were that Staples' various strategy shifts were paying off. Despite the continuing economic downturn in the United States, Staples managed to post an 8 percent increase in fiscal 2002 sales to \$11.6 billion--a jump that enabled the company for the first time to surpass rival Office Depot (which reported 2002 revenues of \$11.4 billion). Net income was a record \$446.1 million. Staples planned to continue its more modest pace of expansion, opening between 75 and 90 stores in North America during 2003. Another 20 stores were slated to open

in Europe that year, including the expansion of the Office Centre concept into Belgium. It appeared that Staples had gotten past the rough patch it encountered earlier in the decade and was ready to enter a new period of industry-leading growth.

**1985:** Thomas G. Stemberg and Leo Kahn found Staples, Inc.

**1986:** Founders open the first Staples store--the first office supplies superstore--in Brighton, Massachusetts.

**1989:** Company raises \$37 million through an initial public offering.

**1990:** First stores in California are opened.

**1991:** Company establishes first non-U.S. venture, an investment in Canadian office superstore The Business Depot, Ltd.

**1992:** Staples enters the European market for the first time.

**1996:** Staples enters into agreement to acquire archrival Office Depot.

**1997:** Merger with Office Depot is blocked on antitrust grounds.

**1998:** Quill Corporation is acquired; staples.com is launched.

**2002:** Staples acquires Medical Arts Press, Inc. and the European mail-order businesses of Guilbert S.A.

## About Us

Staples is the world's largest office products company and a trusted source for office solutions. We provide products, services and expertise in the categories of office supplies, technology, furniture, Copy & Print, and cleaning and breakroom. Staples was founded in 1986, and today has annual sales of \$25 billion, ranking second in the world in eCommerce sales. With 90,000 associates worldwide, Staples has a presence in more than 26 countries throughout North and South America, Europe, Asia and Australia — bringing easy to offices and consumers everywhere.

## Biographical Data

### **Ronald L. Sargent**

#### **Chairman and Chief Executive Officer**

Chief Executive Officer of Staples since February 2002 and Chairman of the Board of Directors of Staples since March 2005. Prior to that, he served in various capacities since joining Staples in March 1989, including President from November 1998 to March 2005, Chief Operating Officer from November 1998 to February 2002, President-North American Operations from October 1997 to November 1998, and President-Staples Contract & Commercial from June 1994 to October 1997. Mr. Sargent is a Director of The Kroger Co., and Mattel, Inc.



### **Joseph G. Doody**

#### **President, North American Delivery**

Joe is President of Staples North American Delivery responsible for; Staples Advantage, which serves medium sized to Fortune 1000 business; Staples Business Delivery, which serves small businesses through Staples.com and catalogs; and Quill, a 50 year old direct marketer of office products to small and medium sized



businesses. Joe is also the Chairman of Staples China.

Before joining Staples in 1998, he was President of Danka's Office Imaging Business in North America. From 1974 to 1997 he worked at Eastman Kodak in various roles of growing responsibility, the last being General Manager and Vice President, North America, Office Imaging.

**Christine T. Komola**

**Chief Financial Officer**

Christine is Staples' Chief Financial Officer responsible for the company's global financial operations. She previously served as Senior Vice President and Corporate Controller. Christine joined Staples in 1997 and has served in various leadership roles including Vice President, Planning and Control; Chief Financial Officer of Staples.com and; Senior Vice President, General Merchandise Manager, Furniture & Wholesale.



Christine is Staples' Chief Financial Officer responsible for the company's global financial operations. She previously served as Senior Vice President and Corporate Controller. Christine joined Staples in 1997 and has served in various leadership roles including Vice President, Planning and Control; Chief Financial Officer of Staples.com and; Senior Vice President, General Merchandise Manager, Furniture & Wholesale. Prior to joining Staples, Christine was an audit manager at Ernst & Young, LLP. She is a member of the American Institute of Certified Public Accountants.

**Michael A. Miles, Jr.**

**President and Chief Operating Officer**

Mike is Staples' President and Chief Operating Officer. He has line responsibility for Staples International, including Staples' businesses in Europe, South America, Asia and Australia, as well as for the retail business in Canada. In addition, Mike oversees Staples Brand Group, Corporate Advertising and Public Relations. Mike began his career at Staples in 2003 as Chief Operating Officer, with responsibility for US Retail, including the marketing, merchandising and supply chain, and real estate functions. He was promoted to President and COO in 2006 and has most recently had responsibility for all of Staples' North American business as well as Staples Brands Group, Corporate Advertising and Public Relations.



Before joining Staples, Mike was COO of Yum! Brands' Pizza Hut division. He joined PepsiCo in 1993 where he was Vice President of Strategic Planning and moved to its Pizza Hut unit in 1994 as a Division Vice President. Before that, he worked at Bain and Company, a Boston-based management consulting firm.

Mike is a member of the Board of Directors of Western Union. He graduated from Yale University, and earned his MBA from Harvard Business School.

**Demos Parneros**

**President, U.S. Retail**

Demos is Staples President of U.S. Stores, responsible for retail operations throughout the United States. Before being named President of U.S. stores in 2002, he served in a wide variety of positions in the retail organization including, human resources, marketing, merchandising and store operations. In 1997, he was named Senior Vice President responsible for all stores in the Mid-Atlantic and Southern U.S. Demos joined Staples as a General Manager in 1987 and opened the first Staples store in New York City.



## Board of Directors

Basil L. Anderson      Retired Vice Chairman, Staples, Inc.

Arthur M. Blank      Owner and Chief Executive Officer, Atlanta Falcons and Lead Director, Staples, Inc.

Drew G. Faust      President, Harvard University

Justin King      Chief Executive Officer and Chairman of the Operating Board, J Sainsbury plc

Carol Meyrowitz      President and Chief Executive Officer, The TJX Companies, Inc.

Rowland T. Moriarty      Chairman of the Board, CRA International, Inc.

Robert C. Nakasone      Chief Executive Officer, NAK Enterprises, L.L.C.

Ronald L. Sargent      Chairman and Chief Executive Officer, Staples, Inc.

Elizabeth A. Smith      Chief Executive Officer, Bloomin' Brands Inc.

Robert Sulentic      Chief Financial Officer and Group President, CB Richard Ellis Group, Inc.

Vijay Vishwanath      Partner, Bain & Company

Paul F. Walsh      Former Chairman and Chief Executive Officer, eFunds Corporation

## Calendar of Events

03/06/2013 8:00 a.m. ET      Staples, Inc. Earnings Conference Call

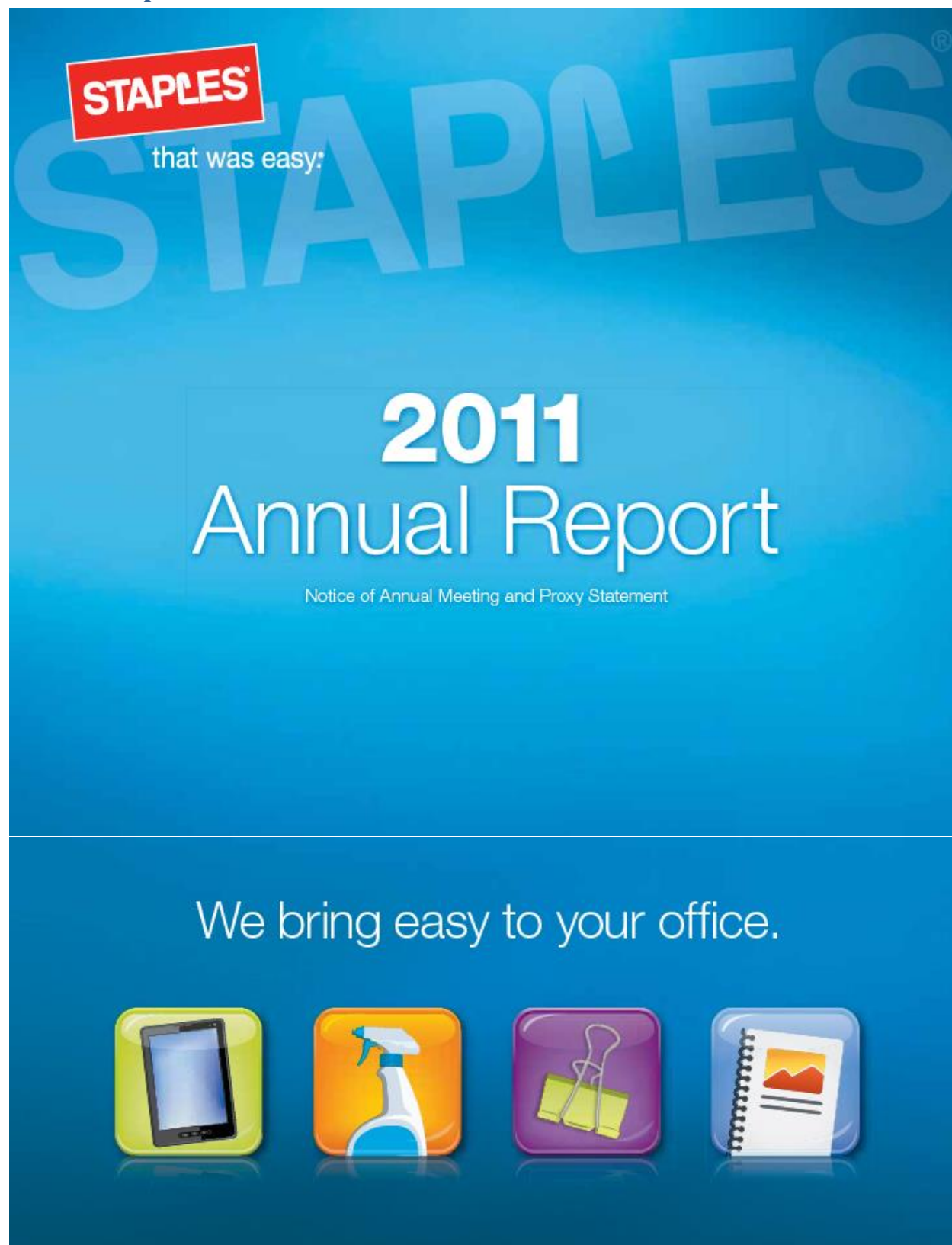
05/22/2013 8:00 a.m. ET      Staples, Inc. Earnings Conference Call

08/21/2013 8:00 a.m. ET      Staples, Inc. Earnings Conference Call

11/20/2013 8:00 a.m. ET      Staples, Inc. Earnings Conference Call

03/05/2014 8:00 a.m. ET      Staples, Inc. Earnings Conference Call





























## Backgrounder

# INSIDE OBAMACARE

ObamaCare was approved on March 21, 2010 and signed on March 23, 2010. The health care program that President Obama has signed, is starting to become in effect, but won't be in full effect until 2014. His health care plan is to ensure that everyone in the United States receives affordable health care.

ObamaCare ensures that The People will get preventative health care also, instead of just treatment. The Patient Protection and Affordable Care Act was approved and signed in March 2010. This Act requires insurance plans to cover prevention services and stops them from dropping customers that are sick.

The People may keep using their private health insurance companies if they wish to. Once ObamaCare is fully established, Medicaid will expand to include people under the poverty line. Families will only pay for what they can afford for health care under ObamaCare.

ObamaCare makes sure that all companies that have more than 50 full time employees have health care insurance benefits for their employees. For small businesses that have less than 25 full time employees, they can apply for tax credits so that they can provide health care benefits to their employees. If companies do not provide health care to their employees, they will be fined \$2,000 per uninsured employee each year.

ObamaCare will require all insurance companies to not deny or drop anyone who is sick or has been previously ill. They will also make sure that men and women have the same prices for health insurance. There will be no discrimination against anyone for health care in the United States.

ObamaCare will not directly impact Staples. Staples will keep their current health insurance. Every employee will have the same, if not better, health care benefits if they are full time. If a full time employee does not want health care insurance, then Staples will not make them get it. Staples will make health care benefits affordable for their employees and will ensure that their families are included.

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## Position Paper

### Partnership with the Boys & Girls Clubs

Staples will continue their partnership with the Boys and Girls Clubs of America and continue donating and supporting these young people.

Since 2002 Staples has been a big contributor to the Boys and Girls Clubs of America (BGCA). They have committed more than \$10 million to the BGCA Torch Club program. Staples have also donated up to \$1 million from the sales of the Easy Button since 2005. Staples donate between \$2 million and \$5 million yearly to the BGCA.

BGCA has 3,985 club facilities around America helping the young people have a safe place to get help or have fun while out of school. They serve about 4 million young people each year, 46% of which are between the ages of 6 and 10 years old.

Staples will continue to donate all sales from the Easy Button to the BGCA. Staples will also contribute more than \$5 million this year. They will also have a new Easy product coming out next year to help raise more money to donate.

This year Staples will have every employee volunteer for the BGCA at least once a month. This will ensure the commitment our employees have to the company and also to the community. Every employee must participate in helping their community and to ensure young people are getting what they need to have a great childhood. All employees will fill out paperwork each month with their manager to ensure they have completed at least 5 hours at the BGCA. They will have a choice of which volunteer option they would like to do.

Starting this year Staples will host 5k walk/run races in order to raise more money for the BGCA. Each employee will be required to participate in some way at these events. Staples goal is to raise more than \$2 million with these events that will take place all around the United States of America. The events will allow the BGCA to get support from their community and also allow Staples to promote their newest products. The races will consist of the BGCA employees, volunteers, and young people.

There will be many activities for the young people at the races. There will be face paintings, crafts, hair braiding, airbrush tattoos, etc. Staples goal is to have something fun for the young people and to also bring awareness to the community around them. This will also give the opportunity for others to get involved and for Staples employees to be recognized in the community.

It is very important that all Staples employees participate in volunteer aspects to ensure the image of the company. Staples want a positive image in each community around the United States of America and by volunteering and donating, Staples will ensure that. The community and young people are very important to the Staples Company.

Since Staples has been donating money to the BGCA since 2002, Staples will continue donating and also donate more this year and following years. Staples will also have all employees volunteer at least 5 hours each month at the BGCA in any way they see fit. Each community will also have a 5k race hosted by Staples for BGCA.

If any Staples employee has any concerns, comments, or questions, please see you manager for more information. Volunteer opportunities will be posted at the beginning of each month. Each community will host a 5k race to help raise money and awareness and employees will be given information for that 2 months before it will be held.

## News Release

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FOR IMMEDIATE RELEASE

Tiffin, Ohio (November 30, 2012) – The roof of the Staples in Tiffin, Ohio caved in this morning due to heavy snow. There was a bad snow storm last night that left 8 inches of snow on the ground. The roof collapsed around 8:45 am on Friday November 30, 2012.

Due to the time of the collapse, luckily there were no customers in the store. There were only 5 employees in the store at the time. We are still waiting for news on the employees' wellbeing.

Since the roof of the Staples store collapsed, there is a lot of damage done to the building. As of right now, Staples is calculating the damages and the significance of the crisis that happened today.

“Staples is working hard to deal with this crisis and will fix the store as soon as we can,” said Chief Executive Officer Ronald Sargent.

The effects of this crisis are a lot for the store and for the company. Due to this crisis many neighboring Staples stores are sending some employees to help clean up the collapsed roof.

## **News Brief 1**

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FOR IMMEDIATE RELEASE

Tiffin, Ohio (December 1, 2012) – After many long hours of cleaning the Staples store from the collapsed roof, they have found many damaged merchandise. Staples will get the roof fixed as soon as possible and clean up the rest of the damaged merchandise. As of right now all 5 employees are in critical condition and we will know more as the time goes by.

## **News Brief 2**

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FOR IMMEDIATE RELEASE

Tiffin, Ohio (December 2, 2012) – This is an update to Friday's roof collapse at Staples in Tiffin, OH. As of yesterday, all 5 employees that were involved in the collapse were in critical condition. Three employees are still in critical condition but seem to be recovering. Two employees passed last night due to severe injuries. All employees' names are withheld from being mentioned due to respect of the families. Staples will be collecting donations for each family affected by the collapse and will be setting up a memorial in the Tiffin store as soon as the roof is fixed in honor of the two employees.

## Contact Information

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