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# 2013 Q1 Town Hall

May 9, 2013

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**OfficeMax**

On the Road to Success



## State of the Company

Ravi Saligram  
President and CEO

## Strategic Benefits of the Merger

- ▶ Enhanced financial performance
- ▶ Increased scale and competitiveness
- ▶ Global footprint
- ▶ Improved customer experience
- ▶ Accelerated innovation

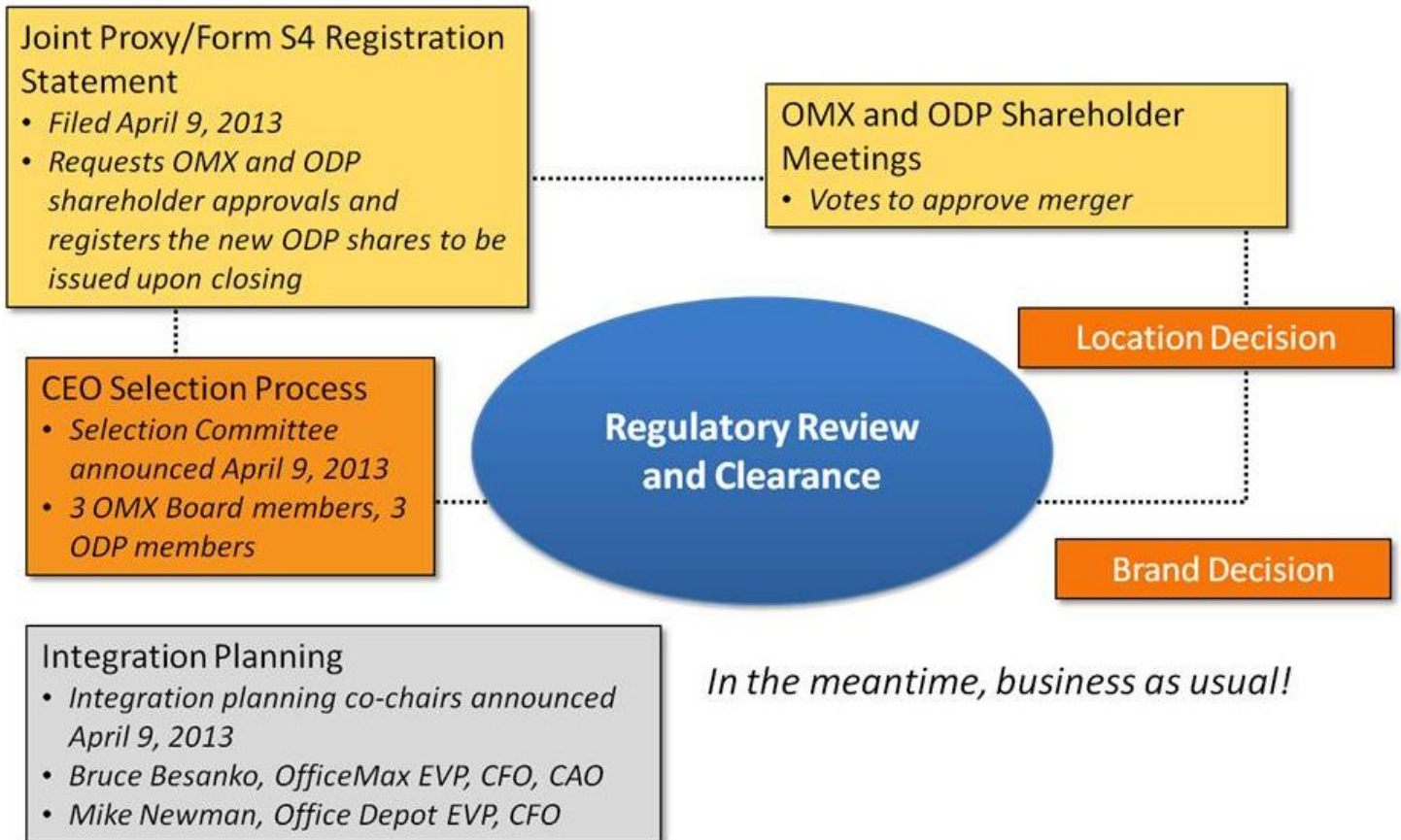
Combined company will leverage talented associates and managers with deep industry knowledge

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# Merger Next Steps



# What Media and Analysts Are Saying...

*"OMX: Tough Block, But Building a Brighter, Shinier House"*

*David Strasser, Janney Capital Markets  
May 7, 2013*

*"OfficeMax Sales Have Rough 1Q"*

*FOXBusiness*

**OfficeMax 1st-Quarter Listless; Offers Special Dividend**

*--Investment gain to be returned to shareholders as dividend bolsters bottom line  
--Excluding Boise Cascade windfall, results short of expectations  
--Weak first-quarter follows similar results at merger partner Office Depot*

*The Wall Street Journal*

**OMX: Choppy Quarter and Soft Guidance; Lower Estimates and Price Target**

*"We see minimal consequences for the stock, which is trading on expectations based on the pending merger, incorporating synergy targets put forth by management."*

*Matt Fassler, Goldman Sachs  
May 8, 2013*

*"On a stand-alone basis, OMX management has taken a number of steps to enhance shareholder value and improve the business (despite challenging industry and economic conditions) ."*

*Brad Thomas, KeyBanc Capital Markets  
May 7, 2013*

**OfficeMax's sluggish sales disappoint**

*"Major players in the office supply industry have been battered by a soft economy as well as tough competition from the likes of Amazon and Wal-Mart."*

*The Chicago Tribune*



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## Integration Planning

Bruce Besanko

EVP, Chief Financial Officer, Chief Administrative Officer

## Why Integration Planning?

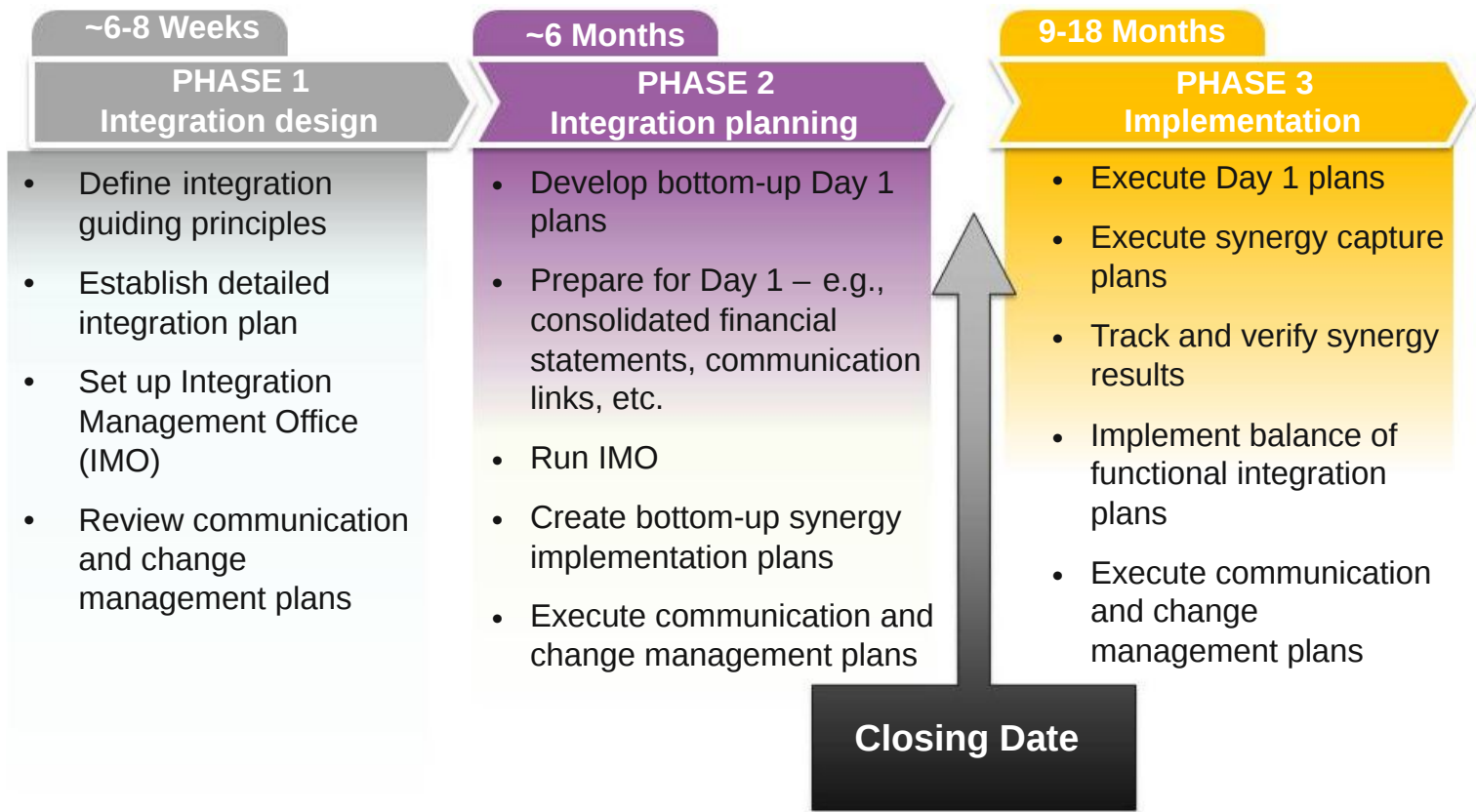
- ▶ True merger of equals – OfficeMax and Office Depot
- ▶ Integration planning
  - Ensures a smooth and productive transition so that the combined company is ready to operate effectively on the first day of its existence (“Day 1”)
  - Captures synergies starting with Day 1
- ▶ We will have a very small group of Associates engaged in integration planning, while the vast majority of our teams continue to focus on running our independent business

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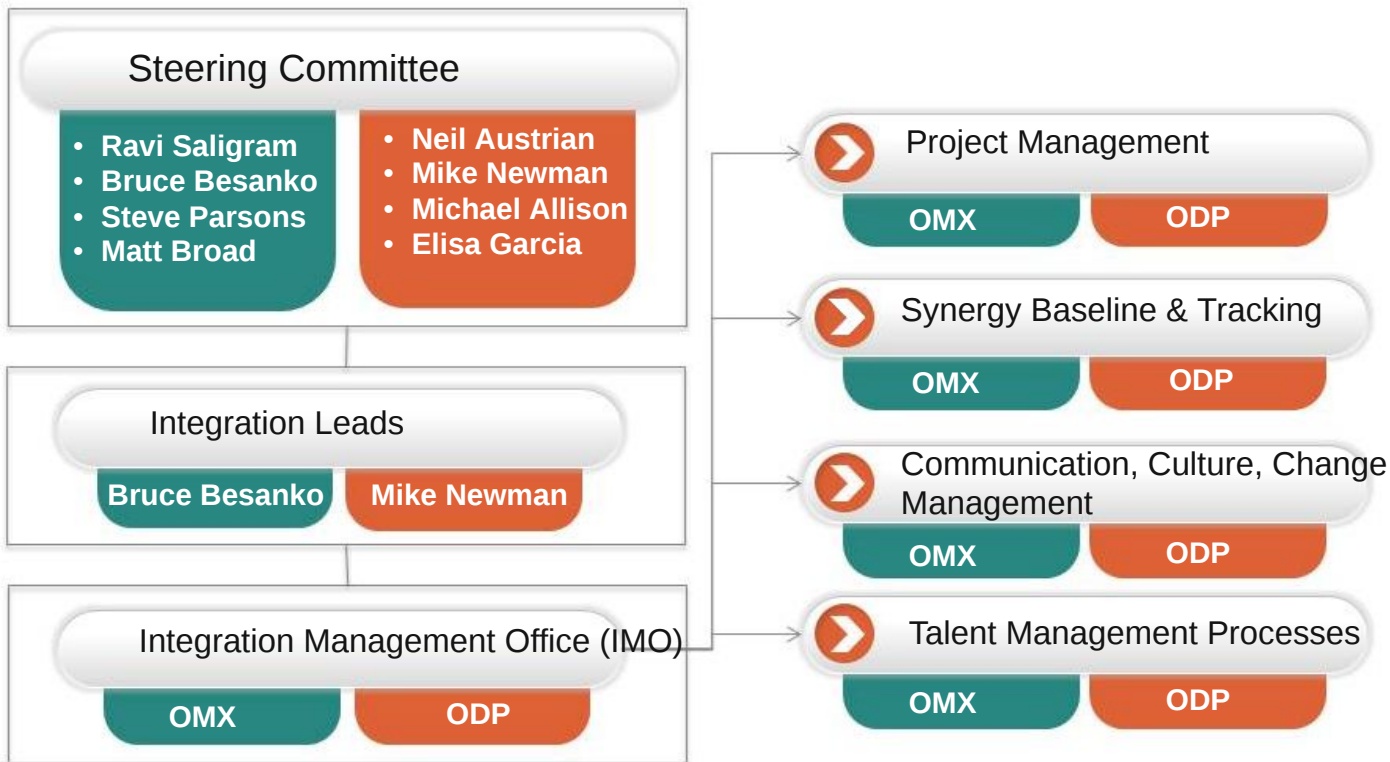
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# Integration Planning – Three Phases





# PHASE 1 – IMO Governed by Steering Committee

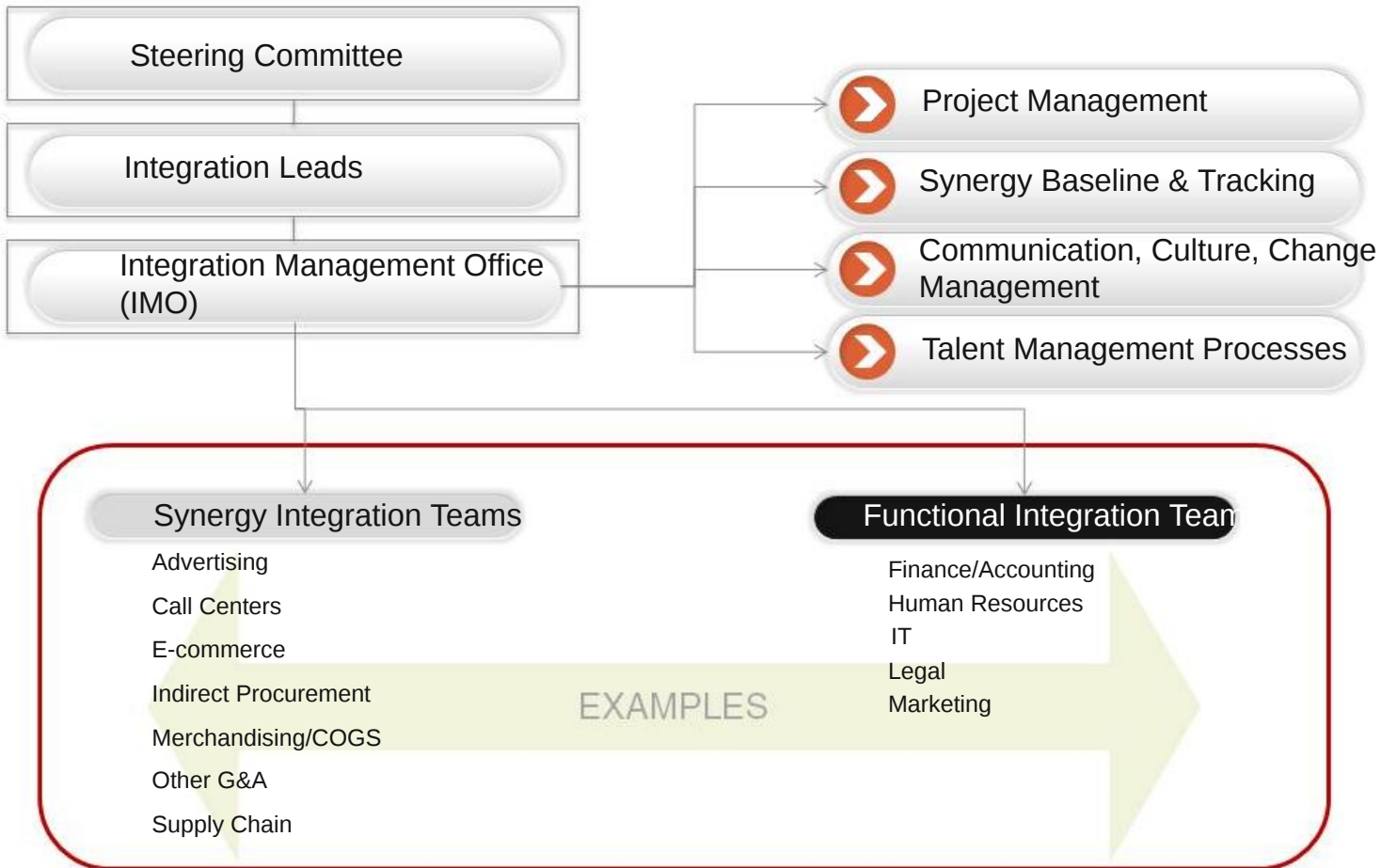


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• Additional SMEs will be tapped for data and input as-needed

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# PHASE 2 – Add Synergy and Functional Teams



## Summary – Key Messages

- ▶ Integration Planning is beginning
- ▶ PHASE 1 of the process will last approximately six to eight weeks with a very small group of Associates
- ▶ We need everyone to stay focused on OfficeMax and run our independent business!





## Communications Update

Julie Treon  
VP, Corporate Communications

Angie Gorman  
Sr. Director-Associate Communications

# Merger Communication Goals

## ▶ Internal Audiences

- Foster awareness and support for the transaction
- Share news in a manner that minimizes uncertainty and maintains focus on near-term business priorities
- Gain confidence and support of associates

## ▶ External Audiences

- Communicate the operational and financial benefits of the transaction
- Provide close coordination with our merger partner
- Enable market to visualize what combined company will look like

**Clear message of commitment to our transformation**

# Today's New Media Landscape



Source: Luma Partners, Terry Kawaja

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# THE WALL STREET JOURNAL.

“OfficeMax, Office Depot in Talks to Merge”

*February 18, 2013*

# What Media Said...

*"OfficeMax Inc And Office Depot Announce Merger Of Equals To Create Global Office Solutions Company"*

*Reuters*

*"...the combined company... would be the third-leading online retailer in North America based on 2011 sales, edging past previous No. 3 Apple... according to an Internet Retailer estimate."*

*Internet Retailer*

*"Saligram and Austrian emphasized that the combination, which will create a company that will do roughly \$18 billion in revenue, is a merger of equals."*

*Chicago Tribune*

*"Office Depot's Deal for OfficeMax Said to Have Been Announced Prematurely"*

*The New York Times Dealbook*

*"Office Depot-OfficeMax CEOs Face Off in Unorthodox Leader Search"*

*Bloomberg*

*"Deal Between Office Depot and OfficeMax Not Quite Ready for Release"*

*The New York Times*

*"Office Depot to Buy OfficeMax? And Then There Were Two."*

*The New York Times*

*"Big Box Merger"*

*The Associated Press*

*"Is This Big Deal a Game Changer?"*

*The Motley Fool*



# Coverage of Boston Marathon Bombing

## **The New York Times**

**The Pressure to Be the TV News Leader  
Tarnishes a Big Brand**

## **THE HUFFINGTON POST**

**AP Executive Editor: We Deserved  
'Shellacking' For Boston Marathon  
Misreporting**



**News outlets retract claim of Boston  
bomber arrest**

# 'More exciting place' in store

Chicago Tribune

Chicago Tribune  
**BUSINESS**

PHOTO: ANDREW J. WOOD / CHICAGO TRIBUNE

Q&A RAVI SALIGRAM



CHUCK REBERMAN/TRIBUNE PHOTO

"The customers would be the biggest beneficiary... they would get a lot better value," says the CEO of Naperville-based OfficeMax.

## 'More exciting place' in store

By CORALYN SMARNOVSKA  
Tribune reporter

OfficeMax CEO Ravi Saligram has a busy year ahead. He's juggling a huge merger, a change in strategy and whether he'll stay in the top job.

Naperville-based OfficeMax announced in February that it would embark on a "marriage of equals" with Boca Raton, Fla.-based Office Depot, a pairing that both companies see as key to competing with Staples and Amazon.com, industry leaders in office supplies, paper and equipment. While the merger was welcomed by investors, officials left a number of questions unanswered, including who would lead the combined company, where it would be headquartered and, ultimately, what it would be named.

The deal is expected to close by year-end, and a search is under way for the CEO. Saligram and Office Depot's Neil Austin are under consideration.

In the interim, Saligram said he's moving forward on a strategy for OfficeMax that calls for opening small-format stores, with units planned in Milwaukee and Portland, Ore. It's a marked change for

**OfficeMax CEO discusses the looming merger with Office Depot**

OfficeMax. In the No. 3 spot, which counts nearly 1,000 stores and nearly 20,000 employees, Saligram, 57, said the smaller-format stores, less than half of one of its big-box stores, will help the retailer cut costs and improve profits per square foot. The smaller stores also will be designed to promote OfficeMax's small-business services, such as its new partnership with Web-hosting company GoDaddy.

The Tribune sat down with Saligram to discuss the merger, his future and why smaller stores make sense. What follows is an edited transcript.

**Q: Why did a merger make sense for OfficeMax? More specifically, what ran the No. 2 and No. 3 retailers do together that they weren't doing alone?**

**A:** This is part of a journey, and I felt that we could continue to make good progress and continue to improve profitability... if we wanted to be transformative, and given some of the challenges and issues in the industry, I thought that we needed a big, bold move.

Please turn to Page 2

# New Format Store Launch



## Customer Engagement Drives Smaller OfficeMax Business Solutions Centers

*In store associates are trained to become experts – with tablets in hand – so they can help business customers address any problem.*



## OfficeMax unveils small-store prototype

*OfficeMax Inc. has unveiled its first smaller-format store in Milwaukee, a major step in its efforts to remain relevant in the digital age by transforming from a product-based company into a service- and technology-based one.*



## OfficeMax: beyond post-its and pens to full-service business center

*Over several months, OfficeMax interviewed more than 3,000 small businesses about their needs and have trained employees to address them and offer solutions.*

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## OfficeMax tries new format targeting small businesses in Milwaukee

*Instead of a place just to buy printer ink, paper and other office supplies and equipment, it now is a location where an entrepreneur also can get help setting up a website, establishing off-site data backup and enlisting a personal small-business adviser...*

## **NO OFFER OR SOLICITATION**

This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction in connection with OfficeMax's proposed merger with Office Depot or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

## **IMPORTANT ADDITIONAL INFORMATION FILED WITH THE SEC**

Office Depot has filed with the SEC a registration statement on Form S-4 that includes a preliminary Joint Proxy Statement of OfficeMax and Office Depot that also constitutes a preliminary prospectus of Office Depot. The registration statement has not yet become effective. OfficeMax and Office Depot plan to mail the definitive Joint Proxy Statement/Prospectus to their respective shareholders in connection with the transaction. **INVESTORS AND SHAREHOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC CAREFULLY BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT OFFICEMAX, OFFICE DEPOT, THE TRANSACTION AND RELATED MATTERS.** Investors and shareholders may obtain free copies of the definitive Joint Proxy Statement/Prospectus and other documents filed with the SEC by OfficeMax and Office Depot through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). In addition, investors and shareholders may obtain free copies of the definitive Joint Proxy Statement/Prospectus and other documents filed by OfficeMax with the SEC by contacting OfficeMax Investor Relations at 263 Shuman Blvd., Naperville, Illinois 60563 or by calling 630-864-6800, and may obtain free copies of the definitive Joint Proxy Statement/Prospectus and other documents filed by Office Depot with the SEC by contacting Office Depot Investor Relations at 6600 North Military Trail, Boca Raton, Florida 33496 or by calling 561-438-7878.

## **PARTICIPANTS IN THE SOLICITATION**

OfficeMax and Office Depot and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the respective shareholders of OfficeMax and Office Depot in respect of the transaction described the Joint Proxy Statement/Prospectus. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the respective shareholders of OfficeMax and Office Depot in connection with the proposed transaction, including a description of their direct or indirect interests, by security holdings or otherwise, is set forth in the Joint Proxy Statement/Prospectus. Information regarding OfficeMax's directors

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and executive officers is contained in OfficeMax's Annual Report on Form 10-K for the year ended December 29, 2012 and its Proxy Statement on Schedule 14A, dated March 19, 2013, which are filed with the SEC. Information regarding Office Depot's directors and executive officers is contained in Office Depot's Annual Report on Form 10-K for the year ended December 29, 2012 and Amendment No. 1 on Form 10-K/A, which are filed with the SEC.

#### **FORWARD-LOOKING STATEMENTS**

Certain statements made in this document and other written or oral statements made by or on behalf of OfficeMax and Office Depot constitute "forward-looking statements" within the meaning of the federal securities laws, including statements regarding both companies' future performance, as well as management's expectations, beliefs, intentions, plans, estimates or projections relating to the future. OfficeMax and Office Depot cannot guarantee that the macroeconomy will perform within the assumptions underlying their respective projected outlook; that their respective initiatives will be successfully executed and produce the results underlying their respective expectations, due to the uncertainties inherent in new initiatives, including customer acceptance, unexpected expenses or challenges, or slower-than-expected results from initiatives; or that their respective actual results will be consistent with the forward-looking statements and you should not place undue reliance on them. In addition, forward-looking statements could be affected by the following additional factors, among others, related to the business combination: the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement or the failure to satisfy closing conditions; the ability to obtain regulatory approvals or third-party approvals for the transaction and the timing and conditions for such approvals; the ability to obtain approval of the merger by the stockholders of OfficeMax and Office Depot; the risk that the synergies from the transaction may not be realized, may take longer to realize than expected, or may cost more to achieve than expected; disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; the ability to successfully integrate the businesses; unexpected costs or unexpected liabilities that may arise from the transaction, whether or not consummated; the inability to retain key personnel; future regulatory or legislative actions that could adversely affect OfficeMax and Office Depot; and business plans of the customers and suppliers of OfficeMax and Office Depot. The forward-looking statements made herein are based on current expectations and speak only as of the date they are made. OfficeMax and Office Depot undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of future events, new information or otherwise. Important factors regarding OfficeMax and Office Depot that may cause results to differ from expectations are included in the companies' respective Annual Reports on Form 10-K for the year ended December 29, 2012, under 1A "Risk Factors", and in the companies' other filings with the SEC.

