

OFFICEMAX INC  
Form 425  
June 12, 2013

Investor  
Investor  
Presentation  
Presentation  
June 2013

June 2013

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under the Securities Exchange Act of 1934

Subject Company: OfficeMax Incorporated

Commission File No. 1-05057

Date: June 12, 2013

Where  
to  
Find  
More  
Information  
Concerning  
the  
ODP  
&  
OMX  
Merger  
/  
Safe

Harbor

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In connection with the proposed transaction, Office Depot, Inc. ( Office Depot ) has filed with the United States Securities and Exchange Commission (the SEC ) a registration statement on Form S-4 (Registration No. 333-187807) that includes the preliminary Joint Proxy Statement of Office Depot and OfficeMax Incorporated ( OfficeMax ) that also constitutes a preliminary prospectus of Office Depot. The registration statement, as amended, was declared effective by the SEC on June 7, 2013. Office Depot and OfficeMax mailed the definitive Joint Proxy Statement/Prospectus to their respective shareholders in connection with the transaction on or about June 10, 2013. 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 OFFICE DEPOT, OFFICEMAX INCORPORATED, 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 Office Depot and OfficeMax 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 Office Depot with the SEC by contacting Office Depot Investor Relations at 6600 North Military Trail, Boca Raton, FL 33496 or by calling 561-438-7878, and may obtain free copies of the definitive Joint Proxy Statement/Prospectus and other documents filed by OfficeMax by contacting OfficeMax Investor Relations at 263 Shuman Blvd., Naperville, Illinois 60563 or by calling 630-864-6800. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of the shareholders of Office Depot and OfficeMax in connection with the proposed transaction will be set forth in the definitive Joint Proxy Statement/Prospectus.

The Private Securities Litigation Reform Act of 1995 (the Act ) provides protection from liability in private lawsuits for forward-looking statements made by public companies under certain circumstances, provided that the public company discloses with specificity the risk factors that may impact its future results. We want to take advantage of the safe harbor provisions of the Act. Certain statements made during this presentation are forward-looking statements under the Act. Except for historical financial performance information, statements made during this presentation should be considered forward-looking as referred to in the Act. Much of the information that looks towards future performance of our company is based on various factors and important assumptions about future events that may or may not actually come true. As a result, our operations and financial results in the future could differ materially and substantially from those we have discussed in the forward-looking statements made during this presentation. Certain risks and uncertainties are detailed from time to time in our filings with the SEC. You are strongly urged to review all such filings for a more detailed discussion of such risks and uncertainties. During portions of today's presentation, we may refer to results which are not GAAP numbers. A reconciliation of non-GAAP numbers to GAAP results is available in the investor relations section of our web site at [www.officedepot.com](http://www.officedepot.com).

Executive Summary

Office Depot management and the Board of Directors have been executing a multi-year strategy that has resulted in over \$1 billion in benefits since 2007, including approximately \$200 million in 2012 and an estimated \$120 million

in  
2013  
Initiated discussions in early 2012 on recently announced value creation opportunities:  
Definitive  
agreement  
to  
sell  
Office  
Depot's  
JV  
stake  
in  
Mexico  
to  
Grupo  
Gigante  
for  
approximately \$690 million, a 11.6x EBITDA multiple, announced in June 2013  
Proposed merger with OfficeMax announced in February 2013, creating the  
opportunity for Office Depot shareholders to benefit from an estimated \$400-600  
million in annual synergies  
Making significant progress on integration planning with OfficeMax, including  
commencement of the CEO search, selection of an outside integration advisor,  
formation of the integration planning teams and development of the integration plan  
The  
Office  
Depot  
Board  
and  
management  
team  
have  
been  
integral  
in  
developing  
important  
relationships  
with  
OfficeMax  
and  
are  
best  
qualified  
to  
see  
the  
transaction  
through to completion and value realization for shareholders

\$3.5  
\$3.1  
\$2.6  
\$2.6  
\$2.7  
\$2.5  
0.0  
1.0  
2.0  
3.0  
4.0  
2007

2008  
2009  
2010  
2011  
2012  
20%  
21%  
22%  
23%  
24%  
GP \$  
GP %

EBIT Growth Driven by Strategic and Restructuring Initiatives

Improved gross profit rate through margin initiatives including pricing & promotions

Offset deleveraging impact from sales decline due to challenging economic environment

Reduced overhead and supply chain expenses, and centralized operations

Exited non-strategic businesses and reduced International costs

Closed underperforming retail stores; sold and leased back assets

Eliminated redundancy in IT equipment and services

Reduced costs through business process improvement initiatives

4  
(\$51)  
\$8  
\$84  
\$122  
\$131  
\$150  
(80)  
(40)  
0  
40  
80  
120  
160  
2008  
2009  
2010  
2011  
2012  
2013F  
Adjusted EBIT

Expect adjusted EBIT

(2)

growth of approximately \$200 million through 2013

(2)

(1)

(1)

Adjusted EBIT excludes charges for restructuring actions and activities to improve future operating performance. Neither history nor current information provides investors an opportunity to make meaningful assessments and comparisons of results from total operations, charges related to restructuring, or other charges, that such information is superior to the presentation of GAAP information, but only to clarify some information and assist the reader's understanding.

(1)

(2)

For purposes of comparability, gross profit and gross profit percentages for the years 2007, 2008, and 2009 have been adjusted to reflect the same principle of presenting such expenses. Gross profit for the years 2007, 2008, 2009, 2010, 2011 and 2012 include shipping and handling charges, respectively.

[www.officedepot.com](http://www.officedepot.com)

(\$ million)

Free Cash Flow

(\$49)

\$138

\$166

\$34

\$69

\$117

(\$100)

(\$50)

\$0

\$50

\$100

\$150

\$200

2007

2008

2009

2010

2011

2012

Enhanced Cash Flow and Strong Liquidity Position

(\$ million)

Positive

Free

Cash

Flow

(1)

since

2008

through

successful working capital management

Sustained liquidity above \$1.3 billion since 2009

with no current ABL borrowings

\$912

\$868

\$1,386

\$1,301

\$1,305

\$1,370

(1)

Free

Cash

Flow

is

a

non-GAAP

financial

measure,

and

equals

net

cash

provided

by

operating

activities

less

capital

expenditures.

The

measure

is

presented  
to  
provide  
management  
and  
investors  
an  
opportunity  
to  
make  
meaningful  
assessments  
and  
comparisons  
of  
financial  
results.

The  
presentation  
of  
such  
non-GAAP  
information  
is  
not  
intended  
to  
suggest  
that  
such  
information  
is  
superior  
to  
the  
presentation  
of  
GAAP  
information,  
but  
only  
to  
clarify  
some  
information  
and  
assist  
the  
reader.

A

reconciliation  
of  
GAAP  
to  
non-GAAP  
numbers  
can  
be  
found  
on  
the  
Office  
Depot  
web  
site  
at  
(2)  
2012  
free  
cash  
flow  
of  
\$117  
million  
has  
been  
adjusted  
to  
exclude  
a  
\$58  
million  
negative  
impact  
related  
to  
a  
first  
quarter  
pension  
settlement.  
The  
settlement  
impact  
on  
cash  
flow  
from  
operating  
activities

was  
offset  
by  
a  
positive  
impact  
to  
cash  
flow  
from  
investing  
activities  
of  
the  
same  
amount,  
with  
the  
net  
result  
of  
having  
no  
total  
cash  
flow  
impact  
on  
Office  
Depot.  
5  
(2)  
(1)  
\$0  
\$200  
\$400  
\$600  
\$800  
\$1,000  
\$1,200  
\$1,400  
689  
712  
726  
674  
734  
699  
223  
156  
660

627

571

671

2007

2008

2009

2010

2011

2012

Revolver/ABL

Cash

Liquidity

[www.officedepot.com](http://www.officedepot.com).

Until the merger with OfficeMax is completed, the two companies continue to operate independently as competitors in the marketplace  
To drive sales and profitability improvements, we remain highly focused on our key operating initiatives to deliver our 2013 plan:  
Executing the North American Retail strategy  
Improving the web experience and making omni-channel a reality  
Growing services and solutions  
Increasing own brand and direct import penetration  
Driving small-and-medium-size business customer growth  
Improving the International Division cost structure  
Working with vendors to decrease cost of goods sold  
Reducing expenses  
Board and Management Focused on Optimizing Core Operations

Projected to Grow Adjusted EBIT by over 14% to \$150 million in 2013

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Unlocking Value -  
Office Depot de Mexico Transaction Highlights  
Formed in 1994 as joint venture with  
Grupo Gigante  
2012 sales of  
approximately \$1.1 billion  
50% ownership interest and equity  
method of accounting  
Began initiative to illuminate value of  
business in Q1 of 2012  
Total transaction value of  
approximately \$690 million represents  
11.6x 2012 EBITDA

After-tax proceeds of approximately  
\$550 million, which will enhance  
liquidity going into the merger  
Transaction expected to close in July  
2013

Represents significant value creation  
for shareholders

Latin American Geographic Presence

\$31

\$31

\$34

\$32

2009

2010

2011

2012

Miscellaneous

Income

Recorded

at

Office

Depot

Mexico

JV

(\$ in millions)

\* At end of 2012

7

257\* retail locations and  
distribution facilities in  
Latin America

Creating Value -  
Office Depot / OfficeMax Merger Highlights

OfficeMax  
and  
Office  
Depot  
merger  
of  
equals  
to  
create  
\$18

billion  
(1)  
office  
solutions company

Two leading companies to combine to build a stronger, more efficient competitor able to meet the growing challenges of a rapidly changing industry

Customers will benefit from unique, innovative products, services and solutions available through a global, multichannel network

Well-positioned to optimize sales platform and distribution network, and to expand multichannel capabilities to better serve customers and compete against larger players (e.g., Wal-Mart, Amazon, Costco, Target)

Size, scale and global reach will strengthen the portfolio of products, services and solutions to customers worldwide

Long-term value creation through realization of annual synergies as well as enhanced cash generation and liquidity to fund internal and external opportunities

(1) Pro forma combined revenue for the 12 months ended December 29, 2012  
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Approximately \$8 billion in combined North American spend  
SKU harmonization and vendor optimization

Purchasing  
Efficiencies

Supply  
Chain

Approximately \$2 billion in combined North American spend  
Network optimization and delivery efficiencies

Advertising &  
Marketing

Approximately \$0.5 billion in combined North American spend  
Efficiencies in media, catalogs and inserts

Selling, General &  
Administrative

Approximately \$2 billion in combined North American spend

Sales force optimization and support function efficiencies

Standardization of processes

Substantial Synergies to be Realized Through Merger

Total annual run-rate cost synergies following integration of approximately \$400-\$600 million

Approximately \$350-\$450 million in one-time costs

(2)

and \$200 million in capital investment to achieve synergies

Majority of integration expected to be completed by Year 3 post-close

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Approximately \$18 billion in Revenue and \$270 million in adjusted EBIT

(1)

(1)

Based

on

2012

pro-forma

figures.

Adjusted

EBIT

excludes

charges

for

restructuring

actions

and

activities

to

improve

future

operating

performance.

The

measure

is

presented

to

provide

management

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investors

an

opportunity

to

make meaningful assessments and comparisons of results from total operations, charges related to restructuring and efficiency-

those charges. The presentation of such non-GAAP information is not intended to suggest that such information is superior to

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clarify

some  
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A  
reconciliation  
of  
GAAP  
to  
non-GAAP  
numbers  
can  
be  
found  
on  
the  
Office  
Depot  
web  
site  
at  
[www.officedepot.com](http://www.officedepot.com)  
and  
on  
the  
Office  
Max  
website  
at  
[www.officemax.com](http://www.officemax.com).

(2)  
Includes transaction costs.

Strong Leadership Around Merger Integration Planning

Neil Austrian

Mike Newman \*

Michael Allison

Elisa Garcia

Ravi Saligram

Bruce Besanko \*

Steve Parsons

Matt Broad

Boston Consulting Group hired as external integration advisor

Established Integration Management Office (IMO) and planning teams

Joint representation from Office Depot and OfficeMax in IMO and all integration tracks

Creating detailed integration strategy and Day 1 operating plan

Extensive collaboration with bi-weekly face-to-face Steering Committee meetings

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Merchandising/COGS

ODP

OMX

Indirect Procurement

ODP

OMX

HR

ODP

OMX

Legal

ODP

OMX

IT

ODP

OMX

E-Commerce

Communication/PR

ODP

OMX

Finance / Accounting

ODP

OMX

Supply Chain

ODP

OMX

B2B Ops

ODP

OMX

Marketing

ODP

OMX

Retail Ops Mgmt

ODP

OMX

\* Integration Planning

Leaders

ODP

OMX

Platform Teams

Steering Committee

Integration Management Office (IMO)

ODP

OMX

Key Transaction Timelines

Q2 2013

Q4 2013

Q3 2013

Q1 2013

Merger

Announced

2/20/13

Merger SEC Review /

Shareholder Approval

S-4 Submitted, SEC Responses Received,

Declared Effective 06/07/13

Shareholder

Meetings to  
Approve Merger  
7/10/13  
Merger FTC Review  
Second Requests Received and Responses Submitted  
Merger Integration  
Integration Advisor Selected, Teams Formed & Detailed Planning  
Sale of Office Depot de  
Mexico Stake  
Transaction  
Announcement  
6/4/13  
Expected  
Close  
(July)  
Merger Announcement /  
Close  
11  
US Filing  
Submitted  
Internal  
Integration  
Planning  
Expected Merger  
Close

CEO Selection and Board Composition

Board of Directors to be comprised of equal representation from both ODP and OMX

CEO selection committee formed with experienced and independent Directors

Constructive dialogue on-going between members from both Boards

CEO Selection Committee

\* Committee Co-Chairs

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Neil Austrian

Chairman & CEO, Office Depot

Nigel Travis \*

CEO/Chairman, Dunkin Brands;

Former President/CEO, Papa John's

Thomas Colligan  
Director, ADT Corp and CNH Global;  
Former Vice Chairman, PriceWaterhouseCoopers

Marsha Evans  
Director, Weight Watchers Int'l and  
Lehman Brothers Holdings;  
Retired Rear Admiral, U.S. Navy

Brenda Gaines  
Director, Tenet Healthcare,  
Fannie Mae, NICOR Inc.;

Former President/CEO, Diners Club  
W. Scott Hedrick  
Director, Hot Topic, American Funds  
Target Date Retirement Series,  
America Funds Insurance Series

Kathleen Mason  
Former President/CEO, Tuesday Morning,  
Former President, HomeGoods,  
Former Chair/CEO, Cherry & Webb

Justin Bateman  
Partner, BC Partners

Eugene Fife  
Sr. Advisor,  
BC Partners,  
Former Partner, Goldman Sachs

Raymond Svider  
Partner, BC Partners

Office Depot  
Ravi Saligram  
President & CEO, OfficeMax

V. James Marino \*  
Director, PVH Corp;  
Former President/CEO, Alberto-Culver

Rakesh Gangwal  
Non-Exec. Chairman, OfficeMax;

Former  
Chairman/President/CEO  
Worldspan

Technologies,  
Former President/CEO US Airways Group

Francesca Ruiz de Luzuriaga  
Director, SCAN Health;  
Former COO, Mattel Interactive

Warren Bryant  
Director, Dollar General and George Weston  
Limited; Former Chairman/President/CEO  
Longs Drug Stores

Joseph DePinto  
President/CEO, 7-Eleven;  
Director, Brinker International

William Montgoris  
Director, Carters and Stage Stores;  
Former COO/CFO The Bear Stearns Companies  
David Szymanski  
Dean, University of Cincinnati  
Lindner College of Business  
OfficeMax  
Director, CarMax and Petsmart;

Existing Board Best-Qualified to Complete Value Creation Initiatives

The Office Depot Board has demonstrated its commitment to sustained value creation

Secured investment from BC Partners in 2009 to solidify liquidity position

Ongoing input and oversight on development and execution of key operating initiatives

Negotiating merger with OfficeMax and creating opportunity for Office Depot shareholders to benefit from an estimated \$400-600 million in annual synergies

Unlocking value for shareholders by proactively monetizing Office Depot's Mexico JV

Our highly-qualified Board and management team have been instrumental in the progress made to date on the OfficeMax and Office Depot de Mexico transactions

Important relationships have been built with OfficeMax in multiple functional areas

Key leaders from both companies are actively engaged in merger integration planning for the successful integration of the two companies and realization of potential synergies

The CEO Selection Committee has launched a search process that will consider both incumbent CEOs and external candidates to lead the combined company

Inserting new parties at the table at this point is potentially disruptive and not in our shareholders best interests

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