

Board Risk Score™ Rating: **HIGH RISK**

Background
<ul style="list-style-type: none"> - September 17, 2012 - Starboard Value (“Starboard”) filed Schedule 13D which raised concern about share price performance and low operating margin. - Concurrently, Starboard nominated four candidates to the Board of Directors. - August 20, 2013 - Office Depot settled and appointed three Starboard nominees to the Board.

Summary
<ul style="list-style-type: none"> - BRS measures a company’s vulnerability to an activist event. - Office Depot scored 19.04 - High Risk as per BRS methodology – on the day of 13D filing, which preceded the settlement date for the proxy contest. - BRS accurately identified six metrics that were raised by Starboard in the proxy fight.

Metric	BRS Risk Rating	Mentioned by Activist	Activist Comment*
Total Shareholder Return	High	✓	“Low shareholder return compared to peers and indices.”
Revenue Growth	High	✓	“Revenue has declined significantly.”
Return on Investment Capital	High	✓	“The return on capital has underperformed.”
Operating Margin	High	✓	“Operating margin is extremely low compared to peers.”
History of R&D/Acquisition Spending	Moderate	✓	“Unwanted investments need to be sold as soon as possible.”
Cash impact on Enterprise Value	High	✓	“Enterprise value has declined tremendously.”

* Source: Starboard Value investor presentation dated August 02, 2013.

For more information about BRS or to get a BRS report for your company, please contact:

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