

SMALL BUSINESSES CONFIDENT AND OPTIMISTIC ON CANADIAN ECONOMY AND BUSINESS IMPROVEMENT

STAPLES Canada Quarterly Index indicates more small business owners looking to expand skill sets and business offerings

Toronto, ON – June 17, 2009 – The STAPLES Canada Small Business National Quarterly Index, released today, reveals that Canadian small businesses are doing better than they expected they would. The survey, conducted by Angus Reid Strategies, also reveals that two in five small business owners/executives are more confident about the economic conditions in Canada than they were last quarter.

When asked in Q1 2009 26 per cent expected to see an improvement in the next quarter. However, 39 per cent reported improvement in Q2 2009, a shift of 50 per cent. Nearly three-quarters (74 per cent) of Canadian small businesses state that their business situation has held steady or improved slightly in the past three months (up versus 64 per cent in March 2009, an increase of 16 per cent). There are now more small businesses reporting at least improvement (39 per cent) than there are reporting a decline (26 per cent), a reversal from the previous quarter.

“While we must remain cautiously optimistic, this trend towards increased confidence in, and outlook for, both the Canadian economy and improvement by small businesses is certainly a positive sign,” says Citibank Canada economist Dana Peterson. “The entrepreneurial nature of small businesses means that they are often better able to react quickly to changing economic conditions. Because of this we often see that they are better at withstanding economic turbulence and can serve as harbingers for change on a bigger scale.”

There may be early indications of a shift in how Canadian small businesses are coping with the current economic conditions with less operational cost cutting and more efforts towards building business capabilities and offerings. Fewer, just under half (49 per cent), Canadian small business owners/executives cite cutting operational costs as a primary means of coping with the economic situation in Q2 2009 (down versus 55 per cent in March 2009). Conversely, more than one in three are coping by expanding the scope of business offerings (34 per cent, up versus 29 per cent in March 2009) or by expanding skill sets (34 per cent, up versus 26 per cent in March 2009).

“The results of this survey are quite inspiring. Not only is there optimism among Canadian small businesses towards the Canadian economy, these businesses have seen a respectable degree of success during turbulent economic times,” says Steve Matyas, president of STAPLES Canada.

“It is also interesting to note how businesses are changing their coping strategies. One of our goals at STAPLES Canada is to work closely with small businesses and provide them with the tools they need – tools such as the Citi STAPLES easyRewards Business MasterCard to help them better handle operating expenses and STAPLES BizLaunch Seminars to assist with expanding skill sets.”

Canadian small businesses are also showing increased confidence for the near future. Over two-thirds (70 per cent) expect at least some improvement to their business over the next six months (compared to 58 per cent in March 2009, an increase of 21 per cent) and the number expecting a decline has dropped from 17 per cent to 6 per cent (a decrease of 65 per cent). Similarly, only 12 per cent feel that economic conditions in Canada will decline over the next three months (down versus 38 per cent in March 2009, a decrease of 68 per cent).

About the Quarterly Index

The STAPLES Canada Small Business National Quarterly Confidence Index study was conducted by Angus Reid Strategies through online interviews with owners and executives of small businesses (up to 50 full-time employees) across Canada. 543 interviews were completed in total, from May 13 -25, 2009.

The STAPLES Canada Small Business National Quarterly Confidence Index will be conducted quarterly in order to gauge:

- Shifting perceptions of the Canadian economy;
- The self-confidence and optimism of Canadian small businesses; and,
- Any changes in how Canadian small businesses are adjusting to economic conditions.

By conducting a quarterly poll STAPLES is able to establish key indices on the status of Canadian small businesses. They can also monitor changes in their confidence in the economy, their success, their view of the business opportunities they have and any steps they are taking to the economy.

For more information on how STAPLES Canada can help small businesses, please visit staples.ca and click on **Business Services**.

About STAPLES Canada

Founded in Toronto in 1991, The Business Depot Ltd./STAPLES Canada Inc. is Canada's largest supplier of office supplies, business machines, office furniture and business services for the small business and home office customer. The company is an everyday low price retailer. The chain operates stores in all provinces across Canada under the banners STAPLES Canada and Bureau en Gros(MC). Marketing Magazine's Marketing/Leger 2008 Corporate Reputation Survey ranked STAPLES Canada/Bureau en Gros number one among Canada's top 100 companies surveyed in Canada. The company has over 13,500 employees serving customers through more than 300 office superstores, catalogue, and e-commerce. STAPLES, STAPLES® /Bureau en Gros (MC) is committed to making shopping easy by offering customers three ways to shop: online, by catalogue and in-store. More information is available at www.staples.ca.

About Staples

Staples, the world's largest office products company, is committed to making it easy for customers to buy a wide range of office products, including supplies, technology, furniture, and business services. With 2008 sales of \$23 billion and 91,000 associates worldwide, Staples serves businesses of all sizes and consumers in 27 countries throughout North and South America, Europe, Asia and Australia. In July 2008, Staples acquired Corporate Express, one of the world's leading suppliers of office products to businesses and institutions. Staples invented the office superstore concept in 1986 and is headquartered outside Boston. More information about Staples (Nasdaq: SPLS) is available at www.staples.com.

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