

Judge Decides: Staples-Office Depot Merger No More

Written by Marco Attard
12 May 2016

[The \\$6.3 billion Staples-Office Depot acquisition](#) is no more-- a federal judge agrees with objections raised by the US Federal Trade Commission (FTC) and brings the merger to an end, saying it would create an unrivaled giant.



"There is a reasonable probability that the proposed merger will substantially impair competition in the sale and distribution of consumable office supplies to large business-to-business customers," US district judge Emmet Sullivan writes in a 3-page order.

In turn, Office Depot states "while we are respectful of the Court's decision to grant the FTC's request for a preliminary injunction to prevent our merger with Staples, we are disappointed by this outcome and strongly believe that a merger would have benefited all of our customers in the long term."

A Staples-Office Depot merger would have created a company with annual revenues reaching \$37 billion and around 3600 stores. Announced in February 2015, it was an attempt by the two companies to avoid the fate of the likes of RadioShack in the face of Walmart and online competition.

However it was never without controversy-- after all, Staples and Office Depot are the top two office supplies retailers in the US, and as such it fired up the ire of the FTC, who filed a lawsuit blocking the merger in December 2015.

The FTC had already managed to block a 1996 attempt at a Staples-Office Depot merger.

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However the retailers were hopeful history would not repeat itself, what with the FTC approving the November 2014 acquisition of 3rd largest office supply retailer OfficeMax (not to mention the changing state of B2B business), but clearly that wasn't the case.

So, what next for Staples and Office Depot? The two retailers already face tumbling share prices, not to mention an increasingly unkind market. According to analysts the retailers hoped the merger would have led to savings of at least \$1bn, but now the two have to resort to close hundreds of stores and even consider sale to a private equity firm.

Go [Staples and Office Depot to Terminate Merger Agreement](#)

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