

**Essendant Inc. and Subsidiaries**  
**Reconciliation of Non-GAAP Financial Measures**  
**Adjusted Operating Income, Net Income, and Diluted Earnings Per Share**  
(unaudited)  
(in thousands, except per share data)

	For the Three Months Ended June 30,			
	2015		2014	
	Amount	% to Net Sales	Amount	% to Net Sales
Net Sales	\$ 1,341,799	100.0%	\$ 1,320,037	100.0%
Gross profit	\$ 212,062	15.8%	\$ 199,460	15.1%
Operating expenses	\$ 158,159	11.8%	\$ 142,186	10.8%
Workforce reduction and facility consolidation charge	138	0.0%	-	-
Rebranding - intangible asset amortization	(512)	0.0%	-	-
Asset held for sale related costs	(1,361)	(0.1%)	-	-
Adjusted operating expenses	\$ 156,424	11.7%	\$ 142,186	10.8%
Operating income	\$ 53,903	4.0%	\$ 57,274	4.3%
Operating expense items noted above	1,735	0.1%	-	-
Adjusted operating income	\$ 55,638	4.1%	\$ 57,274	4.3%
Net income	\$ 30,261		\$ 33,331	
Operating expense items noted above, net of tax	942		-	
Adjusted net income	\$ 31,203		\$ 33,331	
Diluted earnings per share	\$ 0.79		\$ 0.85	
Per share operating expense items noted above	0.03		-	
Adjusted diluted earnings per share	\$ 0.82		\$ 0.85	
Adjusted diluted earnings per share - change over the prior year period	(3.5%)			
Weighted average number of common shares - diluted	38,106		39,226	

Note: Adjusted Operating Expenses, Adjusted Operating Income, Adjusted Net Income and Adjusted Earnings Per Share in the second quarter of 2015 exclude the effects of a \$0.1 million partial reversal of the first quarter facility consolidation charge, \$0.5 million accelerated amortization related to rebranding, and \$1.4 million related to listing a non-strategic business for sale. Generally Accepted Accounting Principles require that the effects of these items be included in the Condensed Consolidated Statements of Income. Management believes that excluding these items is an appropriate comparison of its ongoing operating results and to the results of the prior year. It is helpful to provide readers of its financial statements with a reconciliation of these items to its Condensed Consolidated Statements of Income reported in accordance with Generally Accepted Accounting Principles.

**Essendant Inc. and Subsidiaries**  
**Reconciliation of Non-GAAP Financial Measures**  
**Adjusted Operating Income, Net Income, and Diluted Earnings Per Share**  
(unaudited)  
(in thousands, except per share data)

	For the Six Months Ended June 30,			
	2015		2014	
	Amount	% to Net Sales	Amount	% to Net Sales
Net Sales	\$ 2,674,174	100.0%	\$ 2,574,176	100.0%
Gross profit	\$ 416,512	15.6%	\$ 386,543	15.0%
Operating expenses	\$ 356,531	13.3%	\$ 291,035	11.3%
Workforce reduction and facility consolidation charge	(6,295)	(0.2%)	-	-
Rebranding - intangible asset impairment and amortization	(10,975)	(0.4%)	-	-
Asset held for sale impairment and related costs	(14,927)	(0.6%)	-	-
Adjusted operating expenses	\$ 324,334	12.1%	\$ 291,035	11.3%
Operating income	\$ 59,981	2.2%	\$ 95,508	3.7%
Operating expense items noted above	32,197	1.2%	-	-
Adjusted operating income	\$ 92,178	3.4%	\$ 95,508	3.7%
Net income	\$ 26,269		\$ 55,188	
Operating expense items noted above, net of tax	24,837		-	
Adjusted net income	\$ 51,106		\$ 55,188	
Diluted earnings per share	\$ 0.69		\$ 1.40	
Per share operating expense items noted above	0.64		-	
Adjusted diluted earnings per share	\$ 1.33		\$ 1.40	
Adjusted diluted earnings per share - change over the prior year period	(5.0%)			
Weighted average number of common shares - diluted	38,317		39,435	

Note: Adjusted Operating Expenses, Adjusted Operating Income, Adjusted Net Income and Adjusted Earnings Per Share in the first half of 2015 exclude the effects of a \$6.3 million workforce reduction and facility consolidation, \$11.0 million intangible asset charge and accelerated amortization related to rebranding, and \$14.9 million related to listing a non-strategic business for sale. Generally Accepted Accounting Principles require that the effects of these items be included in the Condensed Consolidated Statements of Income. Management believes that excluding these items is an appropriate comparison of its ongoing operating results and to the results of the prior year. It is helpful to provide readers of its financial statements with a reconciliation of these items to its Condensed Consolidated Statements of Income reported in accordance with Generally Accepted Accounting Principles.