

The information on this form only applies to shareholders who were shareholders on June 12, 2013. The information contained on this form does not impact any shareholders who acquired stock after June 12, 2013

Part II Organizational Action (continued)


17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See Exhibit A, attached hereto.

18 Can any resulting loss be recognized? ▶ See Exhibit A, attached hereto.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Exhibit A, attached hereto.

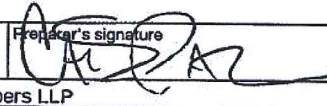
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ 7/26/13

Print your name ▶ Jeffrey Monday Title ▶ Vice President of Tax

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Carrie Parker		<u>7/29/13</u>		P01338973
Firm's name ▶	PricewaterhouseCoopers LLP		Firm's EIN ▶	13-4008324
Firm's address ▶	1075 Peachtree Street, Suite 2600 Atlanta, Georgia 30309		Phone no.	678-419-1000

HD SUPPLY HOLDINGS, INC.
3100 CUMBERLAND BOULEVARD, SUITE 1700
ATLANTA, GA 30339
FEIN: 26-0486780

**FORM 8937: REPORT OF ORGANIZATIONAL ACTIONS AFFECTING
BASIS OF SECURITIES – EXHIBIT A**

Part II Organizational Action

14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

On June 12, 2013, HD Supply Holdings, Inc. ("Holdings" or the "Company") completed a two-for-one reverse stock split (the "Reverse Stock Split") of the outstanding shares of the Company's common stock as of June 12, 2013 (the "Effective Date"). On the Effective Date, every two (2) shares of the Company's issued and outstanding common stock automatically converted into one (1) issued and outstanding share of the Company's common stock.

No fractional shares of common stock were issued in connection with the Reverse Stock Split. Instead, shareholders of the Company's outstanding common stock who otherwise would be entitled to receive a fractional share of Holdings common stock as a result of the Reverse Stock Split were entitled to cash from the Company's transfer agent. For tax purposes, shareholders entitled to fractional shares in the Reverse Stock Split are deemed to have received and then immediately sold such fractional shares for cash.

15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

The aggregate tax basis in the shares received in the Reverse Stock Split, including any fractional shares treated as received and then exchanged for cash, should be equal to the total tax basis in the shares exchanged, and the holding period of the shares received in the Reverse Stock Split will include the holding period of the shares exchanged. A shareholder's tax basis in one (1) share of common stock after the Reverse Stock Split should equal the shareholder's tax basis in the two (2) shares of common stock exchanged. This should generally mean that a shareholder's tax basis in one (1) share of common stock received in the Reverse Stock Split should equal two hundred percent (200%) of the tax basis the shareholder had in one (1) share of the Company's common stock prior to the Reverse Stock Split. A shareholder's total tax basis in such shareholder's common stock received in the Reverse Stock Split immediately after the deemed sale of fractional shares should equal that shareholder's total tax basis in that shareholder's pre-Reverse Stock Split shares, less the tax basis allocated to the fractional shares received. Each shareholder is advised to consult his or her tax advisor as to the quantitative effect of the Reverse Stock Split on the basis of his or her common stock received in the Reverse Stock Split.

16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of the securities and the valuation dates.

As discussed above, the aggregate tax basis in the shares received in the Reverse Stock Split, including any fractional shares treated as received and then exchanged for cash, should be equal to the total tax basis in the shares exchanged. The market value of the common stock was not applicable in determining a shareholder's tax basis in the shares received in the Reverse Stock Split.

17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

Section 302, Section 1001, Section 1031, Section 1036, Section 1221, Section 1222.

18. Can any resulting loss be recognized?

In general, a stockholder should not recognize gain or loss in connection with the Reverse Stock Split, except to the extent of cash received, if any, in lieu of a fractional share interest. As described above, shareholders entitled to fractional shares in the Reverse Stock Split are deemed to have received and then

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immediately sold such fractional shares for cash. In general, if a shareholder receives cash in lieu of a fractional share, the shareholder should recognize gain or loss, subject to the relevant loss limitation provisions of the Internal Revenue Code, based on the difference between the cash received and the adjusted tax basis in the fractional share. Each shareholder is advised to consult his or her tax advisor as to the gain or loss recognized in connection with the deemed sale of fractional shares in the Reverse Stock Split.

19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The Company completed the Reverse Stock Split on June 12, 2013, such that the organizational action occurred during the Company's taxable period ending February 2, 2014. The reportable tax year is 2013 for calendar year taxpayers. For shareholders reporting taxable income on a basis other than the calendar year, the reportable tax year of the Reverse Stock Split is the shareholder's tax year that includes June 12, 2013.