

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report: July 30, 2008

Commission file number 1-10948

OFFICE DEPOT, INC.

(Exact name of registrant as specified in its charter)

Delaware

**(State or other jurisdiction of
incorporation or organization)**

59-2663954

**(I.R.S. Employer
Identification No.)**

2200 Old Germantown Road, Delray Beach, Florida

(Address of principal executive offices)

33445

(Zip Code)

(561) 438-4800

(Registrant's telephone number, including area code)

Former name or former address, if changed since last report: N/A

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Attached hereto as Exhibit 99.1.1 and incorporated by reference herein is Office Depot, Inc.'s news release dated July 30, 2008, announcing its financial results for its fiscal second quarter 2008. This release also contains forward-looking statements relating to Office Depot's fiscal year 2008.

This information is furnished pursuant to Item 2.02 of Form 8-K. The information in this report shall not be treated as filed for purposes of the Securities Exchange Act of 1934, as amended.

ITEM 7.01 REGULATION FD DISCLOSURE

The latest Investor Relations presentation that management of Office Depot, Inc. (the "Company") intends to cover in any meetings with shareholders during the quarter is attached to this Current Report on Form 8-K as Exhibit 99.1.2. The presentation provides an overview of the Company, perspective on the office supply market and the Company's operating results for the quarter ended July 30, 2008. In addition, the presentation provides information on strategy, action plans and outlook. The Company will also post the attached materials on its web site (www.OfficeDepot.com) located in the Investor Relations section of that site.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

Exhibit 99.1.1 News release of Office Depot, Inc. issued on July 30, 2008.

Exhibit 99.1.2 Presentation Materials for Investor Relations Conferences for Office Depot, Inc.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OFFICE DEPOT, INC.

Date: July 30, 2008

By: /S/ ELISA D. GARCIA C.

Elisa D. Garcia C.
Executive Vice President, General Counsel and
Corporate Secretary

Office DEPOT.

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OFFICE DEPOT ANNOUNCES SECOND QUARTER RESULTS

Delray Beach, Fla., July 30, 2008 — Office Depot, Inc. (NYSE: ODP), a leading global provider of office products and services, today announced results for the fiscal period ending June 28, 2008.

SECOND QUARTER RESULTS ¹

Total Company sales for the second quarter decreased 1% to \$3.6 billion. Total Company operating expenses, adjusted for Charges, represented 26.9% of sales, an increase of 110 basis points over the second quarter of 2007. EBIT, as adjusted, was \$21 million in the second quarter of 2008 or 0.6% as a percentage of sales, compared to \$170 million or 4.7% in the prior-year period.

The Company reported a net loss of \$2 million in the second quarter of 2008, compared to earnings of \$106 million in the same period of 2007. The loss per share on a diluted basis was \$0.01 for the quarter, versus earnings per share of \$0.38 in the second quarter of 2007. On an adjusted basis, diluted earnings per share were \$0.04 for the second quarter, versus \$0.41 in the same period one year ago.

SECOND QUARTER DIVISION RESULTS

North American Retail Division

Second quarter sales in the North American Retail Division were down 6% to \$1.4 billion. Comparable store sales in the 1,178 stores in the U.S. and Canada that have been open for more than one year decreased 10% for the second quarter. Persistent weakness in Florida and California continued to weigh heavily on results; however, the sales decline in these two states is consistent with what has been reported over the past few quarters. Outside of those two states, a further decline in demand has occurred as this economic slowdown has spread to most regions of the country.

The North American Retail Division had an operating loss of \$4 million for the second quarter, a decline from the operating profit of \$99 million in the same period of the prior year. Operating profit as a percentage of sales decreased 680 basis points to a negative 0.3% versus a positive 6.5% in the second quarter of 2007. Operating margin was negatively impacted by lower product margins, inventory costs and shrink, and de-leveraging of fixed expenses. Partially offsetting this margin decline was increased private brand penetration.

¹ Includes non-GAAP information. Second quarter results include impacts of previously announced programs (“Charges”). Additional information is provided in our Form 10-Q filing. Reconciliations from GAAP to non-GAAP financial measures can be found in this release, as well as on the corporate web site, www.officedepot.com, under the category Investor Relations.

During the second quarter, Office Depot opened six new stores, closed one, and relocated three stores, bringing the total store count to 1,272. The Company also remodeled two stores in the quarter.

Inventory per store was \$909 thousand at the end of the second quarter of 2008, down approximately 6% from the prior year. This decrease is a result of inventory management and the mitigation of inventory risk through clearance activities.

North American Business Solutions Division

Second quarter sales in the North American Business Solutions Division were \$1.1 billion, down 5% compared to the same period last year. Low single digit sales growth with our large, national account customers and the public sector was more than offset by a 10% sales decrease with our small- to medium-sized customers in the second quarter of 2008. Sales were negatively impacted by continued softness among small- to medium-sized business customers in Florida and California, which account for approximately 30% of the Division's sales.

The North American Business Solutions Division operating profit was \$49 million for the second quarter of 2008 compared to \$78 million for the same period of the prior year. Operating margin declined by 240 basis points to 4.6% versus 7.0% in the second quarter 2007. The decrease in operating margin reflects lower product margins, inventory shrink and de-leveraging of fixed costs. Partially offsetting this margin decline was a reduction in operating expenses.

International Division

The International Division reported a sales increase of 13% in the second quarter of 2008 to \$1.1 billion, compared with the same period last year, while sales in local currency increased by 2%. While the U.K. business has improved sequentially, continued weakness in the U.K. compared to last year, together with a broadening decline in the macroeconomic environment across Europe, constrained sales growth in the second quarter.

Division operating profit was \$51 million in the second quarter of 2008 compared to \$42 million in the same period of the prior year. Operating profit margin was up slightly year-over-year at 4.6% as a gain, resulting in lower employee-related costs, was largely offset by investments made to support growth initiatives.

Other Matters

The Company has received recently an unsolicited non-binding proposal from its partner in its Mexican joint venture in which its joint venture partner proposes to acquire the capital stock in the joint venture owned by the Company for approximately \$430 million. The Company has not yet engaged in substantive discussions with its joint venture partner regarding this non-binding proposal and there can be no assurance that any agreement on financial or other terms satisfactory to the Company will result from such proposal or that any transaction involving the Company will be approved or completed.

During the first quarter of 2008, Office Depot amended its Revolving Credit Facility. Based on current projected operating results, the Company anticipates remaining in compliance with all of the restrictive covenants. However, given the uncertain economic environment, the Company is seeking a new credit facility to replace its existing facility. Office Depot has obtained commitments for a fully underwritten facility in excess of \$1 billion that will be in place by the end of the third quarter 2008. The Amended Credit Agreement will be collateralized by the Company's accounts receivable and inventory in the U.S. and significant international subsidiaries.

Subsequent to second quarter end, the Company acquired a controlling interest in AGE Kontor & Data AB, a contract and retail office supply company operating in Sweden.

Additional information on the Company's results for the period can be found in the second quarter Form 10-Q filed with the Securities and Exchange Commission.

Non-GAAP Reconciliation

A reconciliation of GAAP results to non-GAAP results excluding certain items is presented in this release and also may be accessed on the corporate website, www.officedepot.com, under the category Company Info.

Conference Call Information

Office Depot will hold a conference call for investors and analysts at 9 a.m. (Eastern Daylight Time) today. The conference call will be available to all investors via Web cast at <http://investor.officedepot.com>. Interested parties may contact Investor Relations at 561-438-7893 for further information.

About Office Depot

Every day, Office Depot is Taking Care of Business for millions of customers around the globe. For the local corner store as well as Fortune 500 companies, Office Depot provides products and services to its customers through 1,680 worldwide retail stores, a dedicated sales force, top-rated catalogs and a \$5.0 billion e-commerce operation. Office Depot has annual sales of approximately \$15.4 billion, and employs about 49,000 associates around the world. The Company provides more office products and services to more customers in more countries than any other company, and currently sells to customers directly or through affiliates in 44 countries.

Office Depot's common stock is listed on the New York Stock Exchange under the symbol ODP and is included in the S&P 500 Index. Additional press information can be found at: <http://mediarelations.officedepot.com>.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS: The Private Securities Litigation Reform Act of 1995, as amended (the "Act") provides protection from liability in private lawsuits for "forward-looking" statements made by public companies under certain circumstances, provided that the public company discloses with specificity the risk factors that may impact its future results. We want to take advantage of the "safe harbor" provisions of the Act. Certain statements made in this press release are 'forward-looking' statements under the Act. Except for historical financial and business performance information, statements made in this press release should be considered 'forward-looking' as referred to in the Act. Much of the information that looks towards future performance of our company is based on various factors and important assumptions about future events that may or may not actually come true. As a result, our operations and financial results in the future could differ materially and substantially from those we have discussed in the forward-looking statements made in this press release. Certain risks and uncertainties are detailed from time to time in our filings with the United States Securities and Exchange Commission ("SEC"). You are strongly urged to review all such filings for a more detailed discussion of such risks and uncertainties. The Company's SEC filings are readily obtainable at no charge at www.sec.gov and at www.freeEDGAR.com, as well as on a number of other commercial web sites.

OFFICE DEPOT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)
(Unaudited)

	As of June 28, 2008	As of December 29, 2007	As of June 30, 2007
Assets			
Current assets:			
Cash and cash equivalents	\$ 156,607	\$ 222,954	\$ 122,695
Receivables, net	1,471,710	1,511,681	1,466,714
Inventories	1,647,044	1,717,662	1,586,241
Deferred income taxes	99,398	120,162	64,474
Prepaid expenses and other current assets	166,247	143,255	148,295
Total current assets	3,541,006	3,715,714	3,388,419
Property and equipment, net	1,695,581	1,588,958	1,463,361
Goodwill	1,391,656	1,282,457	1,228,681
Other intangible assets	110,964	107,987	108,696
Other assets	579,175	561,424	439,579
Total assets	<u>\$ 7,318,382</u>	<u>\$ 7,256,540</u>	<u>\$ 6,628,736</u>
Liabilities and stockholders' equity			
Current liabilities:			
Trade accounts payable	\$ 1,398,321	\$ 1,591,154	\$ 1,582,487
Accrued expenses and other current liabilities	1,148,041	1,170,775	1,095,197
Income taxes payable	13,063	3,491	2,167
Short-term borrowings and current maturities of long-term debt	296,884	207,996	68,878
Total current liabilities	2,856,309	2,973,416	2,748,729
Deferred income taxes and other long-term liabilities	579,371	576,254	534,679
Long-term debt, net of current maturities	615,653	607,462	564,107
Minority interest	5,255	15,564	14,737
Commitments and contingencies			
Stockholders' equity:			
Common stock — authorized 800,000,000 shares of \$.01 par value; issued and outstanding shares — 280,962,284 in 2008, 428,777,625 in December 2007 and 428,553,951 in June 2007	2,810	4,288	4,286
Additional paid-in capital	1,177,644	1,784,184	1,757,070
Accumulated other comprehensive income	587,649	495,916	340,551
Retained earnings	1,551,979	3,783,805	3,647,543
Treasury stock, at cost — 5,972,334 shares in 2008, 155,819,358 shares in December 2007 and 155,784,207 shares in June 2007	(58,288)	(2,984,349)	(2,982,966)
Total stockholders' equity	<u>3,261,794</u>	<u>3,083,844</u>	<u>2,766,484</u>
Total liabilities and stockholders' equity	<u>\$ 7,318,382</u>	<u>\$ 7,256,540</u>	<u>\$ 6,628,736</u>

OFFICE DEPOT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands, except per share amounts)
(Unaudited)

	13 Weeks Ended		26 Weeks Ended	
	June 28, 2008	June 30, 2007	June 28, 2008	June 30, 2007
Sales	\$ 3,605,073	\$ 3,631,599	\$ 7,567,090	\$ 7,725,199
Cost of goods sold and occupancy costs	<u>2,621,557</u>	<u>2,535,480</u>	<u>5,414,894</u>	<u>5,359,972</u>
Gross profit	983,516	1,096,119	2,152,196	2,365,227
Store and warehouse operating and selling expenses	811,694	799,494	1,678,500	1,685,186
General and administrative expenses	175,224	149,788	373,774	311,318
Amortization of deferred gain on building sale	<u>(1,873)</u>	<u>(1,873)</u>	<u>(3,746)</u>	<u>(3,746)</u>
Operating profit (loss)	(1,529)	148,710	103,668	372,469
Other income (expense):				
Interest income	5,604	1,241	6,509	2,101
Interest expense	(14,406)	(18,031)	(29,226)	(30,671)
Miscellaneous income, net	<u>6,502</u>	<u>9,874</u>	<u>14,943</u>	<u>19,695</u>
Earnings (loss) before income taxes	(3,829)	141,794	95,894	363,594
Income taxes	<u>(1,827)</u>	<u>36,212</u>	<u>29,123</u>	<u>104,241</u>
Net earnings (loss)	<u>\$ (2,002)</u>	<u>\$ 105,582</u>	<u>\$ 66,771</u>	<u>\$ 259,353</u>
Earnings (loss) per common share:				
Basic	\$ (0.01)	\$ 0.39	\$ 0.24	\$ 0.95
Diluted	(0.01)	0.38	0.24	0.93
Weighted average number of common shares outstanding:				
Basic	272,845	271,879	272,620	273,690
Diluted	273,362	275,952	273,101	278,041

OFFICE DEPOT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	26 Weeks Ended	
	June 28, 2008	June 30, 2007
Cash flow from operating activities:		
Net earnings	\$ 66,771	\$ 259,353
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	130,390	139,609
Charges for losses on inventories and receivables	64,678	47,335
Changes in working capital and other	(124,098)	(153,134)
Net cash provided by operating activities	<u>137,741</u>	<u>293,163</u>
Cash flows from investing activities:		
Capital expenditures	(206,840)	(225,330)
Acquisitions, net of cash acquired, and related payments	(84,659)	(47,591)
Release of restricted cash	18,100	—
Purchase of assets sold and held for sale	(39,772)	—
Proceeds from assets sold and other	36,781	83,290
Net cash used in investing activities	<u>(276,390)</u>	<u>(189,631)</u>
Cash flows from financing activities:		
Proceeds from exercise of stock options and sale of stock under employee stock purchase plans	855	25,294
Tax benefits from employee share-based payments	56	11,625
Acquisition of treasury stock under approved repurchase plans	—	(199,592)
Treasury stock additions from employee related plans	(944)	(9,801)
Net proceeds on long- and short-term borrowings	69,279	16,674
Net cash provided by (used in) financing activities	<u>69,246</u>	<u>(155,800)</u>
Effect of exchange rate changes on cash and cash equivalents	3,056	1,411
Net decrease in cash and cash equivalents	(66,347)	(50,857)
Cash and cash equivalents at beginning of period	<u>222,954</u>	<u>173,552</u>
Cash and cash equivalents at end of period	<u>\$ 156,607</u>	<u>\$ 122,695</u>

OFFICE DEPOT, INC.
Comparative Trailing Four Quarters Data and
GAAP to Non-GAAP Reconciliations
(Unaudited)

<i>Total Company</i> <i>(Dollars in millions)</i>	Trailing 4 Quarters	
	June 28, 2008	June 30, 2007
Sales	\$15,369.4	\$15,425.4
EBIT ¹	\$ 238.7	\$ 752.9
% of sales	1.6%	4.9%
EBIT — as adjusted ¹	\$ 279.5	\$ 814.1
% of sales	1.8%	5.3%
Net earnings	\$ 203.0	\$ 515.0
Net earnings — as adjusted ¹	\$ 232.0	\$ 557.1
Diluted Earnings Per Share	\$ 0.74	\$ 1.84
Diluted Earnings Per Share — as adjusted ¹	\$ 0.85	\$ 1.99
EBITDA — as adjusted ¹	\$ 536.8	\$ 1,067.5
% of sales	3.5%	6.9
Return on Invested Capital (ROIC) — as adjusted ¹	8.1%	15.2%
Average shares	273.5	280.3

¹ EBIT and EBITDA are non-GAAP financial measures; EBIT — as adjusted and EBITDA — as adjusted exclude the Charges. (bps = basis points)

The Company is committed to measuring and reporting results in conformity with accounting principles generally accepted in the United States of America (“GAAP”). However, management also recognizes that some financial measures other than those prepared in accordance with GAAP (“non-GAAP”) can provide meaningful and useful information about performance and allow for an informed assessment of possible future performance. Certain non-GAAP performance measures (e.g. EBIT and ROIC) are used to determine variable pay awards throughout our Company.

Non-GAAP measures in these tables exclude certain charges (“Charges”) that are important and required under GAAP but that may not clearly convey the ongoing results of operating the business during the period. These measures also exclude a gain on sale of a building and a legal settlement, both recognized in the fourth quarter of 2006.

OFFICE DEPOT, INC.
GAAP to Non-GAAP Reconciliations

The non-GAAP numbers presented along with the most closely related GAAP numbers, and the reconciliations are provided in the following tables. (*\$ in millions*)

Q2 2008	GAAP	% of Sales	Charges	Non-GAAP	% of Sales
Gross Profit	\$ 983.5	27.3%	\$ —	\$ 983.5	27.3%
Operating Expenses	\$ 985.0	27.3%	\$ (15.5)	\$ 969.5	26.9%
Operating Profit (Loss)	\$ (1.5)	0.0%	\$ 15.5	\$ 14.0	0.4%
Net Earnings (Loss)	\$ (2.0)	(0.1)%	\$ 11.8	\$ 9.8	0.3%
Diluted Earnings (Loss) Per Share	\$ (0.01)		\$ 0.05	\$ 0.04	

Q2 2007	GAAP	% of Sales	Charges	Non-GAAP	% of Sales
Gross Profit	\$ 1,096.1	30.2%	\$ 0.1	\$ 1,096.2	30.2%
Operating Expenses	\$ 947.4	26.1%	\$ (11.8)	\$ 935.6	25.8%
Operating Profit	\$ 148.7	4.1%	\$ 11.9	\$ 160.6	4.4%
Net Earnings	\$ 105.6	2.9%	\$ 8.7	\$ 114.3	3.1%
Diluted Earnings Per Share	\$ 0.38		\$ 0.03	\$ 0.41	

YTD 2008	GAAP	% of Sales	Charges	Non-GAAP	% of Sales
Gross Profit	\$ 2,152.2	28.4%	\$ —	\$ 2,152.2	28.4%
Operating Expenses	\$ 2,048.5	27.0%	\$ (26.3)	\$ 2,022.2	26.7%
Operating Profit	\$ 103.7	1.4%	\$ 26.3	\$ 130.0	1.7%
Net Earnings	\$ 66.8	0.9%	\$ 21.1	\$ 87.9	1.2%
Diluted Earnings Per Share	\$ 0.24		\$ 0.08	\$ 0.32	

YTD 2007	GAAP	% of Sales	Charges	Non-GAAP	% of Sales
Gross Profit	\$ 2,365.2	30.6%	\$ 0.2	\$ 2,365.4	30.6%
Operating Expenses	\$ 1,992.7	25.8%	\$ (23.7)	\$ 1,969.0	25.5%
Operating Profit	\$ 372.5	4.8%	\$ 23.9	\$ 396.4	5.1%
Net Earnings	\$ 259.4	3.4%	\$ 20.4	\$ 279.8	3.6%
Diluted Earnings Per Share	\$ 0.93		\$ 0.08	\$ 1.01	

Office Depot, Inc.
DIVISION INFORMATION
(Unaudited)

North American Retail Division

<i>(Dollars in millions)</i>	Second Quarter		First Half	
	2008	2007	2008	2007
Sales	\$1,433.1	\$1,525.3	\$3,146.5	\$3,373.9
% change	-6%	1%	-7%	2%
Division operating profit (loss)	\$ (4.4)	\$ 99.2	\$ 78.1	\$ 251.6
% of sales	-0.3%	6.5%	2.5%	7.5%

North American Business Solutions Division

<i>(Dollars in millions)</i>	Second Quarter		First Half	
	2008	2007	2008	2007
Sales	\$1,064.1	\$1,123.2	\$2,168.1	\$2,285.6
% change	-5%	—%	-5%	1%
Division operating profit	\$ 49.3	\$ 78.3	\$ 108.9	\$ 150.5
% of sales	4.6%	7.0%	5.0%	6.6%

International Division

<i>(Dollars in millions)</i>	Second Quarter		First Half	
	2008	2007	2008	2007
Sales	\$1,107.9	\$983.0	\$2,252.5	\$2,065.7
% change	13%	14%	9%	18%
% change in local currency sales	2%	7%	-1%	9%
Division operating profit	\$ 51.2	\$ 42.1	\$ 111.3	\$ 124.2
% of sales	4.6%	4.3%	4.9%	6.0%

Division operating profit excludes Charges from the Division performance, as those Charges are evaluated at a corporate level.

Office Depot, Inc.
SELECTED FINANCIAL AND OPERATING DATA
(Unaudited)

Other Selected Financial Information

<i>(In thousands, except operational data)</i>	26 Weeks Ended June 28, 2008	26 Weeks Ended June 30, 2007
Cumulative share repurchases under approved repurchase plans (\$):	\$ —	\$199,592
Cumulative share repurchases under approved repurchase plans (shares):	—	5,702
Shares outstanding, end of quarter	274,990	272,770
Amount authorized for future share repurchases, end of quarter (\$):	\$500,000	

Selected Operating Highlights

Store Statistics	13 Weeks Ended		26 Weeks Ended	
	June 28, 2008	June 30, 2007	June 28, 2008	June 30, 2007
United States and Canada:				
Store count:				
Stores opened	6	15	51	31
Stores closed	1	3	1	3
Stores relocated	3	—	4	—
Total U.S. and Canada stores	1,272	1,186	1,272	1,186
North American Retail Division square footage:	30,812,400	29,062,748		
Average square footage per NAR store	24,224	24,505		
Inventory per store (end of period)	\$ 909,000	\$ 965,000		
International Division company-owned:				
Store count:				
Stores opened	1	2	2	13
Stores closed	—	1	1	1
Total International company-owned stores	149	137	149	137

Office DEPOT®

Investor Presentation

July 2008

Office Depot Overview

Office Depot – Business Overview

Office DEPOT.

- Office Depot is a leading global provider of office products and services
- 2007 sales of over \$15.5 billion and EBITDA¹ of over \$800 million
 - Supplies: 63% of sales
 - Technology: 26% of sales
 - Furniture and Other: 11% of Sales
- Multi-channel – stores, catalog, Internet and contract serve business customers of any size, from small home office to Fortune 500 accounts
 - 56% of 2007 Sales were not North American Retail
 - One of the world's largest e-commerce retailers – \$4.9 billion in sales in 2007

North American Retail (44% of 2007 Sales)

- Over 1,200 stores in U.S. and Canada
- Largest concentration of stores in California, Florida and Texas

N.A. Business Solutions (29% of 2007 Sales)

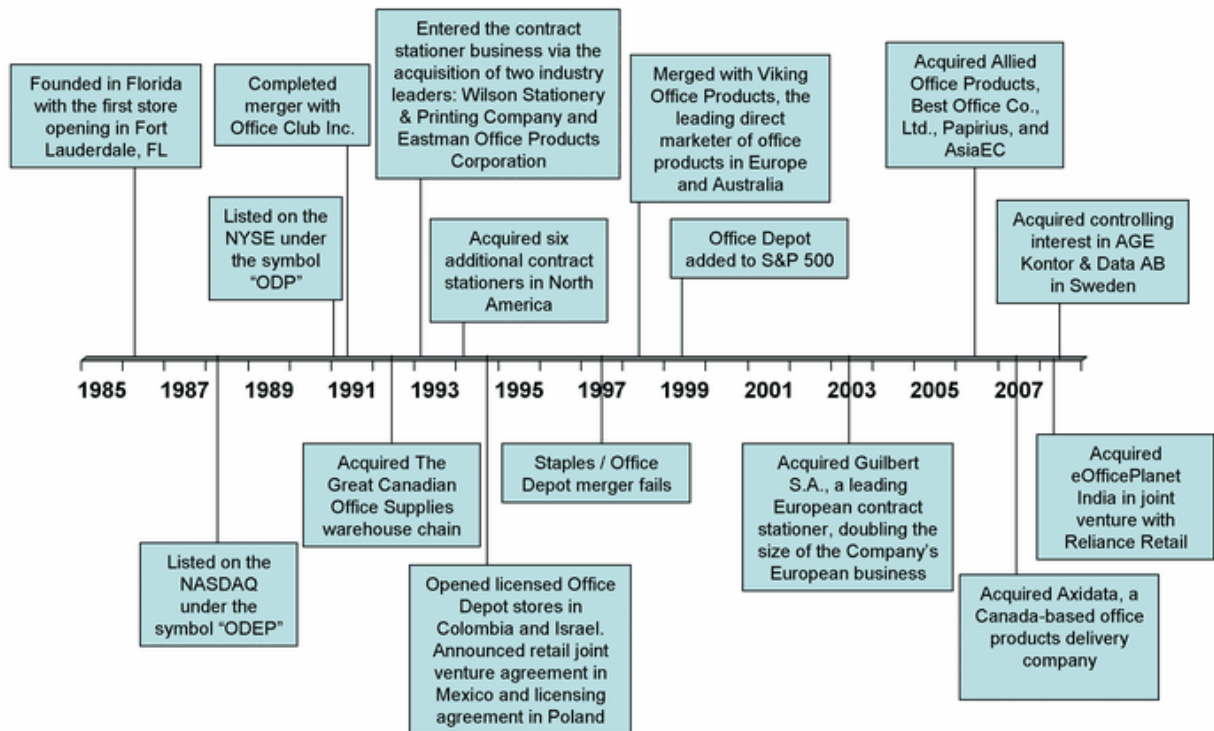
- Catalog, contract and e-commerce
- Dedicated sales force works with medium sized to Fortune 100 customers
- Orders serviced through 21 distribution centers

International (27% of 2007 Sales)

- Catalog, contract, e-commerce and retail
- Sells to customer directly and through affiliates in 41 countries outside of North America
- 35+ websites and 397 stores

¹ Non-GAAP numbers. A reconciliation of GAAP to non-GAAP numbers can be found on the Office Depot web site at www.officedepot.com

Office Depot Timeline



Issues Facing The Company Entering 2005

- Functionally-aligned organization with no divisional leadership
- Non-integrated acquisitions
 - Duplicate overhead
 - Cost and complexity of multiple systems
- Information technology systems impeding growth
- Duplicate supply chain
- Operating margin gap versus largest competitor and no plan to close gap
- Declining market share
- Inconsistency in shopping experience and service, and lack of differentiation
 - Aging store portfolio with no proven new store format
 - 700 different store sets and at least five different retail formats
- Asset impairments, exit costs and other operating decisions contributed to \$412M in charges from inception in 2005 through the end of the second quarter 2008

Successful Turnaround Begins

North American Retail



- Improve profitability while continuing store build out program
- Finalize new format (M2) for the remodeled stores
- Improve service in stores

North American Business Solutions



- Grow market share organically and through acquisitions
- Expand large contract sales, add sales force
- Complete integration of Viking acquisition
- Expand product / service portfolio

International

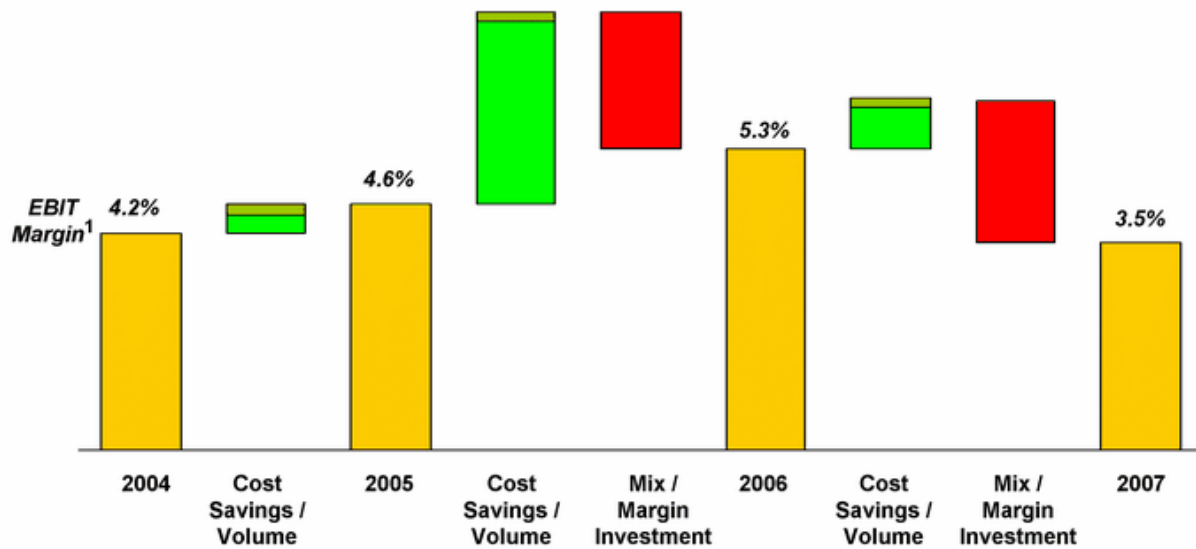


- Improve profitability by growing European contract business, tightening cost control
- Use telephone account managers to acquire new customers in Europe
- Integrate various operations around the globe
- Expand geographic reach into developing areas

New Management talent was added across the organization

Initiatives Successful in Reducing Costs

In excess of \$600 million in costs eliminated between 2004 and 2007



¹ Non-GAAP numbers. A reconciliation of GAAP to non-GAAP numbers can be found on the Office Depot web site at www.officedepot.com

Positive Impact From Turnaround

(Dollars in millions, except per share data)

	2004	2005	2006	First Half 2007
Sales	\$ 13,565	\$ 14,279	\$ 15,011	\$ 7,725
EBIT ¹	\$ 576	\$ 654	\$ 802	\$ 416
EPS ¹	\$ 1.18	\$ 1.41	\$ 1.90	\$ 1.00
EBIT Margin ¹	4.2%	4.6%	5.3%	5.4%
EPS Growth ¹	19.2%	19.5%	34.8%	8.7%



- Nine strong consecutive quarters under new Management team, with improving performance and increased shareholder value, including record sales and earnings in Q1 2007
- Approximately \$2 billion of capital returned to stockholders through share repurchases from 2005 through 2007 (represented approximately 20% of outstanding shares, 140% of adjusted after-tax earnings and 106% of operating cash flow)

¹ Non-GAAP numbers. A reconciliation of GAAP to non-GAAP numbers can be found on the Office Depot web site at www.officedepot.com

Macroeconomic And Business Conditions Shift

- Weakening housing-related economic conditions and a heavy sales concentration in Florida and California (approximately 30% of North American sales in 2007) negatively impacted results in the second half of 2007
- Heavier mix of both lower margin technology product sales in North American Retail and lower margin customers in North American Business Solutions contributed to margin declines
- Declining vendor program support due to industry slowdown also impacted margins
- Weaker U.K. performance negatively affected International results

(Dollars in millions, except per share data)

	2007		
	First Half	Second Half	Full Year
Sales	\$ 7,725	\$ 7,802	\$15,528
EBIT ¹	\$ 416	\$ 135	\$ 551
EPS ¹	\$ 1.00	\$ 0.53	\$ 1.54
EBIT Margin ¹	5.4%	1.7%	3.5%
EPS Growth ¹	8.7%	(45.9%)	(18.9%)



¹ Non-GAAP numbers. A reconciliation of GAAP to non-GAAP numbers can be found on the Office Depot web site at www.officedepot.com

Strategic Priorities

Strategic Priorities – Taking Care of Business

North American Retail



- Addressing customers' need for value
- Growing loyalty programs
- Enhancing service offerings to complement product offerings

North American Business Solutions



- Implementing customer contact strategy
- Redesigning the telephone account management (TAM) program
- New catalog / direct marketing team

International



- Executing plan to improve performance in the U.K.
- Sharp focus on improving productivity in existing businesses
- Leveraging global sourcing to increase direct import and private brand penetration in Europe and Asia

N. A. Retail – Taking Care of Business Update: Margin

**North American
Retail**



- Conduct line reviews
 - Reducing overall SKU count, lowering costs
- Micro-assort key technology departments
 - Matching offering to the individual store sales volume and customer profile
- Stringent inventory controls
 - Supporting more conservative sales forecast
- Reduce new store openings and remodels
 - Less than 15 new store openings and eight remodels planned for balance of 2008
- Cut costs
 - Reduce headcount in North American Retail corporate office

N. A. Retail – Taking Care of Business Update: Sales

**North American
Retail**



- Expand entry-level price points for core business essentials
- Partner with key vendors to secure opportunistic one-time purchases that deliver exceptional value
- Offer bonus packs that provide additional product to the customer for little to no additional spend
- Sell product and service bundles that offer a complete solution to the customer while also saving them money
- Merchandise value products in high traffic areas

Growing Loyalty Program - Worklife Rewards

10% PLUS



Services – Design, Print & Ship (DPS)

Service Offering:

- Print on demand
- Wide format printing
- Full-color business card printing
- Custom Logo / Website design



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Services – Tech Depot Services

Service Offering:

- Protection and performance
- Diagnostic and repair
- Software installation
- PC tune-up
- Data protection
- Network installation

We can

CONNECT YOUR WIRELESS NETWORK

- Our certified technicians will save you time
- Work from anywhere in your home and office
- Protect your computer from intruders accessing your data

IN-HOME | IN-OFFICE

Ask an Associate for details.



Services – Recycling Program

Tech Recycling →



← Ink / Toner Recycling

N.A. Business Solutions – Taking Care of Business Update

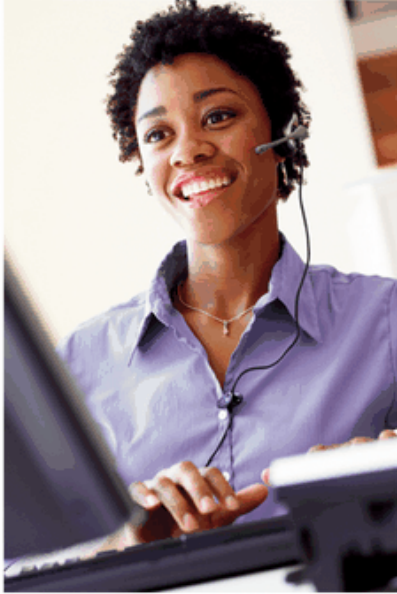
North American Business Solutions



- Implementing customer contact strategy
 - Successfully completed pilot test
 - National rollout implementation completed
- Implementing redesigned telephone account management (TAM) program
 - Instituting key performance indicators
- New catalog / direct marketing team making changes to the business model
 - Increased circulation to drive revenue
 - Decline of the business reduced by 50% in less than two months of new plan
- Web optimization plan being executed
 - Customer-focused enhancements

N.A. Business Solutions

TAM



Catalog



International – Taking Care of Business Update



International

- Improving sales in the U.K.
 - Customer service metrics are back on track
 - Focused marketing strategies
 - Adding Design, Print and Ship services
- Expanding Tech Depot to U.K., France and Germany
- Exploring use of Tech Services in International
- Improving productivity in existing businesses
 - Successfully transitioned all back-office transaction accounting functions from the U.K., France, and Germany
 - Improved execution with each transition
- Leveraging global sourcing office
 - Increasing direct import and driving private brand penetration in Europe and Asia
 - Launch of Foray writing instruments in Europe was a success

Private Brand/Global Sourcing Initiative

Private Brand/Global Sourcing

- Private brand penetration percentage is currently in the high 20's
- Private Brand Penetration/Global Sourcing to improve margin
 - Opened Office Depot sourcing office in Shenzhen, China in 2007
 - Supplemented with third-party sourcing resources
 - Expanding categories of products sourced and countries utilized
 - Independent audits of all factories and chain of custody of goods for environmental, social, and quality issues
 - All Private Brand meets or exceeds industry testing requirements

Private Brands



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Centralization

Financial Back Office

- North America—Utilize third parties for a number of financial functions
 - Some in North America, some offshore
 - Assign credit
 - Collections and cash application
- International—Near Shoring financial functions into Office Depot in Eastern Europe
 - Credit, collections, cash applications
 - Successfully transitioned back office functions in the U.K., France and Germany through Q2 2008

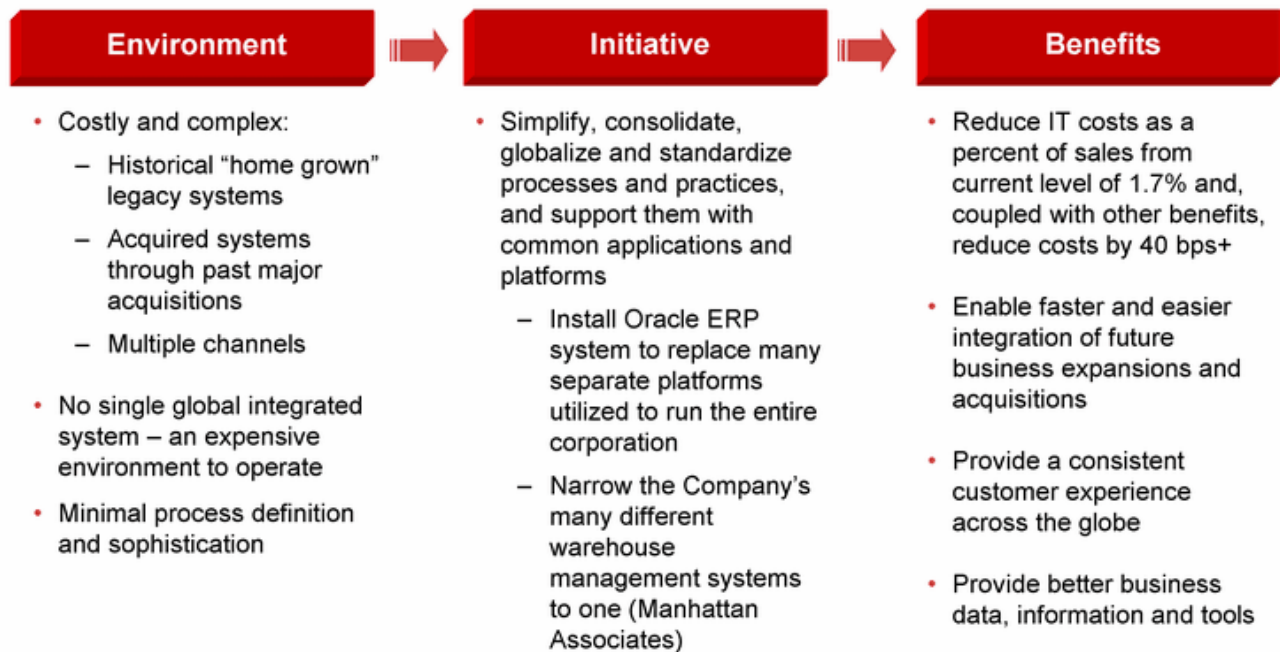
Call Center

- North America—Global Accounts, Executive Customer Service, E-Commerce handled in 2 centers in US
 - Balance of inbound calls near shore and offshore
- International—In the process of consolidating EU call centers

Global Supply Chain Initiative



Global Information Technology Initiative



Second Quarter 2008 Results

Second Quarter 2008 Summary

- Results continued to be negatively impacted by a challenging economic environment
- Business trends worsened in June
- Company continued to execute strategic plans and margin expansion initiatives
- Total Company sales declined approximately 1% versus second quarter of 2007
- GAAP loss of \$2 million, loss per share on a diluted basis of \$0.01
- Adjusted earnings of \$10 million, adjusted earnings per share on a diluted basis of \$0.04

Summary and Outlook

- Disappointed with second quarter results
- Sales were much worse than expected; hit our fixed cost levels very quickly and de-levered
- Q3 and Q4 have historically been about 25-26% of NAR annual sales versus 22% for Q2 and should be able to expand margins sequentially by leveraging fixed costs
- Will make every effort to profitably grow the top line, cut costs, reduce capital spending and improve cash flow

Consolidated Financials – Second Quarter 2008

*in millions, except ratios,
returns and per share data*

	Q2 2008		Q2 2007	
	Amount	% Sales	Amount	% Sales
Sales	\$ 3,605	--	\$ 3,632	--
Operating Expenses ⁽¹⁾	\$ 970	26.9%	\$ 936	25.8%
EBIT ⁽¹⁾	\$ 21	0.6%	\$ 170	4.7%
Net Earnings ⁽¹⁾	\$ 10	0.3%	\$ 114	3.1%
Net Earnings (Loss) - GAAP	\$ (2)	-0.1%	\$ 106	2.9%
Diluted Shares	273.4	--	276.0	--
EPS - GAAP	\$ (0.01)	--	\$ 0.38	--
EPS ⁽¹⁾	\$ 0.04	--	\$ 0.41	--

¹Non-GAAP numbers. A reconciliation of GAAP to non-GAAP numbers can be found on the Office Depot web site at www.officedepot.com.

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North American Retail – Results

in millions, except ratios and statistics

	<u>Q2 08</u>	<u>Q2 07</u>
Sales	\$ 1,433	\$ 1,525
Comparable Sales	-10%	-5%
Division Operating Profit (Loss)	\$ (4)	\$ 99
Division Operating Margin	-0.3%	6.5%

North American Retail – Results & Variance Analysis

- Sales were down 6% and comparable store sales were 10% lower in the second quarter of 2008
- Operating loss of \$4 million versus \$99 million profit one year ago
- Broader economic factors continued to challenge profit margins
 - De-leveraging of fixed costs and operating expenses as sales declined
 - Lower product margins due to less vendor program support, inventory clearing and product mix
 - Inventory shrink
- SG&A was flat on a dollar basis versus year ago

	Operating Margin
Q2 2007	6.5%
De-leveraging of fixed costs and operating expenses	-290 bps
Product margins	-220 bps
Inventory shrink	-170 bps
Q2 2008	-0.3%

North American Business Solutions – Results

in millions, except ratios and statistics

	<u>Q2 08</u>	<u>Q2 07</u>
Sales	\$ 1,064	\$ 1,123
Division Operating Profit	\$ 49	\$ 78
Division Operating Margin	4.6%	7.0%

N.A. Business Solutions – Results & Variance Analysis

- Sales were down 5% in the second quarter of 2008
 - Low single digit sales growth with large, national account customers and public sector
 - Offset by 10% lower sales to small-to mid-size customers
- Operating profit of \$49 million versus \$78 million one year ago
- Factors driving operating margin included:
 - Lower product margin due to customer mix, higher promotional activity and cost increases
 - Lower vendor program support
 - Inventory shrink and fixed costs de-leveraging
 - Slightly offset by lower operating expenses

	Operating Margin
Q2 2007	7.0%
Product margins	-160 bps
Vendor program support	-40 bps
Inventory shrink and fixed costs de-leveraging	-70 bps
Operating expenses	+30 bps
Q2 2008	4.6%

International – Results

In millions, except ratios and statistics

	<u>Q2 08</u>	<u>Q2 07</u>
Sales	\$ 1,108	\$ 983
Change in Local Currency Sales	2%	7%
Division Operating Profit	\$ 51	\$ 42
Division Operating Margin	4.6%	4.3%

International – Results & Variance Analysis

- Sales were up 13% in the second quarter of 2008
 - Local currency sales were up 2%
- Operating profit was \$51 million versus \$42 million one year ago
- Factors driving operating margin included:
 - A gain from lower pension costs
 - Strategic investment spending in regional offices, the centralization of support functions and the consolidation of warehouses

	Operating Margin
Q2 2007	4.3%
Lower pension costs	+120 bps
Investment spending and other, net	-90 bps
Q2 2008	4.6%

Office Depot de Mexico

- The Company has received recently an unsolicited non-binding proposal from its partner in its Mexican joint venture
- Joint venture partner proposes to acquire the capital stock in the joint venture owned by the Company for approximately \$430 million
- The Company has not yet engaged in substantive discussions with its joint venture partner regarding this non-binding proposal
- There can be no assurance that any agreement on financial or other terms satisfactory to the Company will result from such proposal or that any transaction involving the Company will be approved or completed

Charges from 2005 Plan

<i>in millions</i>	Q2			Projected		
	2008	2007	Program to Date	2008 Q3-Q4	2009	Total
Income Statement Charges	\$ 16	\$ 12	\$ 412	\$ 20	\$ 40	\$ 472
<i>Cash Flow Impact</i>						
Cash	\$ 8	\$ 8	\$ 149	\$ 18	\$ 30	\$ 197
Non-Cash	\$ 8	\$ 4	\$ 263	\$ 2	\$ 10	\$ 275

During the third quarter of 2005, we announced a number of material charges relating to asset impairments, exit costs and other operating decisions (the "Charges"). This announcement followed a wide-ranging assessment of assets and commitments which began in the second quarter of 2005. We indicated that these actions would continue to impact our results for several years, and expenses associated with future activities would be recognized as the individual plans are implemented and the applicable accounting recognition criteria are met. As with any estimate, the amounts may change when expenses are incurred.

Cash Flow Highlights

<i>in millions</i>	<u>2008</u>	<u>2007</u>	<u>% Change</u>
Net Cash Provided by Operating Activities	\$ 138	\$ 293	-53%
Depreciation & Amortization	\$ 130	\$ 140	-7%
EBITDA ¹	\$ 249	\$ 532	-53%
CAPEX	\$ 207	\$ 225	-8%
Free Cash Flow (Use) - (Before Share Repurchases)	\$ (69)	\$ 68	-202%
Share Repurchases	-	\$ 200	-100%
Acquisitions	\$ 85	\$ 48	78%

¹Non-GAAP numbers. A reconciliation of GAAP to non-GAAP numbers can be found on the Office Depot web site at www.officedepot.com.

Credit Facility

- During the first quarter of 2008, Office Depot amended its Revolving Credit Facility
- Based on current projected operating results, the Company anticipates remaining in compliance with all of the restrictive covenants
- Given the uncertain economic environment, the Company is seeking a new credit facility to replace its existing facility
- Office Depot has obtained commitments for a fully underwritten facility in excess of \$1 billion that will be in place by the end of the third quarter 2008
- The Amended Credit Agreement will be collateralized by the Company's accounts receivable and inventory in the U.S. and significant international subsidiaries

Balance Sheet Highlights

<i>in millions, except ratios and returns</i>	<u>2008</u>	<u>2007</u>	<u>% Change</u>
NAR Inventory Per Store (end of period)	\$ 0.909	\$ 0.965	-6%
Inventories	\$ 1,647	\$ 1,586	4%
Inventories (net of foreign exchange)			1%
Working Capital ¹	\$ 825	\$ 586	41%
Working Capital as a % of Sales ²	4.6%	3.0%	53%
Net Debt (end of period)	\$ 756	\$ 510	48%
Return on Invested Capital, Adjusted ³	8.1%	15.2%	-710 bps

¹ WC = (current assets – cash and short-term investments) – (current liabilities – current maturities of long-term debt)

² WC as % of Sales = ((WC Q2 current year + WC Q2 prior year) / 2) / Trailing four quarter sales

³ Non-GAAP numbers. A reconciliation of GAAP to non-GAAP numbers can be found on the Office Depot web site at www.officedepot.com.

Consolidated Financials – Trailing Four Quarters

*in millions, except ratios,
returns and per share data*

	Trailing Four Quarters (Ending Q2 2008)		Trailing Four Quarters (Ending Q2 2007)	
	Amount	% Sales	Amount	% Sales
Sales	\$ 15,369	--	\$ 15,425	--
EBIT ⁽¹⁾	\$ 280	1.8%	\$ 814	5.3%
Net Earnings ⁽¹⁾	\$232	1.5%	\$ 557	3.6%
Diluted Shares	273.5	--	280.3	--
EPS ⁽¹⁾	\$ 0.85	--	\$ 1.99	--
ROIC ⁽¹⁾	8.1%		15.2%	--

¹Non-GAAP numbers. A reconciliation of GAAP to non-GAAP numbers can be found on the Office Depot web site at www.officedepot.com.

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Competitive Performance

Same Store Sales Comparison

Growth has outpaced OfficeMax and is comparable to Staples

	North America		
	OfficeMax	Office Depot	Staples
2004	1.3%	3.0%	4.0%
2005	-1.0%	3.0%	3.0%
2006	0.1%	2.0%	3.0%
2007	-1.2%	-5.0%	-3.0%
Q4 2007	-7.3%	-7.0%	-6.0%
Q1 2008	-9.0%	-9.0%	-6.0%

Note: Selected competitors. For illustrative purposes only.
Source: Companies' Form 10-Ks.

Operating Margin Comparison - Total Company

Margins are a historical opportunity

	OfficeMax ¹	Office Depot ²	Staples ³
2004	0.6%	4.1%	7.3%
2005	1.1%	4.4%	7.7%
2006	3.5%	5.1%	8.1%
1H 2007	3.6%	5.1%	6.8%
2H 2007	3.9%	1.6%	9.4%
FY 2007	3.8%	3.4%	8.2%

Note: Selected competitors. For illustrative purposes only.

¹ Represents Adjusted Operating Income Margin, a non-GAAP number, adjusted for special items. Source: Earnings press releases and Office Max – March 19, 2008 Investor Day Presentation.

² Financial information for Office Depot adjusted for certain charges and credits. Represents a Non-GAAP number. A reconciliation of GAAP to non-GAAP numbers can be found on the Office Depot web site at www.officedepot.com

³ Represents Operating Margin, a non-GAAP number, adjusted for certain nonrecurring items. Source: Earnings press releases and Form 10-Ks.

Operating Margin Comparison - Divisions

Margins exceeded OfficeMax in N. America and Staples in International

	2004	2005	2006	2007
North American Retail				
OfficeMax	0.5%	1.0%	4.1%	4.1%
Office Depot	4.9%	6.0%	6.7%	5.2%
Staples	8.5%	9.3%	9.7%	9.5%
North American Contract / Direct				
OfficeMax	2.4%	2.5%	4.4%	4.3%
Office Depot	6.8%	8.2%	8.0%	4.9%
Staples	9.4%	10.3%	10.6%	10.8%
International				
OfficeMax	N/A	N/A	N/A	N/A
Office Depot	7.8%	6.0%	6.8%	5.5%
Staples	3.6%	0.6%	2.1%	3.6%

Note: Selected competitors. For illustrative purposes only.

Source: OfficeMax - Investor Day Presentations of March 19, 2008 and March 20, 2007. Adjusted for special items.
Staples and Office Depot - Companies' Form 10-Ks.

Channel Mix Comparison - Divisions

Each Company competes in multiple business lines

	2004 ¹	2005	2006	2007
North American Retail				
OfficeMax ²	48.9%	47.6%	45.3%	44.4%
Office Depot	43.8%	45.6%	45.2%	43.9%
Staples	57.6%	56.1%	54.7%	51.7%
North American Contract / Direct				
OfficeMax ²	38.2%	38.4%	39.7%	38.7%
Office Depot	29.8%	30.1%	30.5%	29.1%
Staples	29.0%	30.9%	32.5%	34.1%
International				
OfficeMax	12.9%	14.0%	15.0%	16.9%
Office Depot	26.4%	24.3%	24.3%	27.0%
Staples	13.3%	13.0%	13.0%	14.1%

Note: Selected competitors. For illustrative purposes only. Figures represent channel mix as a percent of total sales.
 Source: Office Depot, Staples and OfficeMax - Companies' Form 10-Ks. ¹OfficeMax 2004 results exclude sales from Paper and Building Solutions businesses. ²OfficeMax's results exclude Canada

Office DEPOT®

Investor Presentation

July 2008