SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A

/x/ Amendment No. 1 to Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 (Fee required)

For the fiscal year ended December 25, 1993

/ / Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 (No fee required) for the transition period from to

Commission file number 1-10948

OFFICE DEPOT, INC.
(Exact name of registrant as specified in its charter)

Delaware	59-2663954
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2200 Old Germantown Road, Delray Beach, Florida	33445
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 407/278-4800

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $0.01 per share	New York Stock Exchange
Liquid Yield Option Notes due 2007 convertible into Common Stock	New York Stock Exchange
Liquid Yield Option Notes due 2008 convertible into Common Stock	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No _____

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

The aggregate market value of voting stock held by non-affiliates of the registrant as of March 18, 1994 was approximately $3,150,146,243.

As of March 18, 1994, the Registrant had 96,197,738 shares of Common Stock outstanding.

Documents Incorporated by Reference

Portions of the Registrant's Annual Report to Stockholders for the fiscal year ended December 25, 1993, are incorporated by reference in Part II and the Proxy Statement to be mailed to stockholders on or about April 14, 1994 for the Annual Meeting to be held on May 18, 1994, are incorporated by reference in Part III.

Exhibit Index on Sequentially Numbered Page
Page 1 of

The undersigned hereby amends Item 8 of its Annual Report on Form 10-K for the fiscal Year ended December 25, 1993, including the financial statements set forth in the registrant's Annual Report to Stockholders for the fiscal year ended December 25, 1993 (on pages 21-36) incorporated therein by reference, as set forth in this Amendment No. 1 to the Annual Report on Form 10-K for the fiscal year ended December 25, 1993.

ITEM 8. FINANCIAL STATEMENTS.

The financial statements of the Company for the 52 weeks ended December 28, 1991, December 26, 1992 and December 25, 1993 set forth in the Company's Annual Report to Stockholders for the fiscal year ended December 25, 1993 (on pages 21- 36) are incorporated herein by reference and made a part of this report.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) 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 on March 29, 1994.

OFFICE DEPOT, INC.

By /s/ BARRY J. GOLDSTEIN
Barry J. Goldstein
Executive Vice President-Finance,
Chief Financial Officer and Secretary

INDEX TO EXHIBITS

Office Depot Inc. And Subsidiaries
INDEPENDENT AUDITORS' REPORT

Exhibit 13.1

To the Board of Directors of Office Depot, Inc.

We have audited the consolidated balance sheets of Office Depot, Inc. and Subsidiaries as of December 25, 1993 and December 26, 1992, and the related consolidated statements of earnings, stockholders' equity and cash flows for each of the three years in the period ended December 25, 1993. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Office Depot, Inc. and Subsidiaries as of December 25, 1993 and December 26, 1992 and the results of their operations and their cash flows for each of the three years in the period ended December 25, 1993 in conformity with generally accepted accounting principles.

DELOITTE & TOUCHE

Certified Public Accountants
Fort Lauderdale, Florida
February 8, 1994

Office Depot Inc. And Subsidiaries
CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands, except per share amounts)

	52 Weeks Ended December 25, 1993	52 Weeks Ended December 26, 1992	52 Weeks Ended December 28, 1991
Sales	$2,579,494	$1,732,965	$1,300,847
Cost of goods sold and occupancy cost	1,980,429	1,334,305	1,001,484
Gross profit	599,065	398,660	299,363
Store and warehouse operating and selling expenses	399,966	275,016	214,525
Pre-opening expenses	9,073	7,453	7,774
General and administrative expenses	75,851	53,933	39,007
Amortization of goodwill	1,613	49	--
	486,503	336,451	261,306
Operating profit	112,562	62,209	38,057
Other income (expense)			
Interest income	4,556	1,303	151
Interest expense	(10,598)	(1,459)	(2,386)
Merger costs	--	--	(8,950)
Earnings before income taxes and extraordinary credit	106,520	62,053	26,872
Income taxes	43,103	24,261	12,495
Earnings before extraordinary credit	63,417	37,792	14,377
Extraordinary credit	--	1,396	614
Net earnings	$ 63,417	$ 39,188	$ 14,991
Earnings per common and common equivalent share			
Earnings before extraordinary credit	$ .67	$ .41	$ .18
Extraordinary credit	--	.02	.01
Net earnings	$ .67	$ .43	$ .19

The accompanying notes are an integral part of these statements.

Office Depot Inc. And Subsidiaries

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

	December 25, 1993	December 26, 1992
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 138,498	$ 130,192
Receivables, net of allowances of $2,791 in 1993 and $389 in 1992	165,182	62,012
Merchandise inventories	643,773	456,252
Deferred income taxes	25,931	9,059
Prepaid expenses and refundable income taxes	4,778	6,497
Total current assets	978,162	664,012
Property and Equipment, at Cost	339,825	219,939
Less accumulated depreciation and amortization	77,681	51,471
	262,144	168,468
Goodwill, net of amortization	200,462	2,224
Other Assets	23,131	13,669
	$ 1,463,899	$ 848,373
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 393,185	$ 237,385
Accrued expenses	128,129	66,227
Income taxes	12,786	--
Current maturities of long-term debt	3,105	2,948
Total current liabilities	537,205	306,560
Long-Term Debt, less current maturities	16,229	3,486
Deferred Taxes and Other Credits	5,478	4,800
Zero Coupon, Convertible, Subordinated Notes	350,298	151,080
Commitments and Contingencies	--	--
Common Stockholders' Equity		
Common stock-authorized 200,000,000 shares of $.01 par value; issued 95,609,233 in 1993 and 90,925,224 in 1992	956	909
Additional paid-in capital	427,326	318,833
Foreign currency translation adjustment	383	98
Retained earnings	127,774	64,357
Less: 1,442,298 shares of treasury stock, at cost	(1,750)	(1,750)
	554,689	382,447
	$ 1,463,899	$ 848,373

The accompanying notes are an integral part of these statements.

Office Depot Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Period from December 30, 1990 to December 25, 1993 (In thousands, except for number of shares)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Foreign Currency Translation Adjustment	Retained Earnings	Treasury Stock
Balance at December 30, 1990......	73,742,931	$ 738	$ 134,896	$ -	$ 10,178	$ (1,750)
Sales of common stock, net of related costs.....................	11,190,000	112	132,314	-	-	-
Exercise of stock options (including tax benefits).......	2,129,094	21	13,359	-	-	-
Sale of stock under employee purchase plan....................	26,376	-	225	-	-	-
401k plan matching contributions..	38,787	-	359	-	-	-
Net earnings for the period.......	-	-	-	-	14,991	-
Balance at December 28, 1991......	87,127,188	871	281,153	-	25,169	(1,750)
Exercise of stock options (including tax benefits).......	3,721,320	38	36,532	-	-	-
Sale of stock under employee purchase plan.....................	39,932	-	705	-	-	-
401k plan matching contributions..	36,784	-	443	-	-	-
Foreign currency translation adjustment........................	-	-	-	98	-	-
Net earnings for the period.......	-	-	-	-	39,188	-
Balance at December 26, 1992......	90,925,224	909	318,833	98	64,357	(1,750)
Issuance of common stock for acquisitions......................	3,356,934	34	94,664	-	-	-
Exercise of stock options (including tax benefits).......	1,227,670	13	11,278	-	-	-
Sale of stock under employee purchase plan.....................	59,659	-	1,604	-	-	-
401k plan matching contributions..	39,746	-	947	-	-	-
Foreign currency translation adjustment........................	-	-	-	285	-	-
Net earnings for the period.......	-	-	-	-	63,417	-
Balance at December 25, 1993......	95,609,233	$ 956	$ 427,326	$ 383	$127,774	$ (1,750)

The accompanying notes are an integral part of these statements.

Office Depot Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
Increase in Cash and Cash Equivalents (in Thousands)

	52 Weeks Ended December 25, 1993	52 Weeks Ended December 26, 1992	52 Weeks Ended December 28, 1991
Cash flows from operating activities			
Cash received from customers	$ 2,553,347	$ 1,701,557	$ 1,285,534
Cash paid for inventories	(1,925,005)	(1,335,487)	(1,019,799)
Cash paid for store and warehouse operating, selling and general and administrative expenses	(520,203)	(369,235)	(296,841)
Interest received	4,557	1,303	151
Interest paid	(1,845)	(1,459)	(2,386)
Taxes paid	(28,660)	(8,090)	(8,376)
Net cash provided (used) in operating activities	82,191	(11,411)	(41,717)
Cash flows from investing activities			
Capital expenditures - net	(102,417)	(62,542)	(53,877)
Purchase of Eastman common stock	(20,001)	-	-
Acquisition cash overdraft assumed, net	(4,106)	-	-
Net cash used in investing activities	(126,524)	(62,542)	(53,877)
Cash flows from financing activities			
Proceeds from issuance of common stock	-	-	132,426
Proceeds from exercise of stock options	10,308	15,836	7,257
Foreign currency translation adjustment	285	98	-
Proceeds from long- and short-term borrowing	190,464	151,147	1,989
Payments on long- and short-term debt	(148,418)	(3,101)	(16,452)
Net cash provided by financing activities	52,639	163,980	125,220
Net increase in cash and cash equivalents	8,306	90,027	29,626
Cash and cash equivalents at beginning of period	130,192	40,165	10,539
Cash and cash equivalents at end of period	$ 138,498	$ 130,192	$ 40,165
Reconciliation of net earnings to net cash provided (used) in operating activities			
Net earnings	$ 63,417	$ 39,188	$ 14,991
Adjustments to reconcile net earnings to net cash provided (used) in operating activities			
Depreciation and amortization	30,434	20,792	15,328
Changes in assets and liabilities (net of effect of acquisitions)			
Increase in receivables	(45,006)	(26,075)	(19,440)
Increase in merchandise inventories	(150,234)	(118,379)	(107,079)
Increase in prepaid expenses, deferred income taxes and other assets	(15,862)	(16,348)	(7,288)
Increase in accounts payable, accrued expenses and deferred credit	199,442	89,411	61,771
Total adjustments	18,774	(50,599)	(56,708)
Net cash provided (used) in operating activities	$ 82,191	$ (11,411)	$ (41,717)

The accompanying notes are an integral part of these statements.

Office Depot Inc. And Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Office Depot, Inc. and subsidiaries (the "Company") operates a chain of high-volume office supply stores and contract stationer/delivery warehouses throughout the country. The Company was incorporated in March 1986 and opened its first store in October 1986.

BASIS OF PRESENTATION

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

All common stock share and per share amounts for all periods presented have been adjusted for a three-for-two stock split in June 1993 and a two-for-one stock split in May 1992 effected in the form of stock dividends.

Certain reclassifications were made to prior year statements to conform to 1993 presentations.

CASH AND CASH EQUIVALENTS

The Company considers any highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

RECEIVABLES

Receivables are comprised of trade receivables not financed through outside programs as well as amounts due from vendors under rebate and cooperative advertising programs.

MERCHANDISE INVENTORIES

Inventories are stated at the lower of weighted average cost or market value.

INCOME TAXES

The Company currently provides for Federal and state income taxes currently payable as well as for those deferred because of temporary differences between reporting assets and liabilities for tax purposes and for financial statement purposes using the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." Under this standard, deferred tax assets and liabilities represent the tax effects, based on current tax law, of future deductible or taxable amounts attributable to events that have been recognized in the financial statements. In prior years, the Company had provided for income taxes using the provisions of APB No. 11.

PROPERTY AND EQUIPMENT

Depreciation and amortization are provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives on a straight line basis. Leasehold improvements are amortized over the terms of the respective leases or the service lives of the improvements.

Goodwill

Goodwill represents the excess of purchase price and related costs over the value assigned to the net tangible assets of businesses acquired. Goodwill is amortized on a straight-line basis over 40 years. Accumulated amortization of goodwill was $1,657,000 and $49,000 as of December 25, 1993 and December 26, 1992, respectively.

Pre-opening Expenses

Pre-opening expenses related to new store openings are expensed as incurred.

Acquisition of The Office Club, Inc.

On April 10, 1991, the Company completed its acquisition of The Office Club, Inc. ("Club"). The merger with Club was accounted for in 1991 on a "pooling of interests" basis for accounting and financial reporting purposes. Financial statements for periods prior to the merger have been restated to reflect the financial position and results of operations of the combined companies as if they had merged as of the beginning of the earliest period reported. Club became a wholly-owned subsidiary of the Company through the exchange of 25,970,781 shares of the Company's common stock for all of the outstanding stock of Club on a ratio of 1.194 shares of Depot stock for each Club share. References to Office Depot, Inc. and to The Office Club, Inc. before the merger will be referred to as "Depot" and "Club," respectively. Costs of $8,950,000 associated with the merger have been reflected in the results of operations for 1991.

Earnings Per Common and Common Equivalent Shares

Net earnings per common equivalent share is based upon the weighted average number of shares and equivalents outstanding during each period. The weighted average number of common and common equivalent shares outstanding for the years ended December 25, 1993, December 26, 1992 and December 28, 1991 were 94,627,000, 91,709,000 and 80,178,000, respectively. Stock options and warrants are considered common stock equivalents. The zero coupon, convertible, subordinated notes are not common stock equivalents and are anti-dilutive in the fully diluted computation.

Fiscal Year

The Company is on a 52 or 53 week fiscal year ending on the last Saturday in December.

Postretirement Benefits

The Company does not currently provide postretirement benefits for its employees.

Fair Value of Financial Instruments

Statement of Financial Accounting Standards No. 107, "Disclosure about Fair Value of Financial Instruments", requires disclosure of the fair value of financial instruments, both assets and liabilities, recognized and not recognized in the Consolidated Balance Sheet of the Company, for which it is practicable to estimate fair value. The estimated fair values of financial instruments which are presented herein have been determined by the Company using available market information and appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of amounts the Company could realize in a current market exchange.

The following methods and assumptions were used to estimate fair value:

* the carrying amounts of cash and cash equivalents, receivables and accounts payable approximate fair value due to their short term nature;

* discounted cash flows using current interest rates for financial instruments with similar characteristics and maturity were used to determine the fair value of short-term and long-term debt; and,

* market prices were used to determine the value of the zero coupon, convertible, subordinated notes.

There was no significant difference as of December 25, 1993 in the carrying value and fair market value of financial instruments except for the zero coupon, convertible, subordinated notes which had a carrying value of $350,298,000 and a fair value of $419,750,000.

NOTE B--PROPERTY AND EQUIPMENT

Property and equipment consists of:

	December 25, 1993	December 26, 1992
	(in thousands)	
Land and buildings	$ 35,402	$ 16,442
Furniture, fixtures and equipment	130,911	82,080
Automotive equipment	14,668	8,179
Leasehold improvements	142,566	100,339
Equipment under capital lease	16,278	12,899
	339,825	219,939
Less accumulated depreciation and amortization	77,681	51,471
	$ 262,144	$ 168,468

Equipment under capital leases consists of:

	December 25, 1993	December 26, 1992
	(in thousands)	
Equipment	$ 16,278	$ 12,899
Accumulated depreciation	11,105	8,458
	$ 5,173	$ 4,441

NOTE C--LONG-TERM DEBT

Long-term debt consists of the following:

	December 25, 1993	December 26, 1992
	(in thousands)	
Capital lease obligations collateralized by certain equipment and fixtures	$ 5,496	$ 4,258
13% senior subordinated notes, unsecured and due 2002	10,368	--
Installment notes payable in monthly installments through January 1996, collateralized by certain telephone equipment and vehicles	3,470	2,176
	19,334	6,434
Less current portion	3,105	2,948
	$ 16,229	$ 3,486

Maturities of long-term debt are as follows:

	December 25, 1993
	(in thousands)
1994	$ 3,105
1995	1,808
1996	610
1997	526
1998 and after	13,285
	$ 19,334

Future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of December 25, 1993 are as follows:

	December 25, 1993
	(in thousands)
1994	$ 2,624
1995	1,271
1996	542
1997	437
1998 and after	1,927
Minimum lease payments	6,801
Less: amount representing interest at 9.5% to 15.0%	1,305
Present value of net minimum lease payments	5,496
Less: current portion	2,264
Noncurrent portion	$ 3,232

The Company has a credit agreement with its principal bank and a syndicate of commercial banks to provide for a working capital line of $200,000,000. The agreement provides that funds borrowed will bear interest, at the Company's option, at either 3/4% over the LIBOR rate or at a base rate linked to the prime rate. The Company must also pay a fee of 1/4% per annum on the available and unused portion of the credit facility. The credit facility expires in September 1996. In addition to the credit facility, the bank has provided a lease facility to the Company under which the bank has agreed to purchase up to $15,000,000 of equipment from the Company and lease such equipment back to the Company. As of December 25, 1993, the Company had no outstanding borrowings under the revolving credit facility and had utilized approximately $7,711,000 of the lease facility. The loan agreement contains covenants relating to various financial statement ratios and provides for a limitation on the payment of cash dividends on common stock, not to exceed 25% of net earnings, without the bank's consent.

NOTE D--ZERO COUPON, CONVERTIBLE, SUBORDINATED NOTES

On December 11, 1992, the Company issued $316,250,000 principal amount of Liquid Yield Option Notes (LYONs) with a price to the public of $150,769,000. The issue price of each such LYON was $476.74 and there will be no periodic payments of interest. The LYONs will mature on December 11, 2007 at $1,000 per LYON representing a yield to maturity of 5% (computed on a semi-annual bond equivalent basis).

On November 1, 1993, the Company issued $345,000,000 principal amount of LYONs with a price to the public of $190,464,000. The issue price of each such LYONs was $552.07 and there will be no periodic payments of interest. These LYONs will mature on November 1, 2008 at $1,000 per LYON, representing a yield to maturity of 4% (computed on a semi-annual bond equivalent basis).

All LYONs are subordinated to all existing and future senior indebtedness of the Company.

Each LYON is convertible at the option of the holder at any time on or prior to maturity, unless previously redeemed or otherwise purchased by the Company, into common stock of the Company at a conversion rate of 19.509 shares per 1992 LYON and 14.156 shares per 1993 LYON. The LYONs may be required to be purchased by the Company, at the option of the holder, as of December 11, 1997 and December 11, 2002 for the 1992 LYONs and as of November 1, 2000 for the 1993 LYONs, at the issue price plus accrued original issue discount. The Company, at its option, may elect to pay the purchase price on any particular purchase date in cash or common stock, or any combination thereof.

In addition, prior to December 11, 1997 for the 1992 LYONs and prior to November 1, 2000 for the 1993 LYONs, the LYONs will be purchased for cash by the Company, at the option of the holder, in the event of a change in control of the Company. Beginning on December 11, 1996, for the 1992 LYONs and on November 1, 2000 for the 1993 LYONs, the LYONs are redeemable for cash at any time at the option of the Company in whole or in part at the issue price plus accrued original issue discount through the date of redemption.

NOTE E--INCOME TAXES

Effective December 27, 1992, the Company adopted the provisions of Statement No. 109, "Accounting for Income Taxes." The Company's adoption in 1993 of Statement No. 109 did not result in a material adjustment and was recognized in the results of operations. The Company chose not to restate prior years' results or disclosures as permitted by the Statement.

Club commenced operations in 1986 and incurred losses through 1989. The resulting net operating loss carryforward was partially utilized in 1991 and fully utilized in 1992.

The income tax provision consists of the following:

	52 Weeks Ended December 25, 1993	52 Weeks Ended December 26, 1992	52 Weeks Ended December 28, 1991
		(in thousands)	
Current			
Federal	$ 38,410	$ 22,887	$ 12,089
State	9,026	3,386	2,908
Deferred (benefit)	(4,333)	(2,012)	(2,502)
Total provision for income taxes	$ 43,103	$ 24,261	$ 12,495

The tax effected components of deferred income tax accounts as of December 25, 1993 are as follows:

	Assets	Liabilities
	(in thousands)	
Interest premium on notes redeemed	$ 7,832	
Self-insurance costs	6,466	
Inventory costs capitalized for tax purposes	3,184	
Excess of tax over book depreciation	--	$ 3,208
Capitalized leases	--	3,160
Other items	14,231	3,218
	$31,713	$ 9,586

The components of deferred income tax (benefit) are as follows:

	52 Weeks Ended December 26, 1992	52 Weeks Ended December 28, 1991
	(in thousands)	
Excess of tax over book depreciation	$ 470	$ 67
Inventory costs capitalized for tax purposes	(526)	(435)
Vacation pay	(380)	(305)
Self-insurance costs	(3,032)	(1,941)
Capitalized leases	720	368
Deferred book loss benefit recognized	888	148
Other items, net	(152)	(46)
Pre-opening costs	--	(358)
Total deferred benefit	$(2,012)	$(2,502)

The following schedule is a reconciliation of income taxes at the federal statutory rate to the provision for income taxes:

	52 Weeks Ended December 25, 1993	52 Weeks Ended December 26, 1992	52 Weeks Ended December 28, 1991
		(in thousands)	
Tax computed at the statutory rate	$37,282	$21,098	$ 9,136
State taxes net of federal benefit	5,326	3,330	1,598
Nondeductible goodwill amortization	483	--	--
Nondeductible merger costs	--	--	1,700
Other items, net	12	(167)	61
Provision for income taxes	$43,103	$24,261	$12,495

NOTE F--COMMITMENTS AND CONTINGENCIES

Leases

The Company conducts its operations in various leased facilities under leases that are classified as operating leases for financial statement purposes. The leases provide for the Company to pay real estate taxes, common area maintenance, and certain other expenses, including, in some instances, contingent rentals based on sales. Lease terms, excluding renewal option periods exercisable by the Company at escalated rents, expire between 1994 and 2015. In addition to the base lease term, the Company has various renewal option periods. Also, certain equipment used in the Company's operations is leased under operating leases. A schedule of fixed operating lease commitments follows:

	December 25, 1993 (in thousands)
1994	$ 93,960
1995	92,987
1996	86,246
1997	80,333
1998	76,658
Thereafter	318,390
	$748,574

The above amounts include 27 stores leased but not yet opened as of December 25, 1993. The Company is in the process of opening new stores in the ordinary course of business and leases signed subsequent to December 25, 1993 are not included in the above described commitment amount. Rent expense, including equipment rental, was approximately $91,005,000, $71,820,000 and $61,656,000, during 1993, 1992 and 1991, respectively.

Other

Certain holders of the Company's common stock have limited demand registration rights. The costs of such registration will generally be borne by the Company.

The Company is involved in litigation arising in the normal course of its business. In the opinion of management, these matters will not materially affect the financial position or results of operations of the Company.

As of December 25, 1993, the Company has reserved 11,053,542 shares of unissued common stock for conversion of the subordinated notes (see Note D).

NOTE G--EMPLOYEE BENEFIT PLANS

Stock Option Plans

As of December 25, 1993, the Company had reserved 11,367,136 shares of common stock for issuance to officers and key employees under its 1986 and 1987 Incentive Stock Option Plans, its 1988 and 1989 Employees Stock Option Plans, its Directors Stock Option Plan and the Club Incentive Stock Option Plan. Under these plans, the option price must be equal to or in excess of the market price of the stock on the date of the grant or, in the case of employees who own 10% or more of common stock, the minimum price must be 110% of the market price.

Options granted to date become exercisable from one to four years after the date of grant, provided that the individual is continuously employed by the Company. All options expire no more than ten years after the date of grant. Options to purchase 2,556,848 shares were exercisable at December 25, 1993. No amounts have been charged to income under the plan.

	Number of Shares	Option Price Per Share
Outstanding at December 30, 1990	5,964,519	$ .03- 8.75
Granted	3,217,530	$ 3.14-13.09
Canceled	364,611	$ 2.97-12.00
Exercised	1,579,224	$ .03- 8.67
Outstanding at December 28, 1991	7,238,214	$ .03-13.09
Granted	1,705,575	$ 13.33-22.92
Canceled	509,688	$ .63-19.42
Exercised	2,609,971	$ .03-13.09
Outstanding at December 26, 1992	5,824,130	$ .03-22.92
Granted	1,476,468	$ 19.83-35.75
Canceled	299,752	$ 2.65-26.88
Exercised	1,190,352	$ .44-22.50
Outstanding at December 25, 1993	5,810,494	$ .03-35.75

Other Stock Options

On December 28, 1987, a nonqualified option to purchase 2,099,997 shares of common stock was issued to the Company's chief executive officer. The option with respect to 299,997 shares was exercisable upon issuance, with the balance exercisable one-third each year commencing one year from the date of issue. Options to purchase an aggregate of 224,997 shares were also issued to two of the Company's principal officers.

The exercise price on the above described nonqualified options is $.63 per share. Options for 299,997 shares were exercised in February 1988. In 1990, options for 149,997 shares were exercised and options for 75,000 shares were canceled. In 1991, options for 600,000 shares were exercised. In 1992, options for the remaining 1,200,000 shares were exercised.

Employee Stock Purchase Plan

In October 1989, the Board of Directors approved an Employee Stock Purchase Plan, which permits eligible employees to purchase common stock from the Company at 90% of its fair market value through regular payroll deductions. The maximum number of shares eligible for purchase under the plan is 750,000.

Retirement Savings Plan

In February 1990, the Board of Directors approved a Retirement Savings Plan, which permits eligible employees to make contributions to the plan on a pretax salary reduction basis in accordance with the provisions of Section 401(k) of the Internal Revenue Code. The Company makes a matching stock contribution of 50% of the employee's pretax contribution up to a maximum of 3% of the employee's compensation in any calendar year. The Office Club plan provided a cash match up to certain limits. The Office Club Plan was terminated in early 1993 and all employees were given the opportunity to join the Depot plan.

NOTE H--CAPITAL STOCK

In May 1993, the Board of Directors and stockholders approved an amendment to the Company's Certificate of Incorporation, which increased the authorized number of shares of common stock from 100,000,000 to 200,000,000 shares. As of December 25, 1993, there were 1,000,000 shares of $.01 par value preferred stock authorized of which none are issued or outstanding.

Common Stock

On June 7, 1991, 4,290,000 shares of common stock were sold to a subsidiary of Carrefour, a French hypermarket retailer, at a price of $9.33 per share.

On December 24, 1991, the Company completed a public offering of 6,900,000 shares of common stock at $14.00 per share.

NOTE I--ACQUISITIONS

On May 17, 1993, the Company acquired substantially all of the assets and assumed certain of the liabilities of the office supply business of Wilson Stationery & Printing Company ("Wilson"), a contract stationer based in Houston Texas. The Company issued 663,881 shares of common stock, representing $15,000,000 at market value at date of issuance, in exchange for the acquired net assets of Wilson. This acquisition was accounted for as a purchase.

On September 13, 1993, the Company acquired the common stock of Eastman Office Products Corporation ("Eastman"), a contract stationer and office furniture dealer headquartered in California that operates primarily in the western United States. In connection with the acquisition, the Company issued 2,693,053 shares of common stock with a market value of approximately $79,707,000 and paid out $20,001,000 in cash. This acquisition was accounted for as a purchase. The Company has allocated the purchase price to the assets acquired and liabilities assumed based on information obtained to date. The allocation will be finalized when all necessary information regarding the fair values of the assets and liabilities is available. The Company also acquired the outstanding preferred stock of Eastman for $13,158,000. Additionally, the Company offered to purchase for cash pursuant to a tender offer $90,000,000 principal amount of Eastman, Inc.'s 13% Series B Subordinated Notes due 2002 (the "Notes"). Pursuant to the tender offer, in October 1993 the Company purchased $81,750,000 principal amount of the Notes for $103,414,000 in cash.

The excess of the cost over the fair value of net assets acquired for the above acquisitions is being amortized over 40 years on a straight-line method. The Company's Consolidated Statement of Earnings includes the operating results of acquisitions from the respective dates of the purchases. The following represents the pro forma results of operations assuming the acquisitions of Eastman and Wilson had taken place on December 29, 1991.

	52 Weeks Ended December 25, 1993	52 Weeks Ended December 26, 1992
	(in thousands, except per share amounts) (unaudited)	
Sales	$2,828,630	$2,078,504
Net Earnings Before Extraordinary Credit	62,520	37,841
Net Earnings Before Extraordinary Credit Per Share	.65	.40

This pro forma information is not necessarily indicative of the actual results of operations that would have occurred had the acquisitions been made as of December 29, 1991, or of results which may occur in the future.

NOTE J - SUPPLEMENTAL INFORMATION OF NONCASH INVESTING AND FINANCING ACTIVITIES

The Consolidated Statements of Cash Flows for 1993 and 1992 do not include noncash financing transactions of $3,525,000 and $21,882,000, respectively, relating to additional paid in capital associated with tax benefits of stock options exercised and $8,754,000 for 1993 associated with accreted interest on convertible, subordinated notes.

The Consolidated Statement of Cash Flows for 1993 does not include noncash investing and financing transactions associated with common stock issued for the acquisition of net assets of Wilson and of Eastman. The components of the transactions are as follows:

	(in thousands)
Fair value of assets acquired (including goodwill)	$ 328,603
Liabilities assumed	(213,895)
Net assets acquired	114,708
Total issuance of common stock	94,707
Cash used to purchase Eastman common stock	$ 20,001

NOTE K - RECEIVABLES SOLD WITH RECOURSE

The Company has two private label credit card programs which are managed by financial services companies. All credit card receivables sold to the financial services company under one of these programs were sold on a recourse basis. Proceeds to the Company for such receivables sold with recourse were approximately $185,000,000, $138,000,000 and $123,000,000 in 1993, 1992 and 1991, respectively. The Company's maximum exposure to off-balance sheet credit risk is represented by the outstanding balance of private label credit card receivables with recourse, which totaled approximately $39,900,000 at December 25, 1993. The financial services company periodically estimates the percentage to be withheld from proceeds for receivables sold to achieve the necessary reserve for potential uncollectible amounts. The Company expenses such withheld amounts at the time of sale to the financial services company.

NOTE L - QUARTERLY FINANCIAL DATA (UNAUDITED)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in thousands, except per share data)			
FISCAL YEAR ENDED DECEMBER 25, 1993				
Net sales	$582,115	$527,871	$659,925	$809,583
Gross profit(a)	133,632	122,671	151,478	191,284
Net earnings	$ 14,138	$ 10,861	$ 17,206	$ 21,212
Net earnings per common share	$ .15	$ .12	$ .18	$ .22
FISCAL YEAR ENDED DECEMBER 26, 1992				
Net sales	$433,303	$386,832	$434,793	$478,037
Gross profit(a)	99,845	88,758	100,303	109,754
Earnings before extraordinary item	9,351	6,451	9,758	12,232
Extraordinary item	---	---	---	1,396
Net earnings	$ 9,351	$ 6,451	$ 9,758	$ 13,628
Earnings per common share before extraordinary item	$ .10	$ .07	$ .11	$ .13
Extraordinary item	---	---	---	.02
Net earnings per common share	$ .10	$ .07	$ .11	$ .15

(a) Gross profit is net of occupancy costs.