
**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: November 9, 2012

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)

6600 North Military Trail, Boca Raton, FL
(Address of principal executive offices)

59-2663954
(I.R.S. Employer
Identification No.)

33496
(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))
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ITEM 7.01 REGULATION FD DISCLOSURE.

A copy of a November 2012 investor presentation of Office Depot, Inc. is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein solely for purposes of this Item 7.01.

The information in this Current Report on Form 8-K, including the information contained in Exhibit 99.1, is being furnished to the Securities and Exchange Commission pursuant to Item 7.01, and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by a specific reference in such filing.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

Exhibit 99.1 November 2012 Investor Presentation of Office Depot, Inc.

SIGNATURES

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 hereunto duly authorized.

OFFICE DEPOT, INC.

Date: November 9, 2012

By: /s/ Elisa D. Garcia C.
Elisa D. Garcia C.
Executive Vice President,
General Counsel and Secretary

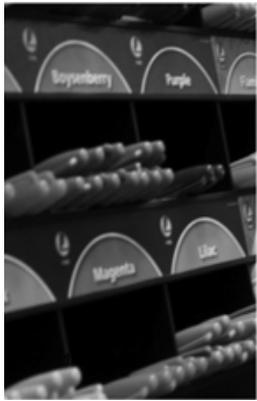
EXHIBIT INDEX

Exhibit 99.1 November 2012 Investor Presentation of Office Depot, Inc.



Investor Presentation

November 2012



Safe Harbor Statement

The Private Securities Litigation Reform Act of 1995 (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 during this presentation are forward-looking statements under the Act. Except for historical financial and business performance information, statements made during this presentation 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 during this presentation. Certain risks and uncertainties are detailed from time to time in our filings with the United States Securities and Exchange Commission. You are strongly urged to review all such filings for a more detailed discussion of such risks and uncertainties. During portions of today’s presentation, we may refer to results which are not GAAP numbers. A reconciliation of non-GAAP numbers to GAAP results is available in the investor relations section of our web site at www.officedepot.com.

Agenda

- Company Overview and Background
- Current Key Initiatives
- Business Segment Highlights
- Financial Review
 - 2007 – 2011 Performance and Cost Trends
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Summary Points for Discussion

- Challenging global environment has negatively impacted operating results for the office supply superstore sector
- Office Depot has made notable progress in increasing gross profit margin, reducing operating expenses and growing EBIT
- Office Depot expects to deliver approximately \$300 million in additional initiative benefits through cost reduction and margin improvement 2013 - 2015

2013 – 2015 Outlook Checklist

Targeting adjusted EBIT⁽¹⁾ growth from \$130 million projected in 2012 to over \$300 million in 2015 through key initiative benefits:

- Global gross margin improvement of approximately \$100 million from a reduction in Cost of Goods Sold, and our own brand and direct import growth
- Reduction in occupancy costs by about \$60 million through accelerated retail store downsizes
- Realization of \$120 to \$140 million through European restructuring and portfolio optimization benefits, G&A cost reductions and lower global advertising expenses

⁽¹⁾ Adjusted EBIT excludes charges for restructuring actions and activities to improve future operating performance. The measure is presented to provide management and investors an opportunity to make meaningful assessments and comparisons of results from total operations, charges related to restructuring and efficiency-related actions, and the results after isolating those Charges. The presentation of such non-GAAP information is not intended to suggest that such information is superior to the presentation of GAAP information, but only to clarify some information and assist the reader. A reconciliation of GAAP to non-GAAP numbers can be found on the Office Depot web site at www.officedepot.com.

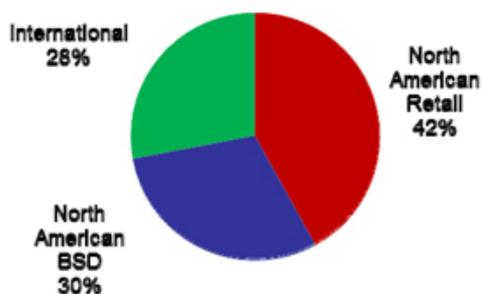
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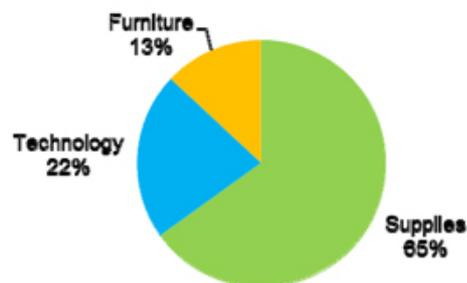
Company Overview

- Office Depot is a leading global provider of office products and services
- Office Depot provides office supplies and services through 1,675 worldwide retail stores, a field sales force, top-rated catalogs and global e-commerce operations
- Office Depot had 2011 sales of \$11.5 billion and adjusted EBITDA⁽¹⁾ of over \$330 million
- The Company employs about 39,000 associates and serves customers in 60 countries around the world

**September 2012 YTD
% of Sales by Division**



**September 2012 YTD
% of Sales by Category**



⁽¹⁾ Adjusted EBITDA is a non-GAAP financial measure. The measure is presented to provide management and investors an opportunity to make meaningful assessments and comparisons of results from total operations, charges related to restructuring and efficiency-related actions, and the results after isolating those Charges. The presentation of such non-GAAP information is not intended to suggest that such information is superior to the presentation of GAAP information, but only to clarify some information and assist the reader. A reconciliation of GAAP to non-GAAP numbers can be found on the Office Depot web site at www.officedepot.com.

Strong Team Assembled to Drive Transformation



Neil Austrian
Chairman & Chief
Executive Officer



Kevin Peters
President
North America



Steve Schmidt
President
International



Mike Newman
EVP & Chief
Financial
Officer



Michael Allison
EVP
Human Resources



Elisa Garcia
EVP
General Counsel



Bob Moore
EVP Marketing &
Merchandising

EBIT Growth Driven by Strategic and Restructuring Initiatives

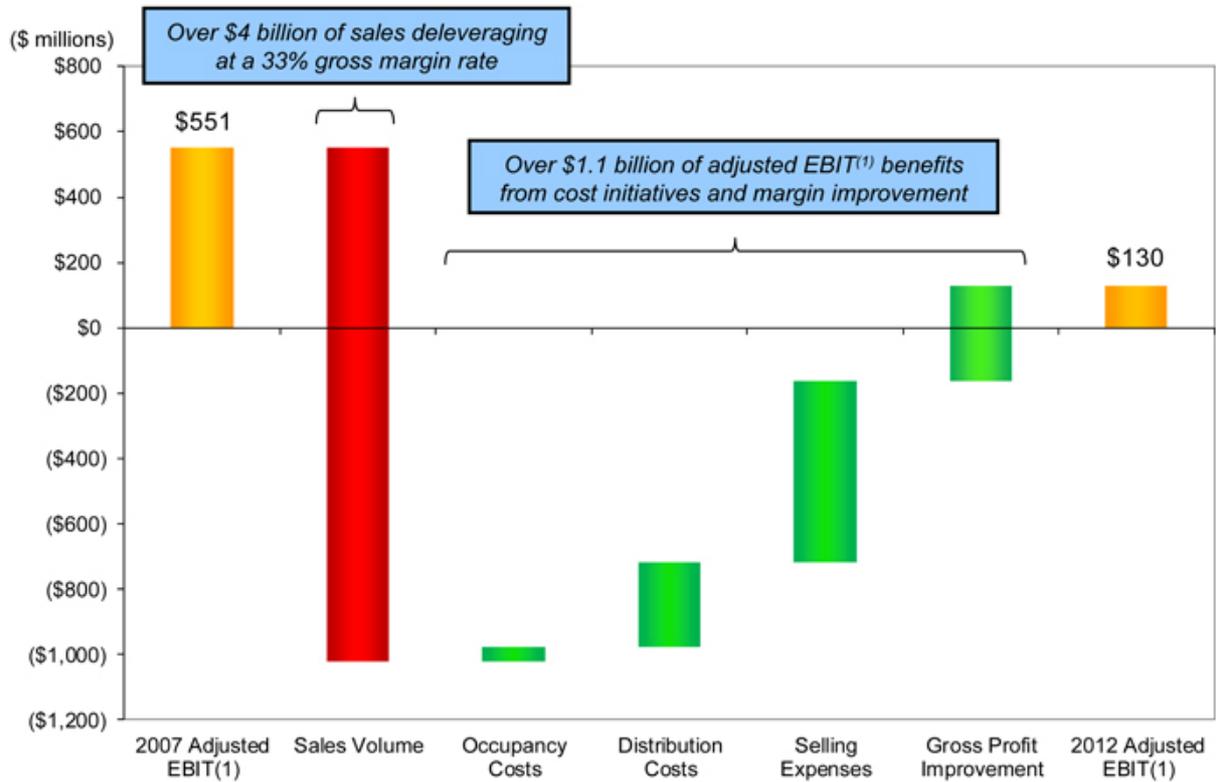
- Reduced overhead and supply chain expenses, and centralized operations
- Closed underperforming retail stores
- Sold and leased back assets
- Eliminated redundancy in IT equipment and services
- Improved store productivity
- Improved pricing and promotion
- Eliminated investments in low-value or no-value added areas
- Executed strategy to exit non-strategic businesses and reduced International costs
- Reduced costs through business process improvement initiatives



Project to achieve adjusted EBIT⁽¹⁾ growth of approximately \$180 million by end of 2012 despite tough economic environment which drove revenue decline of about 25% between 2008 and 2012 forecast

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Executing a Strategy to Offset Sales Deleveraging



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Delivering Value Through Five Key Initiatives

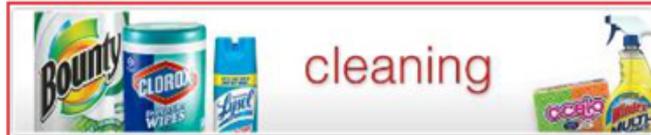
- ✓ Executing North American Retail Real Estate Strategy
- ✓ Growing Services and Solutions
- ✓ Increasing Own Brand / Direct Import Penetration
- ✓ Driving Small- to Medium-Sized Business Customer Growth
- ✓ Reducing Operating Expenses

Executing North American Retail Real Estate Strategy

- Committed to spend \$60 million per year to downsize or relocate about 500 stores, which represents almost half the fleet, into small- or mid-sized format over next five years
- Anticipate closing between 10 and 20 stores per year as leases expire
- Will downsize or relocate approximately 100 larger format stores in 2013; expected occupancy cost savings of approximately \$20 million per year
- While occupancy cost reduction is a key part of this effort, other efficiency improvements include:
 - Reducing working capital
 - Modifying the labor model
 - Improving the customer buying experience
- Recognized a non-cash store asset impairment charge of \$73 million in the third quarter 2012 related to the real estate strategy



Growing Services and Solutions



- Plan to increase the revenue generated by value-added services and solutions
- Continued to significantly grow Copy and Print services revenue in both North American Retail and Contract channels during the third quarter
- Contract had double-digit sales growth in Copy and Print services and high single-digit sales growth in cleaning and break room supplies in the third quarter
- Increasing mix of high-margin services and solutions drives higher overall gross margins

Increasing Own Brand / Direct Import Penetration



- Developed a strategy to be significantly more aggressive increasing own brand and direct import penetration going forward in both North American Retail and Business Solutions
- North American Business Solutions Division significantly increased own brand and direct import penetration in the third quarter
- Great opportunity for increasing own brand and direct import levels in North American Retail
- Global Sourcing Office team based in Shenzhen, China continues to work closely with merchandising groups in the U.S., Latin America and Europe on attractive margin-enhancement opportunities



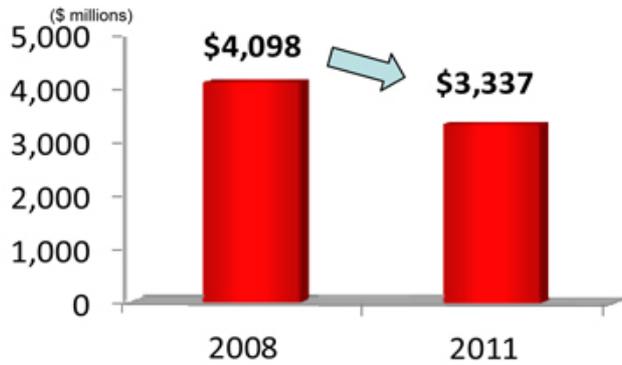
Driving Small- to Medium-Sized Business Customer Growth

- Driving sales growth with small- to medium-sized business (SMB) customers in North American Contract channel
- Successfully drove low single-digit SMB sales growth in the third quarter of 2012 versus year ago
- Capital investment in new inside sales organization expected to drive sustained growth with SMB customers
- Inside sales organization is performing much better than the legacy telephone account management effort through the outsource partners and paying dividends in both the retention and growth of SMB accounts
- Also continue to be successful in growing large account base in Contract channel, which contributed to strong BSD operating profit growth in third quarter of 2012 versus prior year



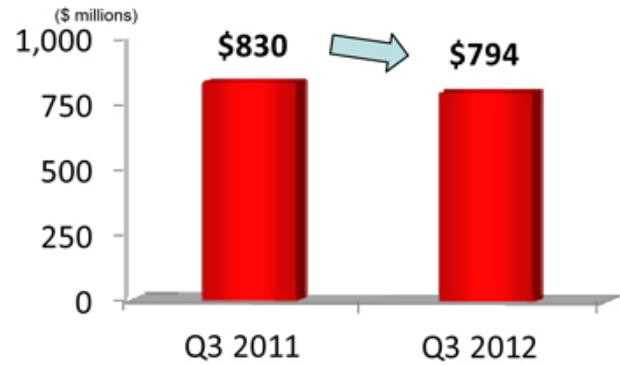
Reducing Operating Expenses

Adjusted Operating Expense⁽¹⁾



Reduced total Company operating expense, adjusted for charges, by over \$760 million between 2008 and 2011

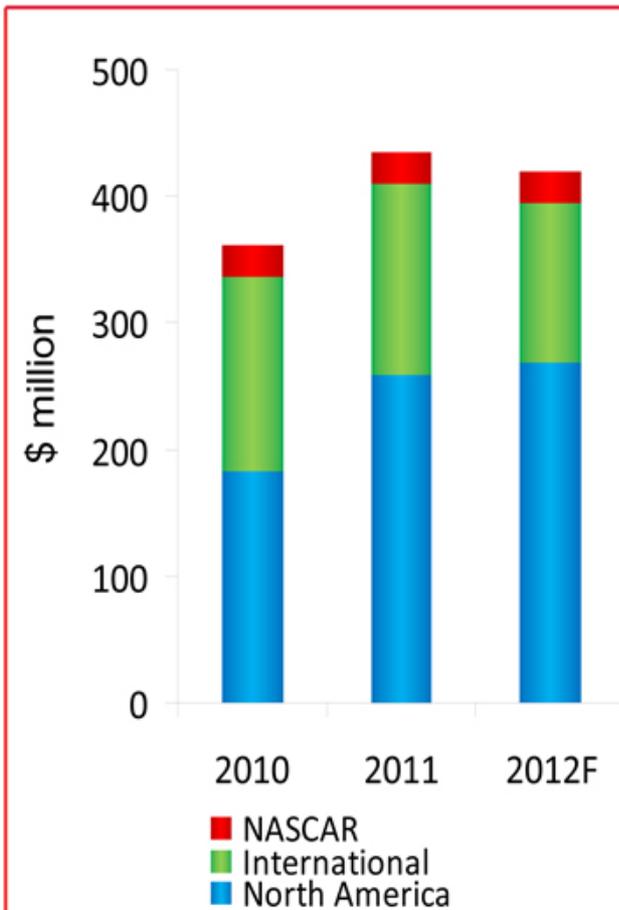
Adjusted Operating Expense⁽¹⁾



Reduced total Company operating expense, adjusted for charges, by \$36 million in the third quarter 2012 versus year ago

⁽¹⁾ Adjusted operating expense is a non-GAAP financial measure. The measure is presented to provide management and investors an opportunity to make meaningful assessments and comparisons of results from total operations, charges related to restructuring and efficiency-related actions, and the results after isolating those Charges. The presentation of such non-GAAP information is not intended to suggest that such information is superior to the presentation of GAAP information, but only to clarify some information and assist the reader. A reconciliation of GAAP to non-GAAP numbers can be found on the Office Depot web site at www.officedepot.com.

Increasing Advertising Expense Effectiveness



- Redirecting advertising expense into more effective e-commerce marketing strategies
- Total Company 2011 advertising expense as a percent of sales was about 3.8%
- 2011 North American advertising expense as a percent of sales was about 3.5%
- Excluding the NASCAR sponsorship that ends at the end of 2012, 2011 North American advertising expenses as a percent of sales would have been about 3.2%, a rate comparable to other office supply superstore players

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North American Retail Highlights

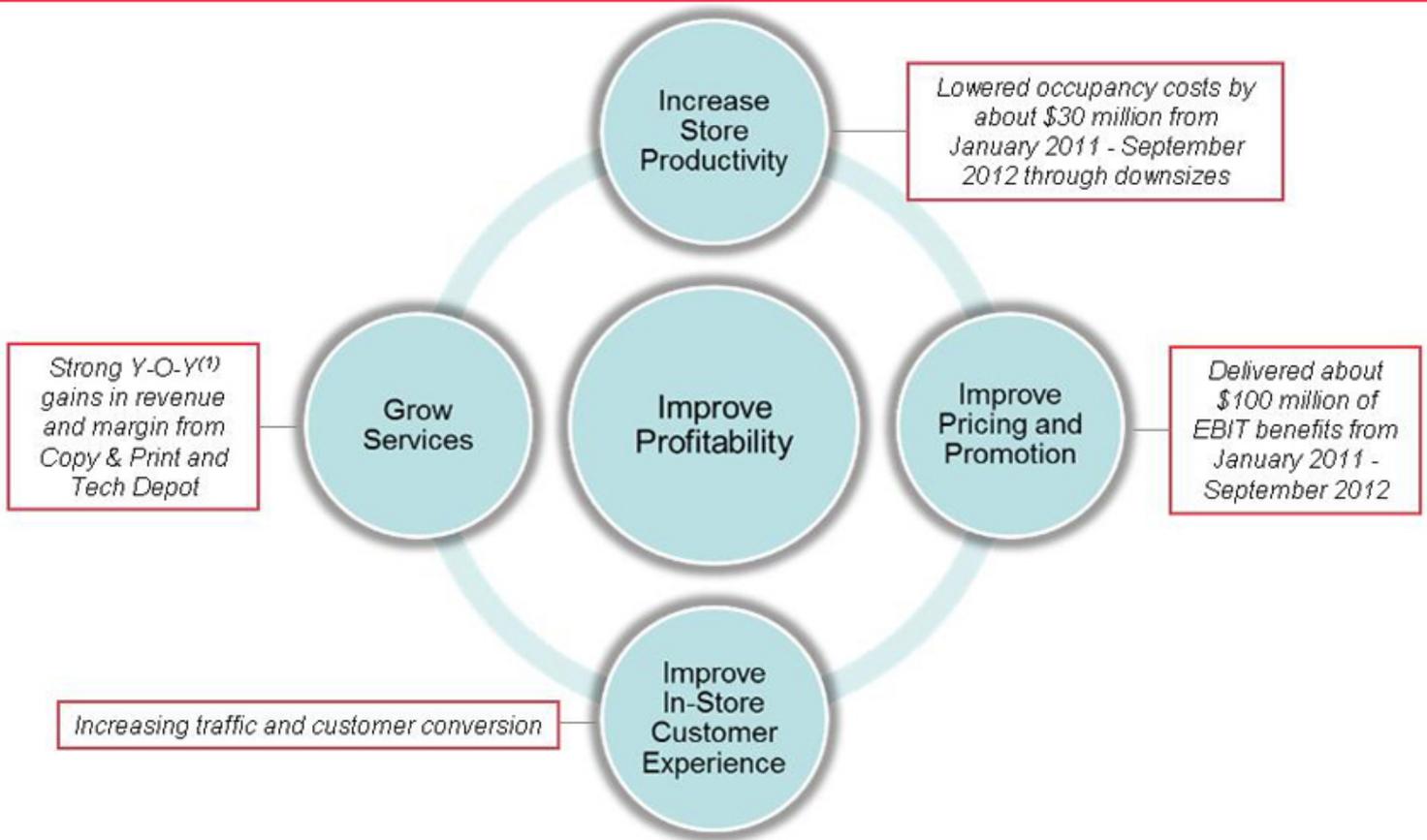
Store Base Profile

- \$4.9 billion in 2011 sales, representing 43% of total Company revenue
- Number of retail stores: 1,114⁽¹⁾
- Highest concentration in Sunbelt region, particularly Florida, California and Texas
- Total square footage: 25.9 million⁽¹⁾
- Average store size: 23,258 sq. ft.⁽¹⁾
- Sales per square foot: \$183⁽²⁾
- All stores offer Copy & Print Depot and Tech Depot Services
- Pursuing small- to mid-sized formats as go-forward store models



⁽¹⁾ As of September 29, 2012
⁽²⁾ Full-year 2011

North American Retail Initiatives



⁽¹⁾Year-to-date September 2012 versus year-to-date September 2011

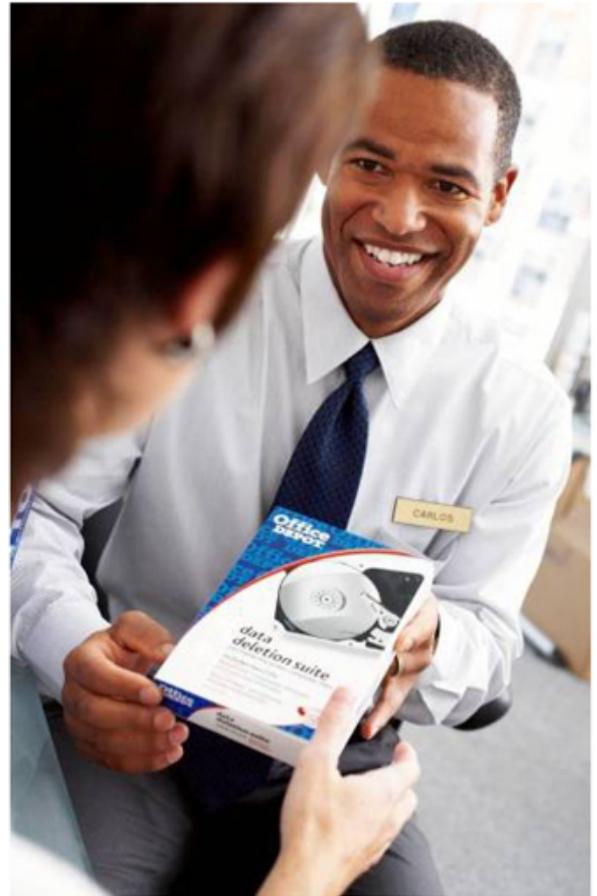
North American Business Solutions Highlights

Segment Profile

- Revenue of \$3.3 billion in 2011, representing 28% of total Company revenue
- Business Solutions Division is comprised of the Contract and Direct channels

Contract Channel Profile

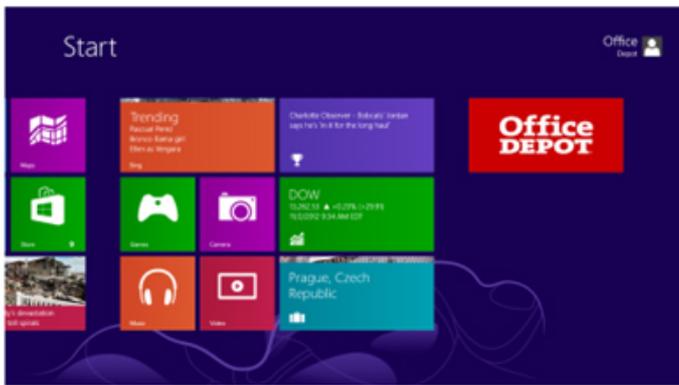
- Customers include small-sized businesses to large national accounts, and various local, state and national governmental agencies
- Contract business employs a dedicated sales force to serve medium- to large-sized customers
- Inside sales organization is dedicated to serving small- to medium-sized customers



North American Business Solutions Highlights

Direct Channel Profile

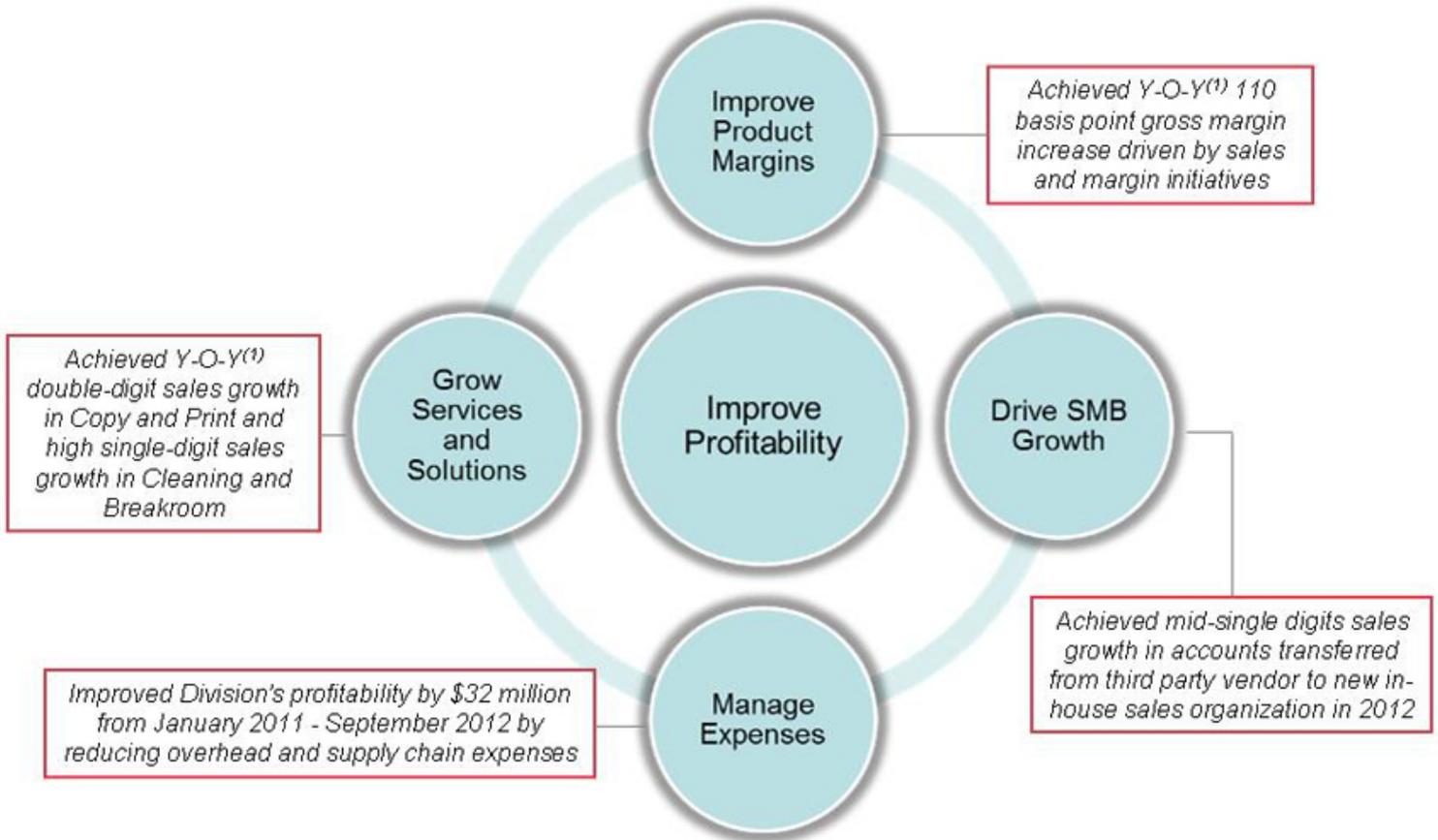
- Direct business serves small- to medium-sized customers using catalog and web sites
- Office Depot was the sixth largest U.S.-based e-commerce retailer in 2011 with \$4.1 billion in global sales
- Customer orders filled through 13 distribution facilities throughout the U.S.



Rank	Company	2011 Web Sales ⁽¹⁾
1		\$48.1bn
2		\$10.6bn
3		\$6.7bn
4		\$4.9bn
5		\$4.6bn
6	Office DEPOT.	\$4.1bn
7		\$3.8bn
8		\$3.6bn
9		\$3.2bn
10		\$3.0bn

⁽¹⁾ Internet Retailer estimates. Revenue numbers may include consumer and B2B commerce.

North American Business Solutions Initiatives



⁽¹⁾Year-to-date September 2012 versus year-to-date September 2011

Omni-Channel Approach

- The popularity of online shopping and use of mobile devices is changing shopper behaviors and increasing customer expectations
- Need to shift to an omni-channel approach where the customer is at the center
- All purchase channels will be seamlessly connected, granting the customer flexibility and convenience

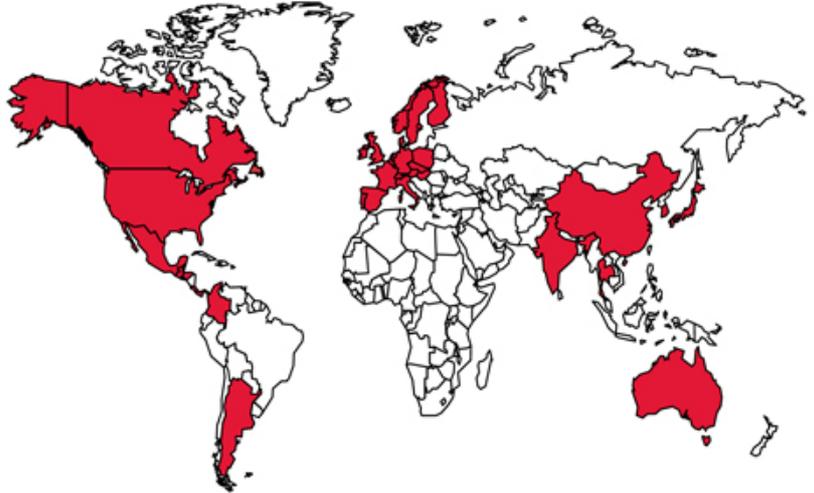


International Highlights

Segment Profile

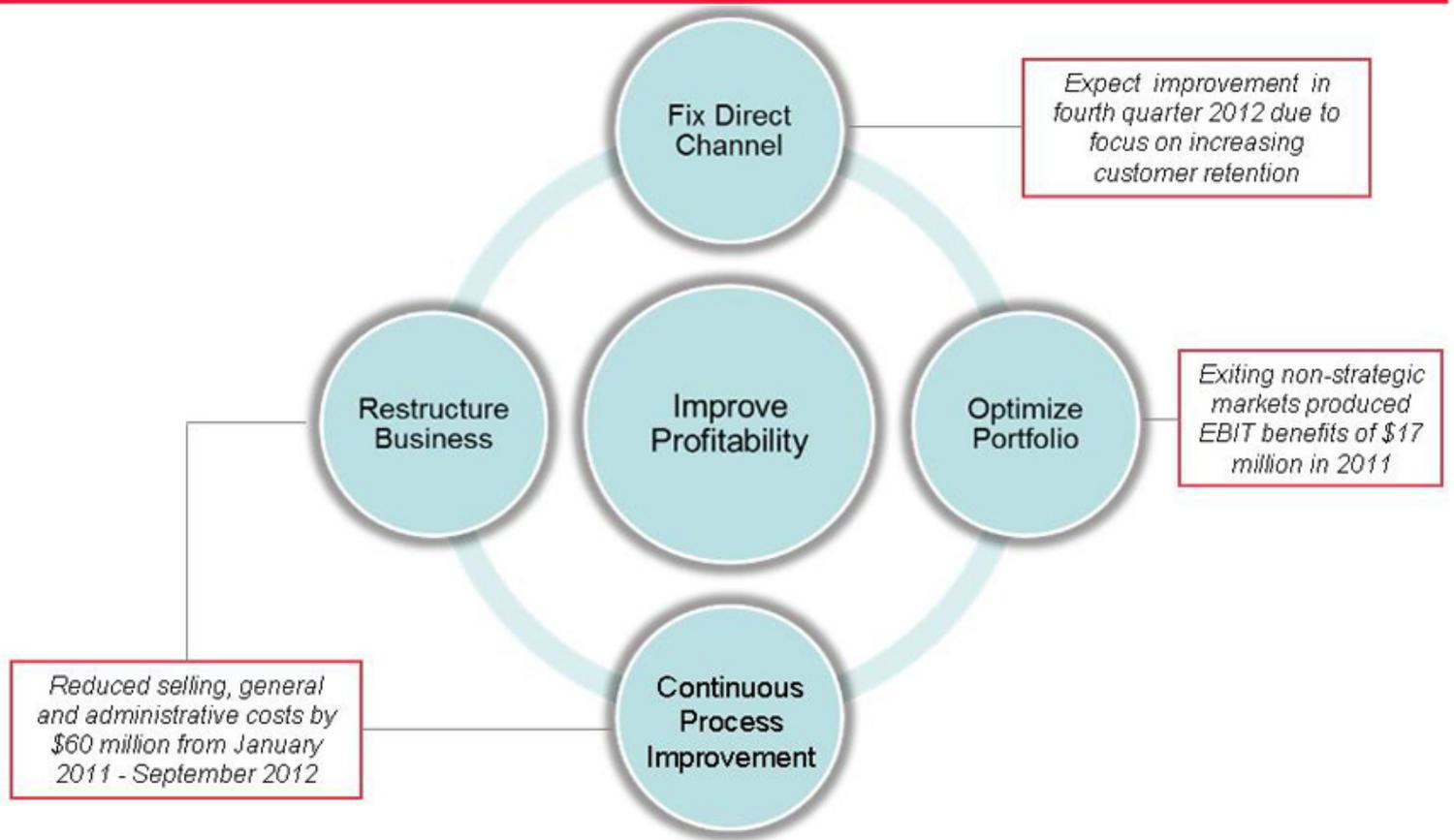
- \$3.4 billion in 2011 sales, representing 29% of total Company revenue
- Sells to customers directly and through affiliates in 60 countries⁽¹⁾
- Contract and Direct channels have catalog offerings in 15 countries outside of North America and operate more than 40 separate web sites⁽¹⁾
- Contract business employs a dedicated sales force that serves medium-sized to large customers in Europe and Asia
- Operates 134 retail stores in Europe and Asia, with another 427 stores as part of joint venture, licensee and franchise agreements⁽¹⁾

Office Depot's Global Reach



⁽¹⁾ As of September 29, 2012

International Initiatives

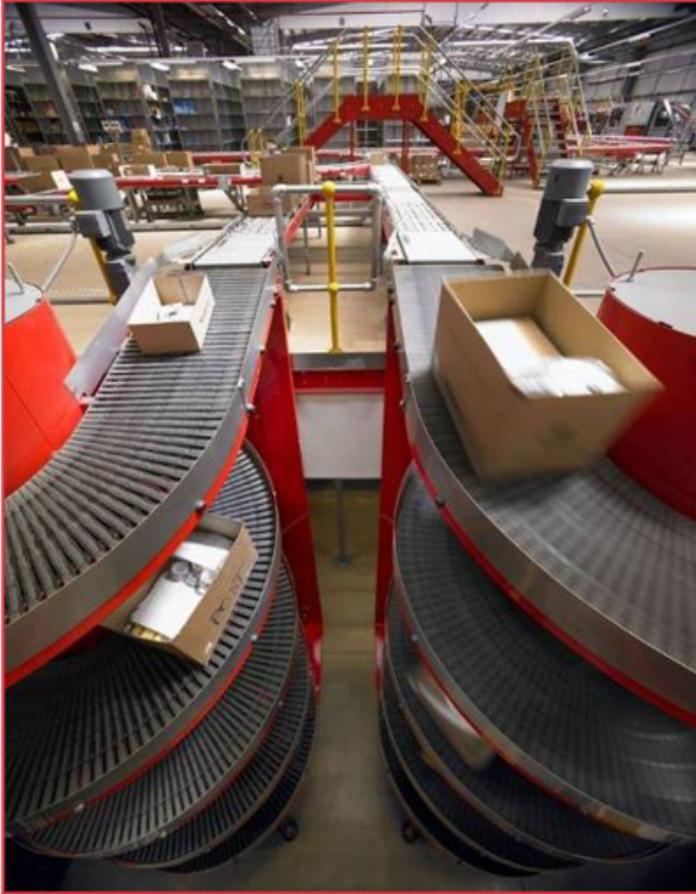


World-Class Supply Chain & Logistics

- Office Depot has a world-class supply chain organization in the U.S.
- Outstanding Service Levels
 - Next day delivery service levels exceed 99% on-time delivery
 - Guaranteed next day service to over 90% of U.S. population
 - Over 50 million packages delivered in 2011
 - Line fill rates over 99% on over 60,000 unique SKUs
- Large Cube Delivery Network
 - Specialized secondary network for large cube items like furniture, printers, etc.



World-Class Supply Chain & Logistics – Recent Accomplishments



- In the U.S., shifted network costs to 80% variable
- Reduced number of U.S distribution facilities from 32 in 2007 to 15⁽¹⁾ in 2012
- Consolidated Northeast distribution network
- Rationalized European distribution network
- Offer sustainable packaging and delivery
- Recognized as the number one greenest large retailer in the U.S.⁽²⁾ for the third consecutive year



⁽¹⁾ Includes 13 order fulfillment centers and two retail distribution centers

⁽²⁾ Newsweek Magazine's Annual Green Rankings, November 2012

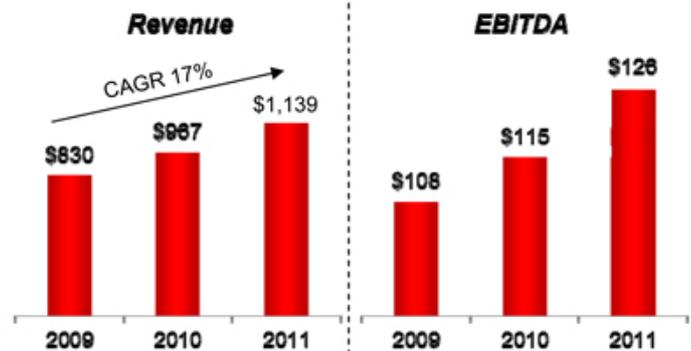
Office Depot de Mexico Highlights

- Office Depot de Mexico is a \$1 billion revenue business and the market leader in Latin America
- Long-standing partnership with Grupo Gigante
 - 50/50 joint venture since 1994
- Office Depot provides services to the joint venture through management consultation, product selection, product sourcing and information technology services
- High growth markets and opportunities in Latin America
- Strong cash flow generation
 - Office Depot received a \$25 million dividend in 2011 from joint venture

Latin American Geographic Presence



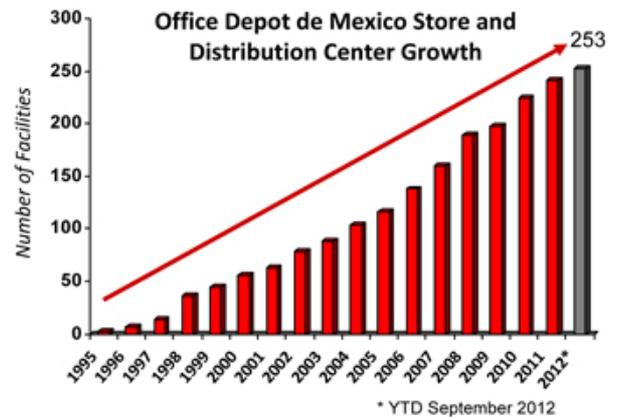
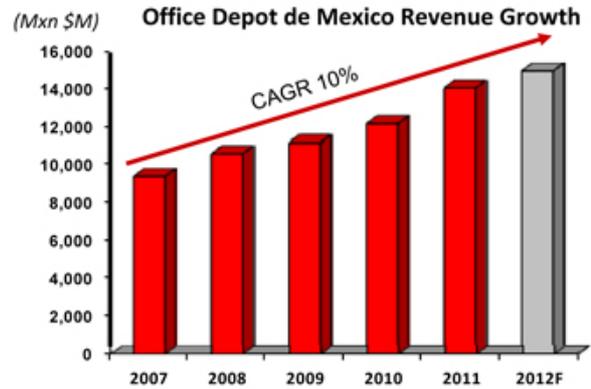
Revenue & EBITDA (\$ in millions)



Office Depot de Mexico Highlights

Third Quarter 2012 Results⁽¹⁾

- Sales of \$316 million, a 10% Y-O-Y increase in constant currency
- EBIT of \$27 million
- Net income of \$21 million; Office Depot's portion of the joint venture net income⁽²⁾ was approximately \$10 million
- Exploring ways to accelerate the growth of this business given the opportunities in Latin America
- Believe we can better highlight and increase the recognized market value of our ownership position in Office Depot de Mexico



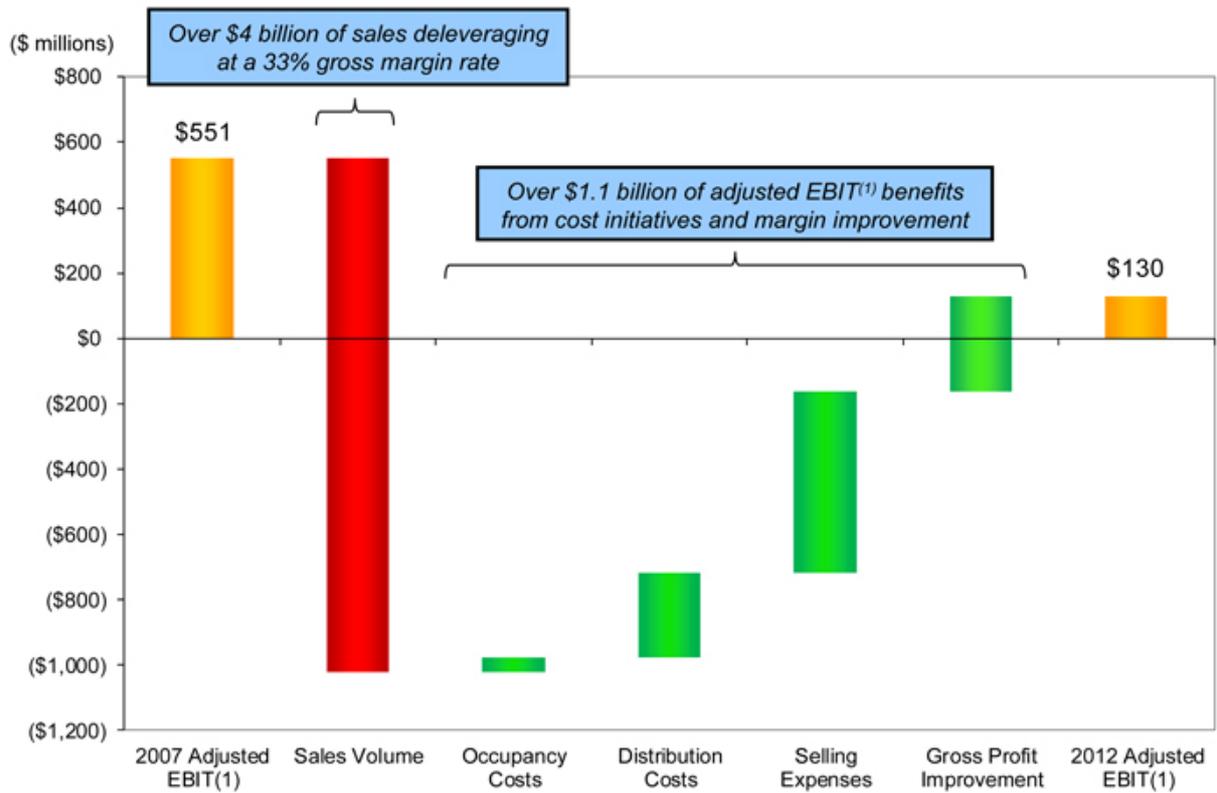
⁽¹⁾ Third quarter 2012 results reported in U.S. dollars

⁽²⁾ Office Depot's portion of the Office Depot de Mexico joint venture net income is reported in "Miscellaneous income, net" on Office Depot's Consolidated Statements of Operations.

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Reducing Costs and Improving Margin



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Financial Results 2007 – 2011

(\$ million)	2007	2008	2009	2010	2011	2011 vs 2007	2011 vs 2008
Sales	15,528	14,496	12,144	11,633	11,490	(4,038)	(3,006)
Gross Profit	4,503 29.0%	4,022 27.7%	3,405 28.0%	3,357 28.9%	3,428 29.8%	(1,075) 0.8%	(594) 2.1%
Selling and Other Expenses	3,348 21.6%	3,372 23.2%	2,720 22.4%	2,670 23.0%	2,679 23.3%	(669) 1.8%	(691) 0.1%
G&A Expenses	633 4.1%	726 5.0%	697 5.7%	637 5.5%	658 5.7%	25 1.7%	(70) 0.7%
Operating Expenses	3,981 25.6%	4,098 28.3%	3,417 28.1%	3,307 28.4%	3,337 29.0%	(644) 3.4%	(761) 0.8%
Operating Income	522 3.4%	(76) -0.5%	(12) -0.1%	50 0.4%	91 0.8%	(431) -2.6%	167 1.3%
Miscellaneous income, net	29	25	20	34	31	2	6
Adjusted EBIT ⁽¹⁾	551	(51)	8	84	122	(429)	173

- Positive adjusted EBIT⁽¹⁾ and year-over-year adjusted EBIT⁽¹⁾ growth since 2008 despite \$3 billion of lower sales
- Over \$640 million of operating expense reduction between 2007 and 2011

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Cost Structure Reductions 2007 – 2011

(\$ million)	Costs			Comments
	2007	2011	Δ	
Occupancy Costs	646	620	(26)	Driven by occupancy reductions and store closures
Cost of Goods Sold (COGS)	10,378	7,442	(2,936)	
Distribution Expenses	974	746	(228)	In North America, shifted network costs to 80% variable, reduced distribution facilities from 32 to 15 and consolidated Northeast network. Rationalized European network
Adjusted Other Selling Expenses ⁽¹⁾	2,382	1,933	(449)	Reduced North America expense by \$358 million and International by \$91 million
Adjusted G&A Expenses ⁽¹⁾	633	657	24	
Adjustments				
S-T Compensation	38		(38)	
Facilities		(12)	(12)	Incremental headquarters costs
IT Depreciation		(31)	(31)	Incremental enterprise resource planning costs
G&A Expenses (proforma)	671	614	(57)	Outsourcing of Finance and IT functions reduction in support costs, benefits of indirect sourcing initiative
Total Costs	15,051	11,355	(3,705)	
Total Costs (excl.COGS)	4,673	3,913	(760)	

⁽¹⁾ Adjusted Other Selling and G&A expenses are non-GAAP financial measures. The measures are presented to provide management and investors an opportunity to make meaningful assessments and comparisons of results from total operations, charges related to restructuring and efficiency-related actions, and the results after isolating those Charges. The presentation of such non-GAAP information is not intended to suggest that such information is superior to the presentation of GAAP information, but only to clarify some information and assist the reader. A reconciliation of GAAP to non-GAAP numbers can be found on the Office Depot web site at www.officedepot.com.

SG&A Results if Distribution Costs Reported in Gross Profit

	Office Depot 2011 (Reported)	Office Depot 2011 (Proforma)	Staples 2011	OfficeMax 2011
Revenue	\$ 11,490	\$ 11,490	\$ 25,022	\$7,121
Gross Profit <i>% of Sales</i>	3,428 29.8%	2,683 23.4%	6,742 26.9%	1,809 25.4%
SG&A <i>% of Sales</i>	3,336 29.0%	2,591 22.6%	5,113 20.4%	1,723 24.2%

- If Office Depot reported all shipping and handling expenses, as well as other product-related costs, in cost of sales, SG&A as a percent of sales would decline 640 bps to 22.6% and be comparable to other office supply superstore players
- Office Depot will continue to address gross profit rate improvement opportunities through a number of key initiatives

Historical Financial Summary

(\$ millions)	2007	2008	2009	2010	2011
Net Sales	\$15,527.5	\$14,495.5	\$12,144.5	\$11,633.1	\$11,489.5
<i>Growth %</i>	3.4%	(6.6%)	(16.2%)	(4.2%)	(1.2%)
<i>NA Retail Comparable Store Sales %</i>	(5.0%)	(13.0%)	(14.0%)	(1.0%)	(2.0%)
Gross Profit	\$4,502.9	\$4,005.8	\$3,392.2	\$3,357.1	\$3,426.4
Adjusted EBITDA ⁽¹⁾	\$ 817.3	\$191.2	\$216.4	\$291.4	\$330.5
<i>Margin %</i>	5.3%	1.3%	1.8%	2.5%	2.9%
Rent expense	\$519.1	\$525.8	\$498.6	\$469.4	\$447.1
<i>Sales %</i>	3.3%	3.6%	4.1%	4.0%	3.9%
Adjusted EBITDAR ⁽¹⁾	\$1,336.4	\$717.0	\$715.0	\$760.8	\$777.6
Net earnings (loss) ⁽²⁾	\$394.7	(\$1,481.0)	(\$598.7)	(\$46.2)	\$95.7
CAPEX	\$460.6	\$330.1	\$130.8	\$169.5	\$130.3

⁽¹⁾ Adjusted EBITDA and EBITDAR are non-GAAP financial measures. The measures are presented to provide management and investors an opportunity to make meaningful assessments and comparisons of results from total operations, charges related to restructuring and efficiency-related actions, and the results after isolating those Charges. The presentation of such non-GAAP information is not intended to suggest that such information is superior to the presentation of GAAP information, but only to clarify some information and assist the reader. A reconciliation of GAAP to non-GAAP numbers can be found on the Office Depot web site at www.officedepot.com.

⁽²⁾ Before preferred stock dividends and non controlling interest

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Historical Balance Sheet and Financial Ratios

(\$ millions)	2007	2008	2009	2010	2011
Cash and Cash Equivalents	\$223.0	\$155.7	\$659.9	\$627.5	\$570.7
Accounts Receivable	\$1,511.7	\$1,255.7	\$1,121.2	\$963.8	\$862.8
Inventory	\$1,717.7	\$1,331.6	\$1,252.9	\$1,233.7	\$1,147.0
Property and Equipment, net	\$1,589.0	\$1,557.3	\$1,277.7	\$1,157.0	\$1,067.0
Other Assets	\$2,215.3	\$967.9	\$578.7	\$587.5	\$603.5
Total Assets	\$7,256.5	\$5,268.2	\$4,890.3	\$4,569.4	\$4,251.0
Total Debt	\$815.5	\$880.7	\$722.6	\$732.2	\$684.7
Stockholders' Equity	\$3,083.8	\$1,367.8	\$789.2	\$696.0	\$739.3
Total Debt / Adj EBITDA ⁽³⁾	1.0x	4.6x	3.3x	2.5x	2.1x
Adj Debt / Adj EBITDAR ⁽¹⁾⁽³⁾	3.7x	7.1x	6.6x	5.9x	5.5x
(Adj. EBITDA – CAPEX) / Interest ⁽²⁾⁽³⁾	6.7x	nm	1.4x	2.3x	6.3x

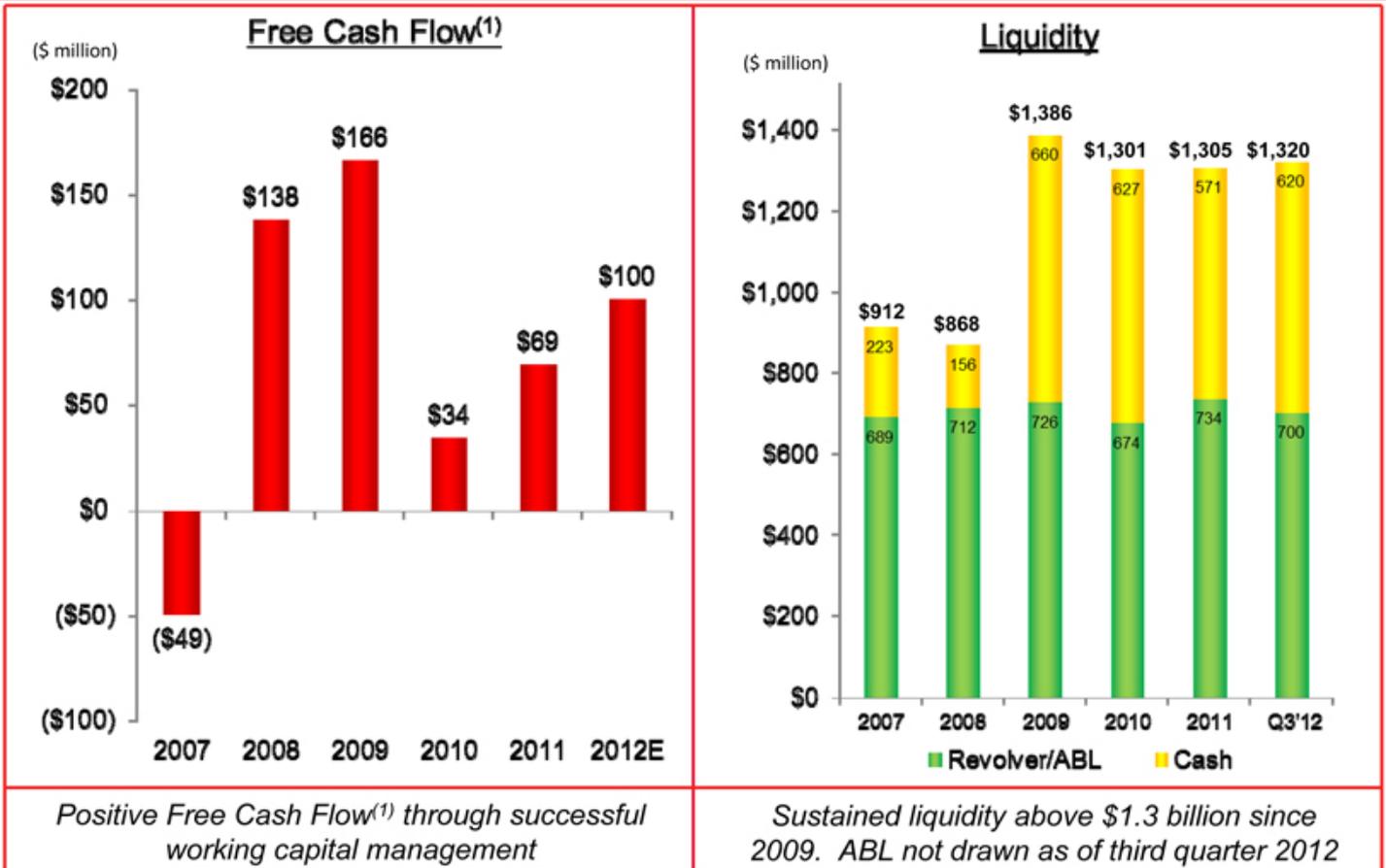
⁽¹⁾ Adjusted debt calculated using total debt plus rents capitalized at 8.0x

⁽²⁾ Interest includes reversals of interest on accrued uncertain tax positions of approximately \$32 million in 2011 and \$11 million in 2010

⁽³⁾ Adjusted Debt, EBITDA and EBITDAR are non-GAAP financial measures. The measures are presented to provide management and investors an opportunity to make meaningful assessments and comparisons of results from total operations, charges related to restructuring and efficiency-related actions, and the results after isolating those Charges. The presentation of such non-GAAP information is not intended to suggest that such information is superior to the presentation of GAAP information, but only to clarify some information and assist the reader. 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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Enhanced Cash Flow and Strong Liquidity Position



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Agenda

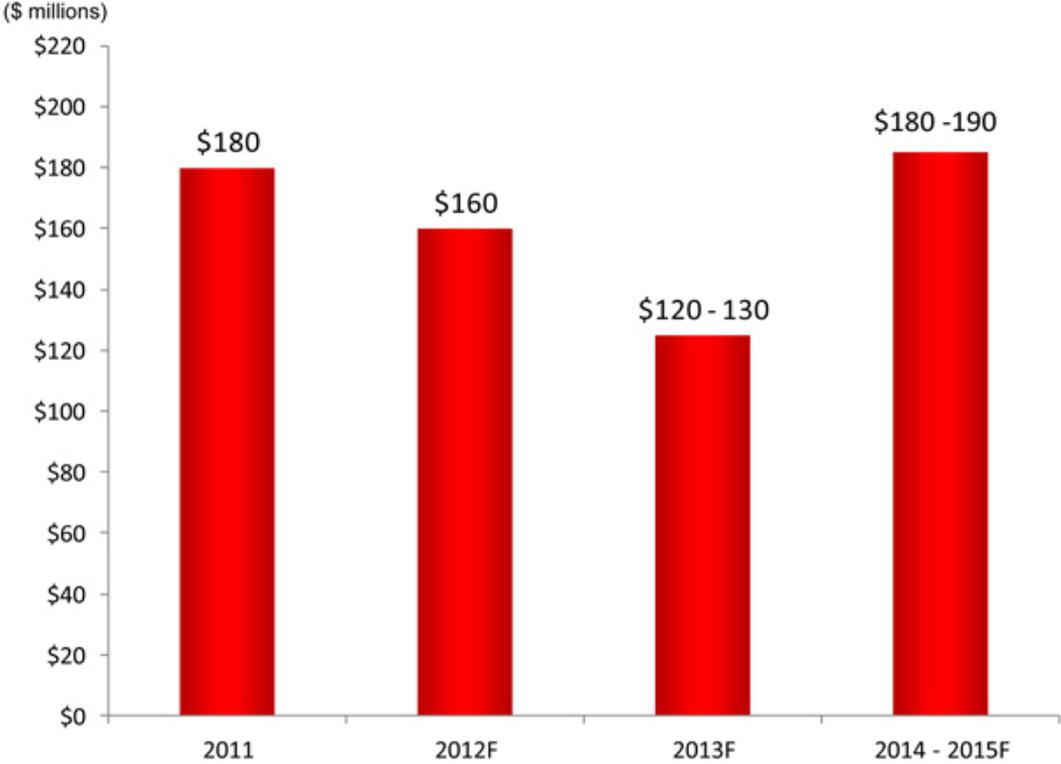
- Company Overview and Background
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 - 2013 – 2015 Outlook
- Appendix

2013 – 2015 Outlook

- Expect the tough economic environment in U.S. and Europe to continue at least through 2013
- Despite headwinds, continue to increase investment in real estate downsizes, e-commerce and growing services
- Expect to deliver approximately \$300 million in additional initiative benefits from 2013 to 2015 through cost reduction and margin improvement. Key areas include:
 - Approximately \$100 million of global gross margin improvement from own brand and direct import growth, and a reduction in Cost of Goods Sold
 - About \$60 million in occupancy cost reductions through accelerated retail store downsizes
 - Approximately \$120 to \$140 million in lower global advertising expenses, European restructuring and portfolio optimization benefits, and G&A cost reductions
- In 2013, expect to generate over \$120 million in initiative benefits, net of reinvestment, to offset organic sales pressure and deliver full-year adjusted EBIT of approximately \$150 million

Key Initiative Benefits 2011 – 2015F

Targeting adjusted EBIT⁽¹⁾ growth from \$130 million projected in 2012 to over \$300 million in 2015 through key initiative benefits



⁽¹⁾ Adjusted EBIT excludes charges for restructuring actions and activities to improve future operating performance. The measure is presented to provide management and investors an opportunity to make meaningful assessments and comparisons of results from total operations, charges related to restructuring and efficiency-related actions, and the results after isolating those Charges. The presentation of such non-GAAP information is not intended to suggest that such information is superior to the presentation of GAAP information, but only to clarify some information and assist the reader. 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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Consolidated Financials – Third Quarter

in millions, except ratios and per share data

	Q3 2012		Q3 2011	
	Amount	% Sales	Amount	% Sales
Sales	\$ 2,693	--	\$ 2,837	--
Operating Expenses ⁽¹⁾	\$ 794	29.5%	\$ 830	29.3%
Adjusted EBIT ⁽¹⁾	\$ 54	2.0%	\$ 30	1.1%
Adjusted EBITDA ⁽¹⁾	\$ 103	3.8%	\$ 83	2.9%
Adjusted Net Earnings (Loss) ⁽¹⁾⁽²⁾	\$ 18	0.7%	\$ (1)	(0.0)%
Net Earnings (Loss) - GAAP ⁽²⁾	\$ (70)	(2.6)%	\$ 92	3.2%
Diluted Shares	280.2	--	357.0	--
EPS - GAAP	\$ (0.25)	--	\$ 0.28	--
Adjusted EPS ⁽¹⁾	\$ 0.06	--	\$ -	--

⁽¹⁾ Adjusted non-GAAP numbers. The measure is presented to provide management and investors an opportunity to make meaningful assessments and comparisons of results from total operations, charges related to restructuring and efficiency-related actions, and the results after isolating those Charges. The presentation of such non-GAAP information is not intended to suggest that such information is superior to the presentation of GAAP information, but only to clarify some information and assist the reader. A reconciliation of GAAP to non-GAAP numbers can be found on the Office Depot web site at www.officedepot.com.

⁽²⁾ After preferred stock dividends

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Consolidated Financials – Year-to-Date

in millions, except ratios and per share data

	YTD Sep 2012		YTD Sep 2011	
	Amount	% Sales	Amount	% Sales
Sales	\$ 8,073	--	\$ 8,520	--
Operating Expenses ⁽¹⁾	\$ 2,394	29.6%	\$ 2,472	29.0%
Adjusted EBIT ⁽¹⁾	\$ 96	1.2%	\$ 76	0.9%
Adjusted EBITDA ⁽¹⁾	\$ 248	3.1%	\$ 232	2.7%
Adjusted Net Earnings (Loss) ⁽¹⁾⁽²⁾	\$ 8	0.1%	\$ (17)	(0.2)%
Net Earnings (Loss) - GAAP ⁽²⁾	\$ (93)	(1.1)%	\$ 48	0.6%
Diluted Shares	279.4	--	277.6	--
EPS - GAAP	\$ (0.33)	--	\$ 0.17	--
Adjusted EPS ⁽¹⁾	\$ 0.03	--	\$ (0.06)	--

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⁽²⁾ After preferred stock dividends

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Cash Flow Highlights

<i>in millions</i>	<u>Q3 2012</u>	<u>Q3 2011</u>
Net Earnings (Loss) ⁽¹⁾	\$ (62)	\$ 101
Depreciation & Amortization	\$ 49	\$ 54
Other Operating and Non-Cash Items	\$ 229	\$ 13
Capital Expenditures	\$ (26)	\$ (29)
Free Cash Flow ⁽²⁾⁽³⁾	\$ 190	\$ 139
Other Investing Activities & FX Impact on Cash	\$ 13	\$ (2)
Cash Flow Before Financing Activities ⁽²⁾⁽⁴⁾	\$ 203	\$ 137

⁽¹⁾ Before non-controlling interest and preferred stock dividends

⁽²⁾ Free Cash Flow is a non-GAAP financial measure. The measure is presented to provide management and investors an opportunity to make meaningful assessments and comparisons of financial results. The presentation of such non-GAAP information is not intended to suggest that such information is superior to the presentation of GAAP information, but only to clarify some information and assist the reader. A reconciliation of GAAP to non-GAAP numbers can be found on the Office Depot web site at www.officedepot.com.

⁽³⁾ Free Cash Flow equals net cash provided by operating activities less capital expenditures.

⁽⁴⁾ Cash Flow Before Financing Activities equals total change in cash less cash flow from financing activities.

Balance Sheet Highlights

in millions, except ratios

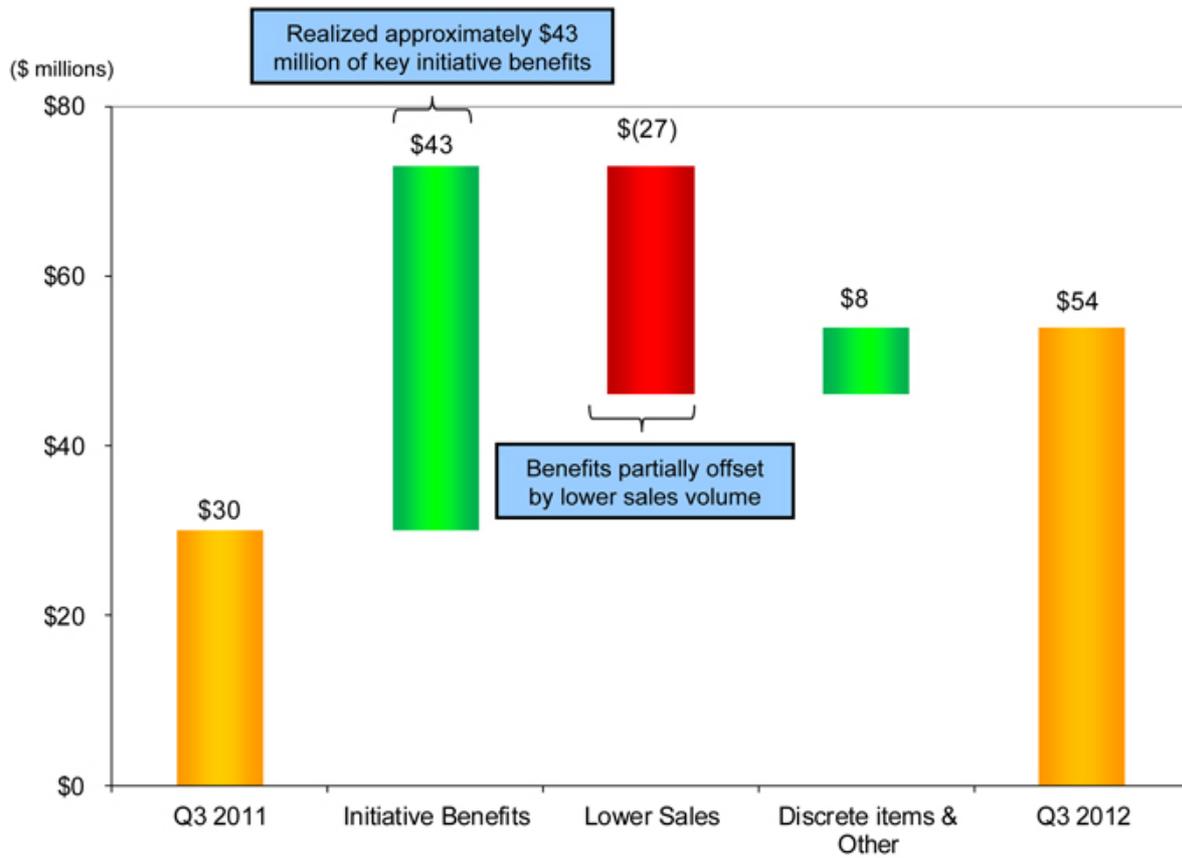
	<u>Q3 2012</u>	<u>Q3 2011</u>
Cash & Cash Equivalents	\$ 620	\$ 453
Inventories	\$ 1,005	\$ 1,124
Working Capital ⁽¹⁾	\$ 146	\$ 287
Working Capital as a % of Sales ⁽²⁾	2.0%	1.7%
Net Debt (end of period) ⁽³⁾	\$ 52	\$ 230

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

⁽²⁾ Working Capital as % of Sales = ((WC Q3 current year + WC Q3 prior year) / 2) / Trailing four quarter sales

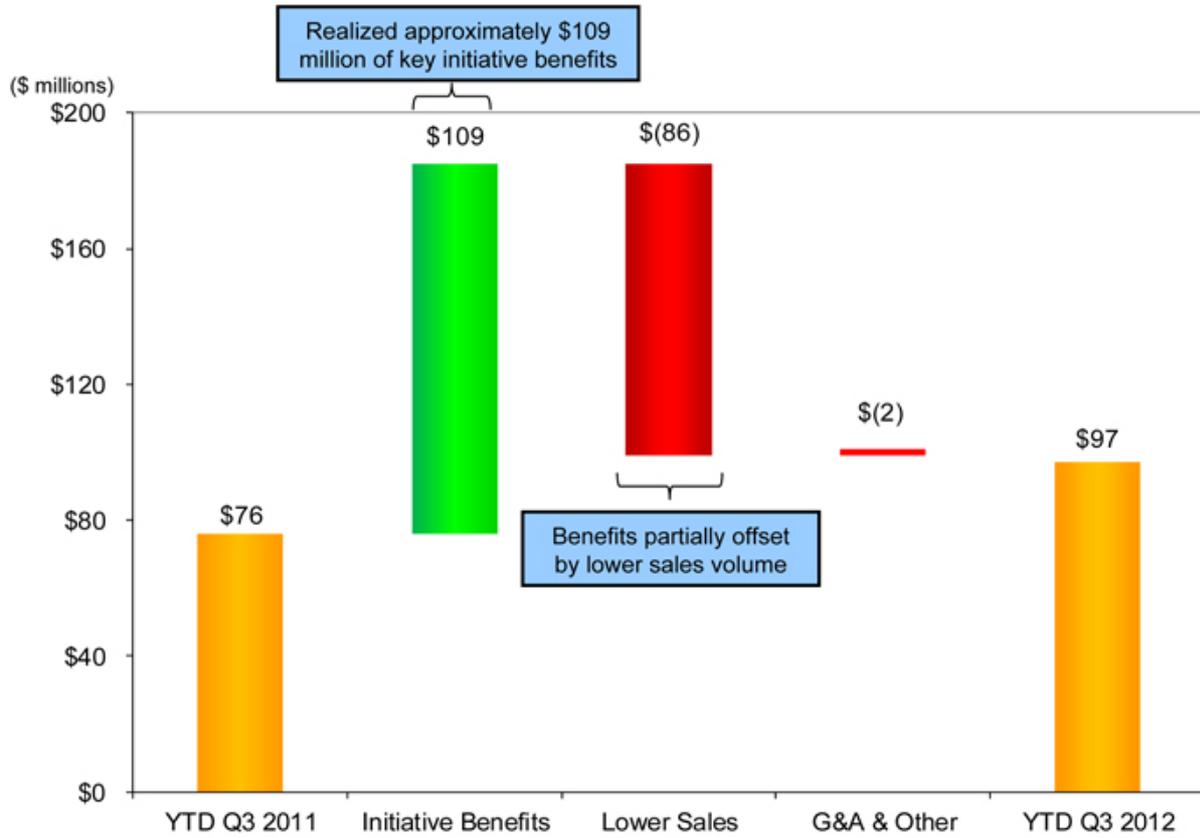
⁽³⁾ Net Debt = (Cash and cash equivalents) – (short-term investments) – (short-term borrowings and current maturities of long-term debt) – (long-term debt, net of current maturities)

Third Quarter Adjusted EBIT⁽¹⁾ Comparison



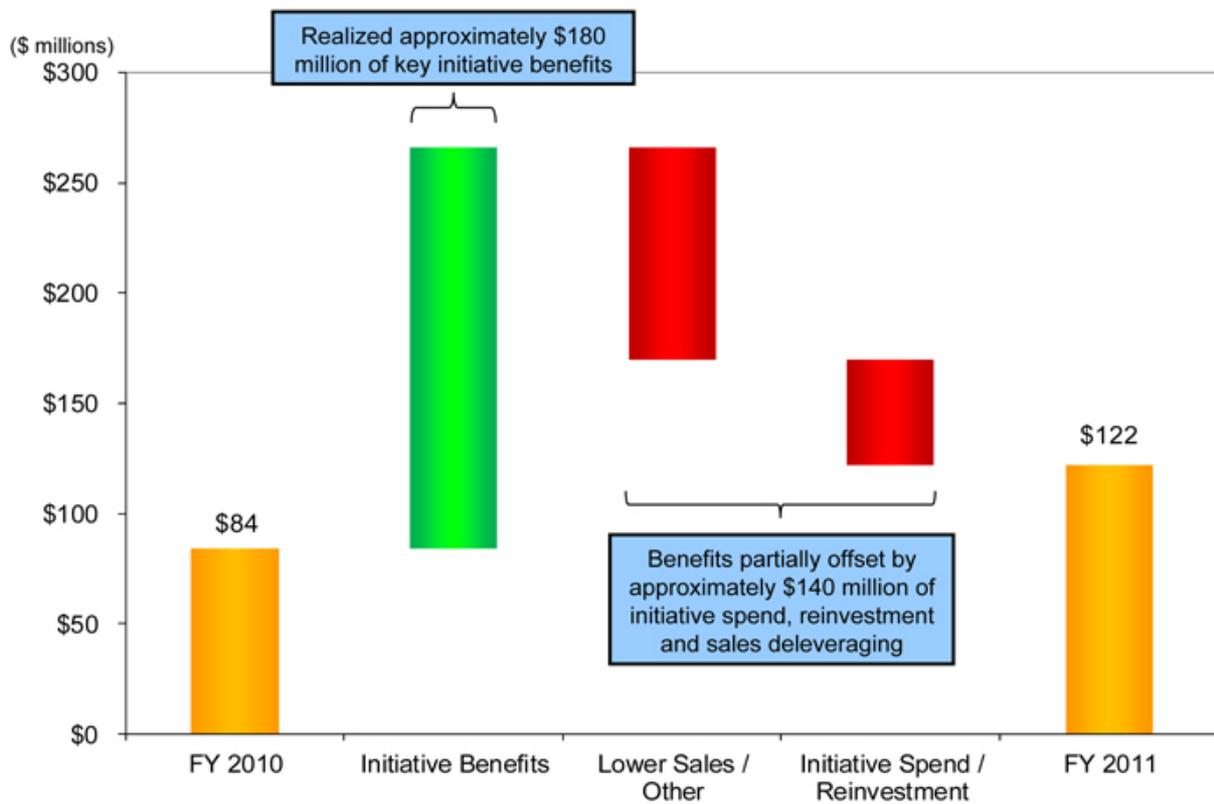
⁽¹⁾ Adjusted EBIT excludes charges for restructuring actions and activities to improve future operating performance. The measure is presented to provide management and investors an opportunity to make meaningful assessments and comparisons of results from total operations, charges related to restructuring and efficiency-related actions, and the results after isolating those Charges. The presentation of such non-GAAP information is not intended to suggest that such information is superior to the presentation of GAAP information, but only to clarify some information and assist the reader. A reconciliation of GAAP to non-GAAP numbers can be found on the Office Depot web site at www.officedepot.com.

Year-to-Date Adjusted EBIT⁽¹⁾ Comparison



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Full Year Adjusted EBIT⁽¹⁾ Comparison



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