

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-Q/A

(Mark One)

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

For the quarterly period ended March 26, 1994

OR

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

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)

(407) 278-4800

(Registrant's telephone number including area code)

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 requirement for the past 90 days.

Yes X No

----- -----

The registrant had 96,375,636 shares of common stock outstanding as of May 4, 1994.

OFFICE DEPOT, INC.

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

| | 13 Weeks Ended March 26, 1994 ----- | 13 Weeks Ended March 27, 1993 ----- |
|---|---|---|
| Sales | \$ 994,845 | \$ 582,115 |
| Cost of goods sold and occupancy costs | 762,725 ----- | 448,483 ----- |
| Gross profit | 232,120 | 133,632 |
| Store and warehouse operating and selling expenses | 159,261 | 92,544 |
| Pre-opening expenses | 1,259 | 1,605 |
| General and administrative expenses | 27,611 | 15,610 |
| Amortization of goodwill | 1,269 ----- | 15 ----- |
| | 189,400 ----- | 109,774 ----- |
| Operating profit | 42,720 | 23,858 |
| Interest expense (income), net | 3,242 ----- | 681 ----- |
| Earnings before income taxes | 39,478 | 23,177 |
| Income taxes | 16,556 ----- | 9,039 ----- |
| Net earnings | \$ 22,922 ===== | \$ 14,138 ===== |
| Earnings per common and common equivalent share | \$ 0.23 ===== | \$ 0.15 ===== |
| Average common and common equivalent shares | 99,343 ===== | 92,831 ===== |

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

| | March 26, 1994 | December 25, 1993 |
|---|-------------------|----------------------|
| | ----- | ----- |
| | (Unaudited) | |
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 98,875 | \$ 138,498 |
| Receivables, net of allowances | 174,732 | 165,182 |
| Merchandise inventories | 705,400 | 643,773 |
| Deferred income taxes | 26,185 | 25,931 |
| Prepaid expenses and refundable income taxes | 6,534 | 4,778 |
| | ----- | ----- |
| Total current assets | 1,011,726 | 978,162 |
| Property and Equipment | | |
| Less accumulated depreciation and amortization | 384,645 | 339,825 |
| | 89,893 | 77,681 |
| | ----- | ----- |
| | 294,752 | 262,144 |
| Goodwill, net of amortization | | |
| Other Assets | 199,155 | 200,462 |
| | 24,604 | 23,131 |
| | ----- | ----- |
| | \$1,530,237 | \$1,463,899 |
| | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities | | |
| Accounts payable | \$ 414,596 | \$ 393,185 |
| Accrued expenses | 120,098 | 128,129 |
| Income Taxes | 20,728 | 12,786 |
| Current maturities of long-term debt | 2,922 | 3,105 |
| | ----- | ----- |
| Total current liabilities | 558,344 | 537,205 |
| Long-Term Debt, less current maturities | | |
| Deferred Taxes and Other Credits | 15,566 | 16,229 |
| Zero Coupon, Convertible, Subordinated Notes | 6,114 | 5,478 |
| | 354,177 | 350,298 |
| Common Stockholders' Equity | | |
| Common stock - authorized 200,000,000 shares of \$.01 par value; issued 97,558,621 in 1994 and 95,609,233 in 1993 | 976 | 956 |
| Additional paid-in capital | 433,142 | 427,326 |
| Foreign currency translation adjustment | 557 | 383 |
| Retained earnings | 163,111 | 127,774 |
| Less: 1,442,298 shares of treasury stock | (1,750) | (1,750) |
| | ----- | ----- |
| | 596,036 | 554,689 |
| | ----- | ----- |
| | \$1,530,237 | \$1,463,899 |
| | ===== | ===== |

OFFICE DEPOT, INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 Increase (Decrease) in Cash and Cash Equivalents
 (In thousands)
 (Unaudited)

| | 13 Weeks Ended March 26, 1994 ----- | 13 Weeks Ended March 27, 1993 ----- |
|--|--|--|
| Cash flows from operating activities | | |
| Cash received from customers | \$ 996,188 | \$ 589,420 |
| Cash paid for inventory | (797,149) | (397,234) |
| Cash paid for store and warehouse operating, selling and general administrative expenses | (189,818) | (122,680) |
| Interest received | 1,261 | 1,427 |
| Interest paid | (624) | (224) |
| Taxes paid | (10,902) | (122) |
| | ----- | ----- |
| Net cash provided (used) by operating activities | (1,044) | 70,587 |
| | ----- | ----- |
| Cash flows from investing activities | | |
| Capital expenditures-net | (41,619) | (17,290) |
| Cash acquired | 1,721 | - |
| | ----- | ----- |
| Net cash used in investing activities | (39,898) | (17,290) |
| | ----- | ----- |
| Cash flows from financing activities | | |
| Proceeds from exercise of stock options | 3,665 | 2,423 |
| Foreign currency translation adjustment | 174 | (48) |
| Proceeds from long- and short-term borrowing | 56 | - |
| Payments on long- and short-term debt | (2,576) | (606) |
| | ----- | ----- |
| Net cash provided by financing activities | 1,319 | 1,769 |
| | ----- | ----- |
| Net increase (decrease) in cash and cash equivalents | (39,623) | 55,066 |
| Cash and equivalents at beginning of period | 138,498 | 130,192 |
| | ----- | ----- |
| Cash and equivalents at end of period | \$ 98,875 | \$ 185,258 |
| | ===== | ===== |
| Reconciliation of net earnings to net cash provided (used) by operating activities | | |
| Net earnings | \$ 22,922 | \$ 14,138 |
| Adjustments to reconcile net earnings to net cash provided (used) by operating activities | | |
| Depreciation and amortization | 10,829 | 6,024 |
| Changes in assets and liabilities | | |
| Decrease in accounts receivable | 2,276 | 20,906 |
| Decrease (increase) in inventory | (55,614) | 54,645 |
| Decrease (increase) in prepaid expenses and other assets | (1,423) | 3,362 |
| Increase (decrease) in accounts payable and other liabilities | 19,966 | (28,488) |
| | ----- | ----- |
| Total adjustments | (23,966) | 56,449 |
| | ----- | ----- |
| Net cash provided (used) by operating activities | \$ (1,044) | \$ 70,587 |
| | ===== | ===== |

OFFICE DEPOT, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. The interim financial statements as of March 26, 1994 and for the 13 week periods ended March 26, 1994 and March 27, 1993 are unaudited; however, such interim statements reflect all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the financial position and the results of operations for the interim periods presented. The results of operations for the interim periods presented are not necessarily indicative of the results to be expected for the full year. The interim financial statements should be read in conjunction with the audited financial statements for the year ended December 25, 1993.
2. Average common and common equivalent shares utilized in computing first quarter earnings per share include approximately 3,423,000 and 3,191,000 shares in 1994 and 1993, respectively, as a result of applying the treasury stock method to outstanding stock options.
3. In February 1994, the Company completed the acquisitions of L. E. Muran Co., Inc. ("Muran"), a Boston-based contract stationer, and Yorkship Press, Inc. ("Yorkship"), a contract stationer servicing Philadelphia and southern New Jersey. The Company issued 1,557,164 shares of common stock in connection with these acquisitions. These acquisitions were accounted for on a "pooling of interests" basis. Results of operations for the 13 weeks ended March 26, 1994 include the results of operations of Muran and Yorkship since December 26, 1993. Results of operations and financial position as of and prior to December 25, 1993 have not been adjusted due to immateriality. An adjustment to increase retained earnings as of December 26, 1993 in the amount of \$12,414,000 has been made.
4. The Consolidated Statements of Cash Flows for the 13 weeks ended March 26, 1994 and March 27, 1993 do not include noncash financing transactions of \$2,096,000 and \$2,119,000, respectively, relating to additional paid-in-capital associated with tax benefits of stock options exercised. In addition, the Consolidated Statements of Cash Flows for the 13 weeks ended March 26, 1994 and March 27, 1993 do not include noncash financing transactions of \$3,879,000 and \$1,884,000, respectively, associated with accreted interest on convertible, subordinated notes.

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 thereunto duly authorized.

OFFICE DEPOT, INC.
(Registrant)

Date: May 10, 1993

By: /s/Barry J. Goldstein

Barry J. Goldstein
Executive Vice President-Finance
and Chief Financial Officer