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 (date of earliest event reported): January 16, 1995

OFFICE DEPOT, INC.

(Exact name of registrant as specified in its charter)

Delaware	1-10948	59-2663954
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2200 Old Germantown Road, Delray Beach, FL	33445
(Address of principal executive offices)	(Zip Code)

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

Page 1 of 34 Pages
Exhibit Index on Page 5

ITEM 5. OTHER EVENTS

In February 1994, Office Depot, Inc. (the "Company") issued 2,335,746 shares of common stock in connection with 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. In May 1994, the Company acquired all of the outstanding stock of Midwest Carbon Company ("Midwest"), a Minneapolis based contract stationer, and Silver's Inc. ("Silver's"), a Detroit based contract stationer. The Company issued 1,448,591 shares of common stock in connection with the acquisitions of Midwest and Silver's. Additionally, in August 1994, the Company acquired all the outstanding stock of J. A. Kindel Company, Inc. ("Kindel"), a Cincinnati based contract stationer, and Allstate Office Products, Inc. ("Allstate"), a contract stationer in Tampa. The Company issued 1,916,009 shares of common stock in connection with the acquisitions of Kindel and Allstate. These acquisitions were accounted for as "pooling of interests" business combinations in accordance with Accounting Principles Board Opinion No. 16. These acquisitions do not individually or collectively meet the criteria for reporting under Item 2 on Form 8-K.

Accordingly, the Company hereby restates the following items and financial statements in its Annual Report on Form 10-K dated December 25, 1993 to include the effects of the above described acquisitions for all periods presented:

Part II

Item 6. Selected Financial Data

Refer to page F-1 of this Form 8-K

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Refer to pages F-2 through F-5 of this Form 8-K

Item 8. Financial Statements

Refer to pages F-6 through F-23 of this Form 8-K

Part IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

Part IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K Continued

3. Exhibits

The exhibits which are filed with this Form 10-K or are incorporated by reference are set forth in the Exhibit Index, which immediately precedes the exhibits to this report.

(b) Reports on Forms 8-K

None.

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 January 16, 1995

By: /s/ BARRY J. GOLDSTEIN

Barry J. Goldstein
Vice President, Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description of Document
23.1	Consent of Deloitte & Touche LLP*
27	Financial Data Schedule (For SEC use only)

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* Filed on the date hereof by Edgar transmission

Office Depot Inc. And Subsidiaries
FINANCIAL HIGHLIGHTS
(In thousands, except per share amounts and statistical data)

	52 WEEKS ENDED DECEMBER 25, 1993	52 Weeks Ended December 26, 1992	52 Weeks Ended December 28, 1991	52 Weeks Ended December 29, 1990	52 Weeks Ended December 30, 1989
STATEMENTS OF EARNINGS DATA:					
Sales	$2,836,787	$1,962,953	$1,497,882	$1,087,455	$ 621,193
Cost of goods sold and occupancy costs	2,185,145	1,512,304	1,152,766	836,714	475,522
Gross profit	651,642	450,649	345,116	250,741	145,671
Store and warehouse operating and selling expenses	423,272	301,743	240,572	174,369	98,058
Pre-opening expenses	9,073	7,453	7,774	8,838	7,782
General and administrative expenses	95,034	69,549	52,076	41,286	29,330
Amortization of goodwill	1,617	49	---	---	---
Operating profit	122,646	71,855	44,694	26,248	10,501
Interest income	4,626	1,393	280	871	3,341
Interest expense	(11,322)	(2,658)	(3,992)	(2,698)	(1,729)
Merger costs	---	---	(8,950)	---	---
Earnings before income taxes and extraordinary credit (1)	115,950	70,590	32,032	24,421	12,113
Income taxes	45,118	25,345	13,246	8,035	4,415
Earnings before extraordinary credit (1)	70,832	45,245	18,786	16,386	7,698
Extraordinary credit (2)	---	1,396	614	1,063	532
Net earnings (1)	$ 70,832	$ 46,641	$ 19,400	$ 17,449	$ 8,230
Per Common Share:					
Earnings before extraordinary credit (1)	$ .48	$ .32	$ .15	$ .14	$ .07
Extraordinary credit (2)	---	.01	--	.01	.01
Net earnings (1)	$ .48	$ .33	$ .15	$ .15	$ .08
Dividends	---	---	---	---	---
STATISTICAL DATA:					
Facilities open at end of period:					
Stores	351	284	228	173	99
Contract stationer/delivery warehouses	23	13	10	10	8

	DECEMBER 25, 1993	December 26, 1992	December 28, 1991	December 29, 1990	December 30, 1989
BALANCE SHEET DATA:					
Working capital	$ 471,114	$ 386,426	$ 203,326	$ 95,817	$ 87,371
Total assets	1,531,092	908,585	607,938	401,135	277,838
Long-term debt (3)	367,602	158,313	9,259	24,889	5,460
Common stockholders' equity	590,284	413,907	331,699	167,301	142,017

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(1) Includes effect of $8,950,000 of merger costs in 1991.
(2) The extraordinary credit represents the benefit derived from the utilization of a net operating loss carryforward. See Note E to Consolidated Financial Statements.
(3) Excludes current maturities.

Office Depot Inc. And Subsidiaries
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

GENERAL

The Company opened its first store in October 1986. Two more stores were opened in 1986 and an additional 12 stores were opened in 1987. The Company continued its expansion program in 1988 and 1989 as part of a strategy to establish itself as a leader in targeted market areas with high concentrations of small- and medium-sized businesses. During 1988, the Company opened 26 stores in California, Colorado, Florida, Georgia, Kentucky, North Carolina, Oregon, Tennessee and Texas, ending the year with 41 stores. During 1989, the Company opened 58 new stores and ended 1989 with 99 stores. During 1990, the Company opened 75 new stores and closed one store ending the year with 173 stores in 27 states. During 1991, the Company opened 57 new stores and closed two stores ending the year with 228 stores. During 1992, the Company achieved its expansion plans by opening 53 new stores and acquiring five stores. The Company also closed two former Club stores, thus ending 1992 with 284 stores in 32 states, the District of Columbia and Canada. During 1993, the Company opened 68 new stores and closed one store, ending the period with 351 stores in 33 states, the District of Columbia and Canada.

In April 1991, a subsidiary of the Company merged with and into The Office Club, Inc. ("Club") and Club became a wholly-owned subsidiary of the Company. The merger was accounted for in 1991 on a "pooling of interests" basis for accounting and financial reporting purposes. Accordingly, financial data in 1991, statistical data, financial statements and discussions of financial and other information included for periods prior to the merger have been restated to reflect the financial position and results of operations as if they had merged as of the beginning of operations in 1986. Office Depot, Inc. and The Office Club, Inc. before the merger will be referred to as "Depot" and "Club," respectively. Also, as a result of the merger with Club, the Company incurred merger costs of $8,950,000 in 1991.

In 1993, the Company acquired two contract stationers with ten warehouses through the acquisitions of Wilson Stationary and Printing Company ("Wilson") and Eastman Office Products Corporation ("Eastman"), both of which were accounted for as purchases. Subsequent to 1993, the Company also acquired the outstanding stock of six contract stationers with eight warehouses; L. E. Muran Co., Inc. and Yorkship Press, Inc. in February 1994, Midwest Carbon Company and Silver's, Inc. in May 1994, and J. A. Kindel Company and Allstate Office Products, Inc. in August 1994. Each of these 1994 acquisitions was accounted for on a "pooling of interests" basis and, accordingly, the accompanying financial data, statistical data, financial statements and discussions of financial and other information included for periods prior to the acquisitions have been restated to reflect the financial position and results of operations of these companies for all periods presented. With the restatement for the 1994 acquisitions, the Company operated 23 delivery and contract stationer warehouses at the end of 1993.

The Company's results are impacted by the costs incurred in connection with its aggressive new store opening schedule. Pre-opening expenses are charged to earnings as incurred. Corporate general and administrative expenses are also incurred in anticipation of store openings. As the Company's store base and sales volume continue to grow, the Company expects that the adverse impact on profitability from new store openings will decrease as expenses incurred prior to store openings continue to represent a declining percentage of total sales.

RESULTS OF OPERATIONS FOR THE YEARS 1993, 1992 AND 1991

Sales. Sales increased to $2,836,787,000 in 1993 from $1,962,953,000 in 1992 and $1,497,882,000 in 1991. Sales in 1993 increased 45% from 1992 sales. The increases in sales were due primarily to 67 additional stores and the aquisitions of Eastman and Wilson in 1993 and 56 additional stores in 1992, including the five Canadian stores acquired. The increases also were attributable to same store sales growth. Comparable store sales in 1993 for the 283 stores open for more than one year at December 25, 1993 increased 26% from 1992. Comparable store sales in 1992 for the 226 stores open for more than one year at December 26, 1992 increased 15% from 1991. Comparable store sales in the future may be affected by competition from other stores, the opening of additional stores in existing markets and economic conditions.

Gross Profit. Gross profit as a percentage of sales, 23.0%, was consistent during 1993, 1992 and 1991. Purchasing efficiencies gained through vendor volume discount programs and leveraging occupancy costs through higher average sales per store were offset by somewhat lower gross margins resulting from an increase in sales of lower margin business machines and computers. The Company's management believes that gross profit as a percentage of sales may fluctuate as a result of the expansion of its contract stationer base, the result of competitive pricing in more market areas, increased occupancy costs in certain new markets and in existing markets where the Company desires to add stores and warehouses in particular locations to complete its market plan, and purchasing efficiencies realized as total merchandise purchases increase.

Store and Warehouse Operating and Selling Expenses. Store and warehouse operating and selling expenses as a percentage of sales were 14.9% in 1993, 15.4% in 1992 and 16.1% in 1991. Store and warehouse operating and selling expenses, consisting primarily of payroll and advertising expenses, have increased in the aggregate due to the Company's expansion program. While the majority of these expenses vary proportionately with sales, there is a fixed cost component to these expenses that, as sales increase within each store and within a cluster of stores in a given market area, should decrease as a percentage of sales. This benefit may not be fully realized, however, during periods when a large number of new stores are being opened, as new stores typically generate lower sales than the average mature store, resulting in higher store operating and selling expenses as a percentage of sales for new stores. This percentage is also affected when the Company enters large metropolitan market areas where the advertising costs for the full market must be absorbed by the small number of stores initially opened. As additional stores in these large markets are opened, advertising costs, which are substantially a fixed expense for a market area, will be reduced as a percentage of sales. The Company has also continued a strategy of opening stores in existing markets. While increasing the number of stores increases operating results in absolute dollars, this also has the effect of increasing expenses as a percentage of sales since the sales of certain existing stores in the market may initially be adversely affected. During 1992 and 1993, the combination of an increase in average sales per store and an increase in the amount of cooperative advertising support received resulted in a decrease in store and warehouse operating and selling expenses as a percentage of sales as compared to prior periods.

Pre-opening Expenses. As a result of continued store openings, pre-opening expenses incurred were $9,073,000 in 1993, $7,453,000 in 1992 and $7,774,000 in 1991. Pre-opening expenses currently are approximately $125,000 per store and are predominantly incurred during a six-week period prior to the store opening. Warehouse pre-opening expenses approximate $100,000, however, these expenses may increase as the Company opens larger warehouses to service the delivery customers. These expenses consist principally of amounts paid for salaries and supplies. Since the Company's policy is to expense these items during the period in which they occur, the amount of pre-opening expenses in each quarter is generally proportional to the number of new stores opened.

General and Administrative Expenses. General and administrative expenses as a percentage of sales were 3.4% in 1993 and 3.5% in 1992 and 1991. General and administrative expenses include, among other costs, site selection expenses and store management training expenses, and therefore vary with the number of new store openings. During 1993, the Company has also increased its commitment to improving the efficiency of its systems and significantly increased its information systems programming staff. While this increases general and administrative expenses in current periods, the Company believes the systems investment will provide benefits in the future. These increases have been partially offset by a decrease in general and administrative expenses as a percentage of sales, primarily as a result of the Company's ability to increase sales without a proportionate increase in corporate expenditures. Additionally, general and administrative expenses have historically been higher in the contract stationers' business than the retail stores. During 1992, the increase in general and administrative expenses as a percentage of sales was primarily attributable to expenses incurred in connection with the newly acquired Canadian operation, expenses related to Hurricane Andrew disaster relief efforts and the beginning of the significant investment in the ongoing program to upgrade the Company's information systems.

Other Income and Expenses. During 1993, 1992 and 1991, interest expense was $11,322,000, $2,658,000, and $3,992,000 respectively. The increase in interest expense is primarily due to additional capitalization in 1992 and 1993. In June 1991, the Company received $40,040,000 as a result of a private placement of 6,435,000 shares of its Common Stock to a subsidiary of Carrefour, a French hypermarket retailer. Also in December 1991, the Company completed a public offering of 10,350,000 shares of Common Stock raising net proceeds of approximately $92 million. In December 1992 and November 1993, the Company completed public offerings of zero coupon, convertible, subordinated debt raising net proceeds of approximately $146 million and $185 million, respectively. As the Company has utilized the funds raised in its public offerings to fund its expansion, interest income has fluctuated. Interest income during 1993, 1992, and 1991 was $4,626,000, $1,393,000, and $280,000, respectively.

Net Earnings. The Company recorded amortization of goodwill of $1,617,000 in 1993 and $49,000 in 1992. The increase in 1993 was attributable to goodwill arising from the acquisition of Wilson in May 1993 and Eastman in September 1993. Goodwill in 1994 will be higher than 1993 reflecting a full year of amortization arising from the Wilson and Eastman acquisitions.

Earnings before income taxes and extraordinary credit were $115,950,000 in 1993, $70,590,000 in 1992, and $32,032,000 in 1991. In 1991, earnings were negatively affected by merger costs of $8,950,000.

The effective income tax rate for 1991 was negatively impacted by certain nondeductible merger costs. The effective income tax rate for 1993 was negatively impacted by the increase in the federal statutory rate and by nondeductible goodwill amortization. Additionally, the effective income tax rate for all years is impacted by the combining of certain acquired companies which had no provision for income taxes because they were organized as S-Corporations (as defined under income tax regulations).

Net earnings were $70,832,000 in 1993, $46,641,000 in 1992, and $19,400,000 in 1991. Net earnings for 1992 and 1991 include extraordinary credits from the utilization of net operating loss carryforwards of $1,396,000 and $614,000, respectively. The increases in net earnings were attributable to the significant increases in sales without commensurate increases in expenses.

LIQUIDITY AND CAPITAL RESOURCES

Since the Company's inception in March 1986, the Company has relied upon equity capital and convertible debt as the primary source of its funds. Shortly after inception, the Company was capitalized with $250,000 and in 1986 and 1987 private placements of Common Stock and Preferred Stock provided $25,704,000 in net proceeds to the Company. Additional net proceeds of $31,932,000 were raised by the Company in public equity offerings in 1988. Net proceeds of $24,070,000, $11,944,000 and $92,386,000 were raised by the Company in subsequent public equity offerings completed in 1989, 1990 and 1991, respectively. The Company also received proceeds of approximately $41,400,000 and $40,040,000 from private placements of its Common Stock with a subsidiary of Carrefour, completed in July 1989 and June 1991, respectively. The Company completed public offerings of zero coupon, convertible, subordinated debt in 1992 and 1993 raising net proceeds of approximately $146,000,000 and $185,000,000, respectively. In the first half of 1994, the Company registered approximately 10.5 million shares of common stock to be used for acquisitions of which approximately 5.7 million shares has been issued in 1994.

Since the Company's store sales are substantially on a cash and carry basis, cash flow generated from operating stores provides a source of liquidity to the Company. Working capital requirements are reduced by vendor credit terms that allow the Company to finance a portion of its inventory. The Company utilizes private label credit card programs administered and financed by financial services companies, which allow the Company to expand store sales without the burden of additional receivables. All credit card receivables sold to the financial service company under one program 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 outstanding balance of such receivables at December 25, 1993 was $39,900,000. The Company has also utilized capital equipment financings to fund working capital requirements.

Sales made from the contract stationer warehouses are made under regular commercial credit terms where the Company carries its own receivables. This contributed to the increase in receivables in 1993 from 1992. As the Company expands into servicing additional large companies in the contract stationer portion of its business, it is expected that a greater portion of the Company's receivables will be carried.

The Company added (net of closures) 67 stores in 1993, 56 stores in 1992, and 55 stores in 1991. As stores mature and become more profitable, and as the number of new stores opened in a year becomes a smaller percentage of the existing store base, cash generated from operations will provide a greater portion of funds required for new store inventories and other working capital requirements, therefore, net cash provided (used) in operating activities was $86,226,000, $(10,291,000), and $(39,288,000) for 1993, 1992 and 1991, respectively. Cash generated from operations will be affected by an increase in receivables carried without outside financing and increases in inventory at the stores as the Company continues to expand its efforts in computers and business machines. Capital expenditures are also affected by the number of stores and warehouses opened or acquired each year and the increase in computer and other equipment at the corporate office required to support such expansion. Cash utilized for capital expenditures was $104,568,000 in 1993, $62,899,000 in 1992 and $54,778,000 in 1991.

The Company opened 71 stores and closed 2 stores in 1994. Management estimates that the Company's cash requirements, exclusive of pre-opening expenses, were approximately $1,200,000 for each additional store. These expenditures include an average of approximately $600,000 for leasehold improvements, fixtures, point-of-sale terminals and other equipment in the stores, as well as approximately $600,000 for the portion of the store inventory that is not financed by vendors. In addition, management estimates that each new store required pre-opening expenses of approximately $125,000. The Company's expansion through 1994 was financed through cash on hand, funds generated from operations, equipment leased under the Company's lease facility and funds borrowed under the Company's revolving credit facility. The Company's financing requirements beyond 1994 will be affected by the number of new stores or warehouses opened or acquired.

During 1993, the Company's cash balance increased by $7,501,000 and long- and short-term debt increased by $203,945,000 (including $161,318,000 assumed in the acquisitions of Eastman and Wilson of which $145,522,000 was paid off in 1993). This increase in cash and debt was primarily attributable to cash provided and debt incurred in the public debt offering, partially offset by payments for fixed assets and inventories for new stores. Additionally, cash of $136,573,000 was utilized in various transactions associated with the acquisition of Eastman and redemption of outstanding Eastman debt (see Note I to Consolidated Financial Statements).

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 credit 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 currently expires in September 1996. As of December 25, 1993, the Company had no outstanding borrowings under the credit facility. 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 has utilized approximately $7,711,000 of this lease facility.

INFLATION AND SEASONALITY

Although the Company cannot accurately determine the precise effects of inflation, it does not believe inflation has a material effect on sales or results of operations. The Company considers its business to be somewhat seasonal with sales generally slightly higher during the first and fourth quarters of each year.

Office Depot Inc. And Subsidiaries
INDEPENDENT AUDITORS' REPORT

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. Our audits also included the financial statement schedules listed in the Index at Item 14(a)2. These financial statements and financial statement schedules 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. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

DELOITTE & TOUCHE LLP

Certified Public Accountants
Fort Lauderdale, Florida
February 8, 1994 (January 10, 1995 as to the effects of the business combinations and stock split described in Note L)

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	$2,836,787	$1,962,953	$1,497,882
Cost of goods sold and occupancy costs	2,185,145	1,512,304	1,152,766
Gross profit	651,642	450,649	345,116
Store and warehouse operating and selling expenses	423,272	301,743	240,572
Pre-opening expenses	9,073	7,453	7,774
General and administrative expenses	95,034	69,549	52,076
Amortization of goodwill	1,617	49	---
	528,996	378,794	300,422
Operating profit	122,646	71,855	44,694
Other income (expense)			
Interest income	4,626	1,393	280
Interest expense	(11,322)	(2,658)	(3,992)
Merger costs	---	---	(8,950)
Earnings before income taxes and extraordinary credit	115,950	70,590	32,032
Income taxes	45,118	25,345	13,246
Earnings before extraordinary credit	70,832	45,245	18,786
Extraordinary credit	---	1,396	614
Net earnings	$ 70,832	$ 46,641	$ 19,400
Earnings per common and common equivalent share			
Earnings before extraordinary credit	$ .48	$ .32	$ .15
Extraordinary credit	---	.01	---
Net earnings	$ .48	$ .33	$ .15

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	$ 142,471	$ 134,970
Receivables, net of allowances of $3,251 in 1993 and $659 in 1992	201,989	93,180
Merchandise inventories	663,147	473,501
Deferred income taxes	26,166	9,348
Prepaid expenses and refundable income taxes	5,069	6,992
Total current assets	1,038,842	717,991
Property and Equipment, at Cost	354,943	232,906
Less accumulated depreciation and amortization	86,777	59,247
	268,166	173,659
Goodwill, net of amortization	200,714	2,227
Other Assets	23,370	14,708
	$1,531,092	$ 908,585
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 412,491	$ 255,563
Accrued expenses	132,691	69,676
Income taxes	13,242	432
Current maturities of long-term debt	9,304	5,894
Total current liabilities	567,728	331,565
Long-Term Debt, less current maturities	17,304	7,233
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 300,000,000 shares of $.01 par value; issued 149,114,196 in 1993 and 142,088,182 in 1992	1,491	1,421
Additional paid-in capital	428,891	320,421
Foreign currency translation adjustment	383	98
Retained earnings	161,269	93,717
Less: 2,163,447 shares of treasury stock, at cost	(1,750)	(1,750)
	590,284	413,907
	$1,531,092	$ 908,585

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	116,314,741	$1,164	$136,570	$ ---	$31,317	$(1,750)
Sale of common stock, net of related costs . .	16,785,000	168	132,258	---	---	---
Exercise of stock options (including tax benefits)	3,193,641	32	13,348	---	---	---
Sale of stock under employee purchase plan . .	39,564	---	225	---	---	---
401k plan matching contributions	58,181	---	359	---	---	---
S-Corporation distribution to stockholders . .	---	---	---	---	(1,392)	---
Net earnings for the period	---	---	---	---	19,400	---
Balance at December 28, 1991	136,391,127	1,364	282,760	---	49,325	(1,750)
Exercise of stock options (including tax benefits)	5,581,980	57	36,513	---	---	---
Sale of stock under employee purchase plan . .	59,898	---	705	---	---	---
401k plan matching contributions	55,177	---	443	---	---	---
S-Corporation distribution to stockholders . .	---	---	---	---	(2,249)	---
Foreign currency translation adjustment	---	---	---	98	---	---
Net earnings for the period	---	---	---	---	46,641	---
Balance at December 26, 1992	142,088,182	1,421	320,421	98	93,717	(1,750)
Issuance of common stock for acquisitions . . .	5,035,401	50	94,647	---	---	
Exercise of stock options (including tax benefits)	1,841,505	18	11,272	---	---	---
Sale of stock under employee purchase plan . .	89,489	1	1,604	---	---	---
401k plan matching contributions	59,619	1	947	---	---	---
S-Corporation distribution to stockholders . .	---	---	---	---	(3,280)	---
Foreign currency translation adjustment	---	---	---	285	---	---
Net earnings for the period			---	---	70,832	---
Balance at December 25, 1993	149,114,196	$1,491	$428,891	$ 383	$161,269	$(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	$ 2,805,053	$ 1,909,402	$ 1,480,081
Cash paid for inventory	(2,130,771)	(1,500,727)	(1,162,121)
Cash paid for store and warehouse operating, selling and general and administrative expenses	(559,440)	(408,528)	(344,409)
Interest received	4,654	1,373	247
Interest paid	(2,595)	(2,637)	(3,959)
Taxes paid	(30,675)	(9,174)	(9,127)
Net cash provided (used) in operating activities	86,226	(10,291)	(39,288)
Cash flows from investing activities			
Capital expenditures - net	(104,568)	(62,899)	(54,778)
Purchase of Eastman common stock	(20,001)	---	---
Acquisition cash overdraft assumed, net	(4,106)	---	---
Net cash used in investing activities	(128,675)	(62,899)	(54,778)
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	192,559	152,170	4,067
Payments on long- and short-term debt	(149,922)	(3,192)	(18,366)
S-Corporation distribution to stockholders	(3,280)	(2,249)	(1,412)
Net cash provided by financing activities	49,950	162,663	123,972
Net increase in cash and cash equivalents	7,501	89,473	29,906
Cash and cash equivalents at beginning of period	134,970	45,497	15,591
Cash and cash equivalents at end of period	$ 142,471	$ 134,970	$ 45,497
Reconciliation of net earnings to net cash provided (used) in operating activities			
Net earnings	$ 70,832	$ 46,641	$ 19,400
Adjustments to reconcile net earnings to net cash provided (used) in operating activities			
Depreciation and amortization	31,762	20,722	16,287
Changes in assets and liabilities (net of effect of the Eastman and Wilson aquisitions)			
Increase in receivables	(50,200)	(33,129)	(21,928)
Increase in merchandise inventories	(151,991)	(122,429)	(107,718)
Increase in prepaid expenses, deferred income taxes and other assets	(15,646)	(16,920)	(9,792)
Increase in accounts payable, accrued expenses and deferred credit	201,469	94,824	64,463
Total adjustments	15,394	(56,932)	(58,688)
Net cash provided (used) in operating activities	$ 86,226	$ (10,291)	$ (39,288)

The accompanying notes are an integral part of these 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. Additionally, all common stock share and per share amounts for all periods presented have been adjusted for a three-for-two stock split effected in the form of a stock dividend which occurred subsequent to the year ended December 25, 1993 (See Note L).

Certain reclassifications were made to prior year statements to conform to current 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 $1,666,000 and $49,000 as of December 25, 1993 and December 26, 1992, respectively. Goodwill will be adjusted for a permanent decline in value, if any, as measured by the recoverability from projected future cash flows from the acquired businesses.

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 38,956,172 shares of the Company's common stock for all of the outstanding stock of Club on a ratio of 1.791 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.

Acquisitions of Contract Stationers

Subsequent to December 25, 1993, the Company acquired six contract stationer companies. These acquisitions were accounted for on a "pooling of interests" basis for accounting and financial reporting purposes, therefore, the financial statements for the periods prior to the acquisitions have been restated to include the financial position, results of operations and cash flows of these companies as if they had been acquired as of the beginning of the earliest period presented. (See Note L)

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 147,640,000, 143,263,000 and 125,967,000, respectively. Stock options and warrants are considered common stock equivalents. The zero coupon, convertible, subordinated notes are not a common stock equivalent 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 fair 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	$ 38,217	$ 19,222
Furniture, fixtures and equipment	139,842	89,283
Automotive equipment	15,837	9,207
Leasehold improvements	144,769	102,295
Equipment under capital lease	16,278	12,899
	354,943	232,906
Less accumulated depreciation and amortization	86,777	59,247
	$ 268,166	$ 173,659

Equipment under capital leases included above 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

Office Depot Inc. And Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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	---
Notes payable interest rates ranging from 7% to 12%, payable on demand	2,274	1,781
Short-term bank borrowings	3,099	3,761
Installment notes, interest rates ranging from 5.9% to 18.7%, payable in monthly installments through April 1998, collateralized by certain telephone equipment and vehicles	5,371	3,327
	26,608	13,127
Less current portion	9,304	5,894
	$ 17,304	$ 7,233

Maturities of long-term debt are as follows:

	DECEMBER 25, 1993
	(IN THOUSANDS)
1994	$ 9,304
1995	2,122
1996	764
1997	689
1998 and after	13,729
	$ 26,608

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 currently 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.

Short-term bank borrowings consisted of a $3,000,000 line of credit arrangement with a bank for one of the contract stationers and various 180 day renewable loans. The line of credit borrowings are subject to limitations based on qualified accounts receivable. The outstanding balance as of December 25, 1993 was $1,101,000. Interest payments are due monthly, at prime plus 1% which was 7% as of December 25, 1993. The 180 day renewable loans accrue interest at rates ranging from prime to prime plus 1% per annum. The balance of these borrowings at December 25, 1993 was $1,998,000.

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 29.263 shares per 1992 LYON and 21.234 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.

Four of the contract stationers acquired in 1994 were organized as S-corporations and therefore did not provide for income taxes prior to their respective acquisitions.

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	$ 40,068	$ 24,152	$ 12,854
State	9,449	3,392	2,909
Deferred (benefit)	(4,399)	(2,199)	(2,517)
Total provision for income taxes	$ 45,118	$ 25,345	$ 13,246

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	3,215	
Excess of tax over book depreciation	---	$3,208
Capitalized leases	---	3,160
Other items	14,435	3,218
	$31,948	$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	$ 438	$ 67
Inventory costs capitalized for tax purposes	(535)	(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	(298)	(61)
Pre-opening costs	---	(358)
Total deferred benefit	$(2,199)	$(2,517)

Office Depot Inc. And Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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	$ 40,583	$ 24,000	$ 10,890
State taxes net of federal benefit	5,748	3,539	1,727
Effect of S-corporation income prior to acquisitions	(1,709)	(1,888)	(1,132)
Nondeductible goodwill amortization	483	---	---
Nondeductible merger costs	---	---	1,700
Other items, net	13	(306)	61
Provision for income taxes	$ 45,118	$ 25,345	$ 13,246

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	$ 96,169
1995	94,493
1996	87,328
1997	81,252
1998	77,436
Thereafter	321,764
	$ 758,442

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 $94,017,000, $74,738,000 and $64,332,000, 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 16,580,313 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 17,050,704 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 3,835,272 shares and 2,350,809 shares were exercisable at December 25, 1993 and December 26, 1992, respectively. No amounts have been charged to income under the plan.

	NUMBER OF SHARES	OPTION PRICE PER SHARE
Outstanding at December 30, 1990	8,946,779	$ .02--- 5.84
Granted	4,826,295	$ 2.10--- 8.72
Canceled	546,917	$ 1.98--- 8.00
Exercised	2,368,836	$ .02--- 5.78
Outstanding at December 28, 1991	10,857,321	$ .02--- 8.72
Granted	2,558,363	$ 8.88---15.28
Canceled	764,532	$ .42---12.94
Exercised	3,914,957	$ .02--- 8.72
Outstanding at December 26, 1992	8,736,195	$ .02---15.28
Granted	2,214,702	$ 13.22---23.84
Canceled	449,628	$ 1.76---17.92
Exercised	1,785,528	$ .30---15.00
Outstanding at December 25, 1993	8,715,741	$ .02---23.84

Other Stock Options

On December 28, 1987, a nonqualified option to purchase 3,149,996 shares of common stock was issued to the Company's chief executive officer. The option with respect to 449,996 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 337,496 shares were also issued to two of the Company's principal officers.

The exercise price on the above described nonqualified options is $.42 per share. Options for 449,996 shares were exercised in February 1988. In 1990, options for 224,996 shares were exercised and options for 112,500 shares were canceled. In 1991, options for 900,000 shares were exercised. In 1992, options for the remaining 1,800,000 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 1,125,000.

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. Retirement savings plans of the acquired companies will be merged into the Office Depot Plan in 1994 and 1995.

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 200,000,000 to 300,000,000 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, 6,435,000 shares of common stock were sold to a subsidiary of Carrefour, a French hypermarket retailer, at a price of $6.22 per share.

On December 24, 1991, the Company completed a public offering of 10,350,000 shares of common stock at $9.33 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 995,821 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 4,039,580 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 of $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	$3,085,923	$2,308,492
Net Earnings Before Extraordinary Credit	69,935	45,294
Net Earnings Before Extraordinary Credit Per Share	.46	.31

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 - SUBSEQUENT EVENTS

In February 1994, the Company issued 2,335,746 shares of common stock in connection with 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. In May 1994, the Company acquired all of the outstanding stock of Midwest Carbon Company ("Midwest"), a Minneapolis based contract stationer, and Silver's Inc. ("Silver's"), a Detroit based contract stationer. The Company issued 1,448,591 shares of common stock in connection with the acquisitions of Midwest and Silver's. Additionally, in August 1994, the Company acquired all the outstanding stock of J. A. Kindel Company, Inc. ("Kindel"), a Cincinnati based contract stationer, and Allstate Office Products, Inc. ("Allstate"), a contract stationer in Tampa. The Company issued 1,916,009 shares of common stock in connection with the acquisitions of Kindel and Allstate. These acquisitions were accounted for on a "pooling of interests" basis and, accordingly, the accompanying financial statements have been restated to include the accounts and operations of these companies for all periods presented.

Following is a summary of the effect of the restatement of the "pooling of interests" basis for previously issued financial statements as of December 25, 1993 and for the fiscal years ended December 25, 1993, December 26, 1992 and December 28, 1991.

OFFICE DEPOT, INC. AND SUBSIDIARIES
COMBINED RESTATED BALANCE SHEET
December 25, 1993
(In thousands)

	Office Depot (as previously reported)	Pooling Adjustments for Acquired Companies	Combined Restated
Accounts receivable, net allowance	$ 165,182	$ 36,807	$ 201,989
Merchandise inventories	643,773	19,374	663,147
Other current assets	169,207	4,499	173,706
Total current assets	978,162	60,680	1,038,842
Property and equipment, net of accumulated depreciation	262,144	6,022	268,166
Goodwill, net of accumulated amortization	200,462	252	200,714
Other assets	23,131	239	23,370
Total assets	$ 1,463,899	$ 67,193	$ 1,531,092
Accounts payable	$ 393,185	$ 19,306	$ 412,491
Other current liabilities	144,020	11,217	155,237
Total current liabilities	537,205	30,523	567,728
Long-term debt	366,527	1,075	367,602
Other non-current liabilities	5,478	---	5,478
Common stockholders' equity	554,689	35,595	590,284
Total liabilities and stockholders' equity	$ 1,463,899	$ 67,193	$ 1,531,092

NOTE L - SUBSEQUENT EVENTS (CONTINUED)

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

	52 Weeks Ended December 25, 1993			52 Weeks Ended December 26, 1992		
	Office Depot (1)	Pooling Adjustment for Acquired Companies	Combined Restated	Office Depot (1)	Pooling Adjustment for Acquired Companies	Combined Restated
Sales	$2,579,494	$257,293	$2,836,787	$1,732,965	$229,988	$1,962,953
Cost of goods sold and occupancy costs	1,996,462	188,683	2,185,145	1,345,295	167,009	1,512,304
Gross profit	583,032	68,610	651,642	387,670	62,979	450,649
Operating expenses	470,470	58,526	528,996	325,461	53,333	378,794
Operating profit	112,562	10,084	122,646	62,209	9,646	71,855
Other income (expense)	(6,042)	(654)	(6,696)	(156)	(1,109)	(1,265)
Earnings before income taxes and extraordinary credit	106,520	9,430	115,950	62,053	8,537	70,590
Income taxes	43,103	2,015	45,118	24,261	1,084	25,345
Earnings before extraordinary credit	63,417	7,415	70,832	37,792	7,453	45,245
Extraordinary credit	---	---	---	1,396	---	1,396
Net earnings	$ 63,417	$ 7,415	$ 70,832	$ 39,188	$ 7,453	$ 46,641
Earnings per common and common equivalent share	$ 0.45		$ 0.48	$ 0.28		$ 0.33
Average common and common equivalent shares	141,941		147,640	137,564		143,263

	52 Weeks Ended December 28, 1991		
	Office Depot (1)	Pooling Adjustment for Acquired Companies	Combined Restated
Sales	$1,300,847	$197,035	$1,497,882
Cost of goods sold and occupancy costs	1,009,059	143,707	1,152,766
Gross profit	291,788	53,328	345,116
Operating expenses	253,731	46,691	300,422
Operating profit	38,057	6,637	44,694
Other income (expense)	(11,185)	(1,477)	(12,662)
Earnings before income taxes and extraordinary credit	26,872	5,160	32,032
Income taxes	12,495	751	13,246
Earnings before extraordinary credit	14,377	4,409	18,786
Extraordinary credit	614	---	614
Net earnings	$ 14,991	$ 4,409	$ 19,400
Earnings per common and common equivalent share	$ 0.12		$ 0.15
Average common and common equivalent shares	120,267		125,966

(1) As previously reported with certain reclassifications.

Office Depot Inc. And Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

NOTE L - SUBSEQUENT EVENTS (CONTINUED)

In June 1994, the Company completed a three-for-two split of the Company's common stock. All historical share and per share information has been restated to reflect the stock split (see Note A).

NOTE M - 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	$ 643,501	$ 587,817	$ 727,018	$ 878,451
Gross profit (a)	146,669	134,866	164,510	205,597
Net earnings	$ 15,675	$ 12,181	$ 19,314	$ 23,662
Net earnings per common share	$ .11	$ .08	$ .13	$ .16
FISCAL YEAR ENDED DECEMBER 26, 1992				
Net sales	$ 488,989	$ 439,282	$ 492,192	$ 542,490
Gross profit (a)	112,644	101,471	112,656	123,878
Earnings before extraordinary item	11,082	8,449	11,943	13,771
Extraordinary item	---	---	---	1,396
Net earnings	$ 11,082	$ 8,449	$ 11,943	$ 15,167
Earnings per common share before extraordinary item	$ .08	$ .06	$ .08	$ .10
Exraordinary item	--	--	--	.01
Net earnings per common share	$ .08	$ .06	$ .08	$ .11

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(a) Gross profit is net of occupancy costs.

SCHEDULE V

OFFICE DEPOT INC. AND SUBSIDIARIES
PROPERTY, PLANT AND EQUIPMENT
(IN THOUSANDS)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
CLASSIFICATIONS	BALANCE AT BEGINNING OF PERIOD	ADDITIONS AT COST	RETIREMENTS	OTHER CHANGES	BALANCE AT END OF PERIOD
Period Ended December 25, 1993					
Land and buildings	$ 19,222	$ 21,133	$(2,138)	$ 0	$ 38,217
Furniture, fixtures and equipment	89,283	52,659	(2,100)	0	139,842
Automotive equipment	9,207	7,358	(728)	0	15,837
Leasehold Improvements	102,295	43,620	(1,146)	0	144,769
Equipment under capital lease	12,899	3,436	(57)	0	16,278
	$232,906	$128,206	$(6,169)	$ 0	$ 354,943
Period Ended December 26, 1992					
Land and buildings	$ 8,574	12,375	$(1,727)	$ 0	$ 19,222
Furniture, fixtures and equipment	68,780	21,367	(864)	0	89,283
Automotive equipment	7,226	2,203	(222)	0	9,207
Leasehold Improvements	76,564	26,736	(1,005)	0	102,295
Equipment under capital lease	12,899	0	0	0	12,899
	$174,043	$ 62,681	$(3,818)	$ 0	$ 232,906
Period Ended December 28, 1991					
Land and buildings	$ 6,574	$ 2,440	$ (440)	$ 0	$ 8,574
Furniture, fixtures and equipment	44,191	25,992	(288)	(1,115)	68,780
Automotive equipment	4,925	1,283	(97)	1,115	7,226
Leasehold Improvements	49,828	27,160	(424)	0	76,564
Equipment under capital lease	12,552	347	$ 0	$ 0	12,899
	$118,070	$ 57,222	$(1,249)	$ 0	$ 174,043

SCHEDULE VI

OFFICE DEPOT INC. AND SUBSIDIARIES
ACCUMULATED DEPRECIATION, DEPLETION AND
AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT
(IN THOUSANDS)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
CLASSIFICATIONS	BALANCE AT BEGINNING OF PERIOD	ADDITIONS AT COST	RETIREMENTS	OTHER CHANGES	BALANCE AT END OF PERIOD
Period Ended December 25, 1993					
Land and buildings	$ 1,158	$ 382	$ (5)	$ 0	$ 1,535
Furniture, fixtures and equipment	29,253	16,491	(934)	0	44,810
Automotive equipment	5,107	2,469	(560)	0	7,016
Leasehold Improvements	15,271	7,491	(451)	0	22,311
Equipment under capital lease	8,458	2,704	(57)	0	11,105
	$59,247	$ 29,537	$ (2,007)	$ 0	$ 86,777
Period Ended December 26, 1992					
Land and buildings	$ 965	$ 214	$ (21)	$ 0	$ 1,158
Furniture, fixtures and equipment	18,319	11,374	(440)	0	29,253
Automotive equipment	3,621	1,669	(183)	0	5,107
Leasehold Improvements	10,126	5,674	(529)	0	15,271
Equipment under capital lease	6,047	2,411	0	0	8,458
	$39,078	$ 21,342	$ (1,173)	$ 0	$ 59,247
Period Ended December 28, 1991					
Land and buildings	$ 831	$ 465	$ 0	$ (331)	$ 965
Furniture, fixtures and equipment	10,745	7,368	(125)	331	18,319
Automotive equipment	1,897	1,736	(12)	0	3,621
Leasehold Improvements	5,863	4,414	(151)	0	10,126
Equipment under capital lease	3,616	2,431	0	0	6,047
	$22,952	$ 16,414	$ (288)	$ 0	$ 39,078

SCHEDULE VIII

OFFICE DEPOT INC. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
(IN THOUSANDS)

COLUMN A	COLUMN B	COLUMN C			
		ADDITIONS			
DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	CHARGED TO COSTS AND EXPENSES	CHARGED TO OTHER ACCOUNTS	DEDUCTIONS WRITE-OFFS	BALANCE AT END OF PERIOD
ALLOWANCES FOR DOUBTFUL ACCOUNTS:					
1993	$659	$1,024	$1,909(1)	$341	$ 3,251
1992	513	555	0	409	659
1991	461	402	0	350	513

(1) ALLOWANCE FOR DOUBFUL ACCOUNTS OF EASTMAN AND WILSON AT THE RESPECTIVE DATES OF ACQUISITION.

SCHEDULE X

OFFICE DEPOT INC. AND SUBSIDIARIES
SUPPLMENTARY INCOME STATEMENT INFORMATION
(IN THOUSANDS)

COLUMN A - ITEM	COLUMN B - CHARGED TO COSTS AND EXPENSES
ADVERTISING COSTS, NET	
1993	$29,020
1992	24,792
1991	29,644

EXHIBIT 23.1

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statements No. 33-26972, No. 33-31743, No. 33-40057, No. 33-40058, and No. 33-40059 of Office Depot, Inc. on Forms S-8 of our report dated February 8, 1994 (January 10, 1995 as to the effects of the business combinations and stock split described in Note L) appearing in this Report on Form 8-K of Office Depot, Inc.

DELOITTE & TOUCHE LLP

Certified Public Accountants
Fort Lauderdale, Florida
January 16, 1995

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
FINANCIAL STATEMENTS OF OFFICE DEPOT, INC. FOR THE YEAR ENDED DECEMBER 28, 1993,
AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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YEAR
DEC-28-1993
DEC-28-1993
142,471
0
205,240
3,251
663,147
1,038,842
354,943
86,777
1,531,092
567,728
367,602
1,491
0
0
588,793
1,531,092
2,836,787
2,836,787
2,185,145
2,617,490
96,651
0
6,696
115,950
45,118
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0
0
0
70,832
.48
0