

OFFICE DEPOT, INC.
RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES

We report our results of operations using measures of financial performance prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). We also disclose other non-GAAP financial measures that we use to assess our returns and capital structure. These measures are used to assist management in making business decisions to maximize stockholders' value and certain of these measures are included as metrics determining variable pay arrangements.

Non-GAAP results are presented where that presentation will afford management and investors an opportunity to make meaningful comparisons to results in prior periods. 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. We have included reconciliations of this information to the most comparable GAAP measures in the tables included within this material.

OFFICE DEPOT, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
NET INCOME (LOSS)
(Dollars in millions, except per share amounts)

| | 13 Weeks Ended June 28, 2014 | 26 Weeks Ended June 28, 2014 |
|---|---------------------------------|---------------------------------|
| Net Income (Loss) | | |
| Net income (loss) | \$ (189) | \$ (298) |
| Add (Less): | | |
| Charges and credits, after tax | 178 | 325 |
| Grupo OfficeMax | (1) | (2) |
| Adjusted net income (loss) | <u>\$ (12)</u> | <u>\$ 25</u> |
| Less: Results attributable to the noncontrolling interests | 1 | 2 |
| Add: | | |
| Grupo OfficeMax | (1) | (2) |
| Adjusted net income (loss) available to common shareholders | <u>\$ (12)</u> | <u>\$ 25</u> |
| Weighted average shares used: | | |
| Basic | 535 | 532 |
| Diluted | 535 | 540 |
| EPS (most dilutive) - GAAP | \$ (0.36) | \$ (0.56) |
| Charges and credits, after tax | 0.34 | (0.61) |
| Adjusted EPS (most dilutive) | <u>\$ (0.02)</u> | <u>\$ 0.05</u> |
| <u>Charges/Credits</u> | | |
| Merger-related expenses | \$ 92 | \$ 188 |
| Restructuring and other expenses | 11 | 16 |
| Asset impairments | 22 | 72 |
| Legal accrual | 80 | 80 |
| Net impact on operating income (loss) | <u>205</u> | <u>356</u> |
| Interest expense, net | (9) | (9) |
| Other income (expense), net | 3 | 4 |
| Tax expense (benefit) | (21) | (26) |
| Net impact on income (loss) attributable to common stockholders | <u>\$ 178</u> | <u>\$ 325</u> |

OFFICE DEPOT, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
OPERATING INCOME (LOSS)
(Dollars in millions)

| | <u>13 Weeks Ended</u> <u>June 28, 2014</u> | <u>26 Weeks Ended</u> <u>June 28, 2014</u> |
|---|---|---|
| Operating Income (Loss) | | |
| Operating income (loss) | \$ (185) | \$ (263) |
| Add: | | |
| Charges and credits, pretax | 205 | 356 |
| Grupo OfficeMax | (2) | (8) |
| Adjusted operating income (loss) | <u>\$ 18</u> | <u>\$ 85</u> |
| Sales | \$ 3,841 | \$ 8,194 |
| Less: | | |
| Grupo OfficeMax | (59) | (127) |
| Adjusted sales | <u>\$ 3,782</u> | <u>\$ 8,067</u> |
| Operating income (loss) margin | -4.8% | -3.2% |
| Adjusted operating income (loss) margin | 0.5% | 1.1% |

OFFICE DEPOT, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
NET (DEBT) CASH
(Dollars in millions)

| | June 28, 2014 | |
|--|----------------------|-------|
| Cash and cash equivalents | \$ | 768 |
| Short-term borrowings and current maturities of long-term debt | | (29) |
| Long-term debt, net of current maturities | | (685) |
| Net (debt) cash | \$ | 54 |
| Timber notes receivable | \$ | 935 |
| Non-recourse debt | \$ | 849 |

The Timber notes receivable and Non-recourse debt mature in 2020 and 2019, respectively. Both amounts were recoded at fair value on the date of the Merger with OfficeMax.

OFFICE DEPOT, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
FREE CASH FLOW
(Dollars in millions)

We define free cash flow as net cash provided by (used in) operating activities less capital expenditures. We believe that reporting free cash flow is useful to management and investors because it relates operating cash flow to the capital that is spent to continue and improve our existing businesses. Further, free cash flow facilitates management's ability to strengthen our balance sheet, repay our debt obligations and consider investment alternatives. Free cash flow is not a measure of financial performance under generally accepted accounting principles in the U.S. and may not be defined and calculated by other companies in the same manner. Free cash flow does not represent the residual cash flow available for discretionary expenditures as it does not incorporate certain cash payments, including payments made on capital lease obligations, scheduled debt repayments or other firm commitments and payments. Free cash flow should not be considered in isolation or as an alternative to cash flow provided by operating activities as an indicator of performance.

| | 13 Weeks Ended June 28, 2014 | 26 Weeks Ended June 28, 2014 |
|--|---|---|
| Cash Flow Summary | | |
| Net cash provided by (used in) operating activities* | \$ (89) | \$ (162) |
| Net cash provided by (used in) investing activities | (6) | (15) |
| Net cash provided by (used in) financing activities | (11) | (9) |
| Effect of exchange rate changes on cash and cash equivalents | 3 | 3 |
| Impact of change in cash and cash equivalents included in assets of consolidated joint venture held for sale | 1 | 3 |
| Net increase (decrease) in cash and cash equivalents | <u>\$ (102)</u> | <u>\$ (180)</u> |
| Free Cash Flow | | |
| Net cash provided by (used in) operating activities* | \$ (89) | \$ (162) |
| Less: Capital expenditures | 27 | 66 |
| Free Cash Flow* | <u>\$ (116)</u> | <u>\$ (228)</u> |

* Includes approximately \$73 million and \$152 million use of cash associated to activities related to Merger and integration in the second quarter and first half of 2014, respectively.

OFFICE DEPOT, INC
STATEMENT OF OPERATIONS ISOLATING CERTAIN IMPACTS
(In millions, except per share amounts)
(Unaudited)

| | Q2 2014 | | | |
|--|-------------|-----------------|-----------------|--------------|
| | As reported | Charges/Credits | Grupo OfficeMax | As adjusted* |
| Sales | \$ 3,841 | \$ - | \$ 59 | \$ 3,782 |
| Cost of goods sold and occupancy costs | 2,958 | - | 43 | 2,915 |
| Gross profit | 883 | - | 16 | 867 |
| Selling, general, and administrative expenses | 863 | - | 14 | 849 |
| Asset impairments | 22 | 22 | - | - |
| Merger, restructuring and other operating expenses, net | 103 | 103 | - | - |
| Legal accrual | 80 | 80 | - | - |
| Operating income (loss) | (185) | (205) | 2 | 18 |
| Other income (expense): | | | | |
| Interest expense, net | (10) | 9 | - | (19) |
| Other income (expense), net | (2) | (3) | - | 1 |
| Income (loss) before income taxes | (197) | (199) | 2 | - |
| Income tax expense (benefit) | (8) | (21) | 1 | 12 |
| Net income (loss) | (189) | (178) | 1 | (12) |
| Less: Results attributable to the noncontrolling interests | 1 | - | 1 | - |
| Income (loss) available to common stockholders | \$ (190) | \$ (178) | \$ - | \$ (12) |
| Earnings (loss) per share (most dilutive) | \$ (0.36) | \$ 0.34 | \$ - | \$ (0.02) |

See discussion of charges and credits in our Form 10-K and Forms 10-Q filed with the US Securities and Exchange Commission.

* As adjusted amounts are non-GAAP financial measures. These measures are presented to provide management and other users an opportunity to make meaningful assessments and comparisons of results from total operations (GAAP) and results after isolating Charges/Credits that are not indicative our core operations (non-GAAP). Such Charges/Credits may include but not be limited to charges and credits related to merger integration, restructuring, significant asset impairments, significant litigation accruals, the related tax impacts of such items and significant tax settlements. Additionally, because of the pending sale of Grupo OfficeMax, their results have been removed to provide a measure without their contribution by line item to assist with evaluating future performance. These adjustments may be used for variable pay considerations. The presentation of non-GAAP information is not intended to suggest that such information is superior to the presentation of GAAP information, but only to provide information and assist the reader.

OFFICE DEPOT, INC
STATEMENT OF OPERATIONS ISOLATING CERTAIN IMPACTS
(In millions, except per share amounts)
(Unaudited)

| | YTD Q2 2014 | | | |
|--|-----------------|-----------------|-----------------|--------------|
| | As reported | Charges/Credits | Grupo OfficeMax | As adjusted* |
| Sales | \$ 8,194 | \$ - | \$ 127 | \$ 8,067 |
| Cost of goods sold and occupancy costs | 6,296 | - | 94 | 6,202 |
| Gross profit | 1,898 | - | 33 | 1,865 |
| Selling, general, and administrative expenses | 1,805 | - | 25 | 1,780 |
| Asset impairments | 72 | 72 | - | - |
| Merger, restructuring and other operating expenses, net | 204 | 204 | - | - |
| Legal accrual | 80 | 80 | - | - |
| Operating income (loss) | (263) | (356) | 8 | 85 |
| Other income (expense): | | | | |
| Interest expense, net | (29) | 9 | (1) | (37) |
| Other income (expense), net | (2) | (4) | (1) | 3 |
| Income (loss) before income taxes | (294) | (351) | 6 | 51 |
| Income tax expense (benefit) | 4 | (26) | 4 | 26 |
| Net income (loss) | (298) | (325) | 2 | 25 |
| Less: Results attributable to the noncontrolling interests | 2 | - | 2 | - |
| Income (loss) available to common stockholders | <u>\$ (300)</u> | <u>\$ (325)</u> | <u>\$ -</u> | <u>\$ 25</u> |
| Earnings (loss) per share (most dilutive) | \$ (0.56) | \$ (0.61) | \$ - | \$ 0.05 |

See discussion of charges and credits in our Form 10-K and Forms 10-Q filed with the US Securities and Exchange Commission.

* As adjusted amounts are non-GAAP financial measures. These measures are presented to provide management and other users an opportunity to make meaningful assessments and comparisons of results from total operations (GAAP) and results after isolating Charges/Credits that are not indicative our core operations (non-GAAP). Such Charges/Credits may include but not be limited to charges and credits related to merger integration, restructuring, significant asset impairments, significant litigation accruals, the related tax impacts of such items and significant tax settlements. Additionally, because of the pending sale of Grupo OfficeMax, their results have been removed to provide a measure without their contribution by line item to assist with evaluating future performance. These adjustments may be used for variable pay considerations. The presentation of non-GAAP information is not intended to suggest that such information is superior to the presentation of GAAP information, but only to provide information and assist the reader.

OFFICE DEPOT, INC
PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS RECONCILIATION
(Dollars in millions)
(Unaudited)

The schedule below provides a reconciliation of the Consolidated Statements of Operations of Office Depot, Inc. and OfficeMax Incorporated as filed in Forms 10Q for the quarterly period ended June 29, 2013 to the Pro Forma Consolidated Statement of Operations filed in Form 8-K on August 5, 2014. The Pro Forma shows the Consolidated Statements of Operations as if the merger had occurred at the beginning of 2013. Pro Forma adjustments include: (i) certain non-GAAP adjustments for each of the merged companies, which were disclosed by each of the companies prior to the merger; (ii) adjustments for removal of the results of operations related to Grupo OfficeMax, which is pending sale; (iii) accounting policy harmonization and purchase accounting impacts associated with the merger - the pro forma adjustments for these items are similar to those included in pro forma material included in the Company's S-4 filings, as amended, relating to the merger; however, no pro forma material was required in those filings for the second quarter of 2013. Refer to comments below for further details. Such non-GAAP pro forma statement of operations is intended to provide a measure of core ongoing operations and is not intended to represent a measure of performance superior to what would be recognized in accordance with accounting principles generally accepted in the United States (US GAAP). Because of the inherent difficulties in presenting a pro forma period as if the two companies had combined at the beginning of fiscal year 2013, amounts are presented only as a tool to assess future performance. For example, these pro forma amounts do not include costs to be incurred to effect the combining of the companies, including but not limited to additional asset impairments, severance costs, facility closure costs, professional fees and other costs, nor do they include projected benefits to be achieved through synergies.

| | Q2 2013 | | | | | | Combined Company Pro Forma*** | <u>Pro Forma Adjustments</u> <u>Comments</u> |
|--|--------------------------------|--------------------------|---|---|--------------------------------------|--------------------------|-------------------------------------|--|
| | Historical Office Depot* | Historical OfficeMax* | Historical Office Depot Charges/Credits** | Historical OfficeMax Charges/Credits* | Less: Grupo OfficeMax (Mexico) | Pro Forma Adjustments | | |
| Sales | \$ 2,419 | \$ 1,533 | \$ - | \$ - | \$ (65) | \$ (9) | \$ 3,878 | Conforming accounting policies and purchase accounting adjustments |
| Cost of goods sold and occupancy costs | 1,873 | 1,146 | - | - | (49) | 24 | 2,994 | Primarily conforming accounting policies, partially offset by purchase accounting adjustments for inventory, fair value of assets. |
| Gross profit | 546 | 387 | - | - | (16) | (33) | 884 | |
| Operating and selling expenses | 419 | | | | | | | Combined in Q4 2013 to report Selling General and Administrative expenses |
| General and administrative expenses | 151 | | | | | | | Combined in Q4 2013 to report Selling General and Administrative expenses |
| Selling, general, and administrative expenses | 570 | 377 | (10) | - | (14) | (33) | 890 | Primarily conforming accounting policies, partially offset by purchase accounting adjustments for fair value of long-term assets, pension, lease, stock comp |
| Asset impairments | 4 | - | (4) | - | - | - | - | Office Depot non-GAAP elimination of asset impairments |
| Merger, restructuring and other operating expenses, net | 17 | 12 | (17) | (12) | - | - | - | Office Depot and OfficeMax non-GAAP elimination of merger and restructuring expenses, Boise investment gain |
| Operating income (loss) | (45) | (1) | 31 | 12 | (2) | (1) | (6) | |
| Other income (expense): | | | | | | | | |
| Interest expense, net | (17) | (6) | - | - | - | 2 | (21) | Net purchase accounting adjustments for Non-recourse debt, Timber Notes, and deferred financing costs |
| Other income (expense), net | 8 | (1) | (1) | - | 1 | (7) | - | Elimination of Office Depot's results from the investment in Office Depot de Mexico |
| Income (loss) before income taxes | (55) | (7) | 30 | 12 | (1) | (7) | (28) | |
| Income tax expense (benefit) | - | 2 | (7) | - | - | (4) | (9) | Tax impact |
| Net income (loss) | (54) | (9) | 37 | 12 | (1) | (3) | (18) | |
| Less: Results attributable to the noncontrolling interests | - | (1) | - | - | 1 | - | - | |
| Net income (loss) attributable to Office Depot, Inc. | (54) | (10) | 37 | 12 | - | (3) | (18) | |
| Preferred stock dividends ** | 10 | 1 | - | - | - | (11) | - | Elimination of preferred stock dividends due to redemption in connection with the merger |
| Income (loss) available to common stockholders | <u>\$ (64)</u> | <u>\$ (10)</u> | <u>\$ 37</u> | <u>\$ 12</u> | <u>\$ -</u> | <u>\$ 7</u> | <u>\$ (18)</u> | |

* Condensed Consolidated Statement of Operations as filed with the U.S. Securities and Exchange Commission in Office Depot, Inc. and OfficeMax Incorporated Forms 10Q for the quarterly period ended June 29, 2013

** Non-GAAP adjustments for the quarterly period ended on June 29, 2013, as disclosed at Office Depot's Investor Center at officedepot.com.

*** Pro Forma as filed with the U.S. Securities and Exchange Commission in Form 8-K on August 5, 2014

OFFICE DEPOT, INC
PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS RECONCILIATION
(Dollars in millions)
(Unaudited)

The schedule below provides a reconciliation of the Consolidated Statements of Operations of Office Depot, Inc. and OfficeMax Incorporated as filed in Forms 10Q for the quarterly period ended June 29, 2013 to the Pro Forma Consolidated Statement of Operations filed in Form 8-K on August 5, 2014. The Pro Forma shows the Consolidated Statements of Operations as if the merger had occurred at the beginning of 2013. Pro Forma adjustments include: (i) certain non-GAAP adjustments for each of the merged companies, which were disclosed by each of the companies prior to the merger; (ii) adjustments for removal of the results of operations related to Grupo OfficeMax, which is pending sale; (iii) accounting policy harmonization and purchase accounting impacts associated with the merger - the pro forma adjustments for these items are similar to those included in pro forma material included in the Company's S-4 filings, as amended, relating to the merger; however, no pro forma material was required in those filings for the second quarter of 2013. Refer to comments below for further details. Such non-GAAP pro forma statement of operations is intended to provide a measure of core ongoing operations and is not intended to represent a measure of performance superior to what would be recognized in accordance with accounting principles generally accepted in the United States (US GAAP). Because of the inherent difficulties in presenting a pro forma period as if the two companies had combined at the beginning of fiscal year 2013, amounts are presented only as a tool to assess future performance. For example, these pro forma amounts do not include costs to be incurred to effect the combining of the companies, including but not limited to additional asset impairments, severance costs, facility closure costs, professional fees and other costs, nor do they include projected benefits to be achieved through synergies.

| | YTD Q2 2013 | | | | | | Combined Company Pro Forma*** | Pro Forma Adjustments Comments |
|--|--------------------------------|--------------------------|---|---|--------------------------------------|--------------------------|-------------------------------------|--|
| | Historical Office Depot* | Historical OfficeMax* | Historical Office Depot Charges/Credits** | Historical OfficeMax Charges/Credits* | Less: Grupo OfficeMax (Mexico) | Pro Forma Adjustments | | |
| Sales | \$ 5,137 | \$ 3,300 | \$ - | \$ - | \$ (136) | \$ (11) | \$ 8,290 | Conforming accounting policies and purchase accounting adjustments |
| Cost of goods sold and occupancy costs | 3,931 | 2,453 | - | - | (105) | 67 | 6,346 | Primarily conforming accounting policies, partially offset by purchase accounting adjustments for inventory, fair value of assets. |
| Gross profit | 1,206 | 846 | - | - | (31) | (77) | 1,944 | |
| Operating and selling expenses | 890 | | | | | | | Combined in Q4 2013 to report Selling General and Administrative expenses |
| General and administrative expenses | 310 | | | | | | | Combined in Q4 2013 to report Selling General and Administrative expenses |
| Selling, general, and administrative expenses | 1,199 | 812 | (14) | 1 | (26) | (73) | 1,899 | Conforming accounting policies, partially offset by purchase accounting adjustments for fair value of long-term assets, pension, lease, stock comp |
| Asset impairments | 10 | - | (10) | - | - | - | - | Office Depot non-GAAP elimination of asset impairments |
| Merger, restructuring and other operating expenses, net | 32 | (67) | (32) | 67 | - | - | - | Office Depot and OfficeMax non-GAAP elimination of merger and restructuring expenses, Boise investment gain, and Boise dividends |
| Operating income (loss) | (35) | 101 | 56 | (68) | (5) | (4) | 45 | |
| Other income (expense): | | | | | | | | |
| Interest expense, net | (33) | (12) | - | - | 1 | 3 | (41) | Net purchase accounting adjustments for Non-recourse debt, Timber Notes, and deferred financing costs |
| Other income (expense), net | 13 | - | (1) | - | 1 | (13) | - | Elimination of Office Depot's results from the investment in Office Depot de Mexico |
| Income (loss) before income taxes | (55) | 89 | 55 | (68) | (3) | (14) | 4 | |
| Income tax expense (benefit) | 6 | 40 | - | (34) | 1 | (8) | 5 | Tax impact |
| Net income (loss) | (61) | 49 | 55 | (34) | (2) | (8) | (1) | |
| Less: Results attributable to the noncontrolling interests | - | (1) | - | - | 1 | - | - | |
| Net income (loss) attributable to Office Depot, Inc. | (61) | 47 | 55 | (34) | (1) | (7) | (1) | |
| Preferred stock dividends ** | 20 | 1 | - | - | - | (21) | - | Elimination of preferred stock dividends due to redemption in connection with the merger |
| Income (loss) available to common stockholders | \$ (81) | \$ 46 | \$ 55 | \$ (34) | \$ (1) | \$ 14 | \$ (1) | |

* Condensed Consolidated Statement of Operations as filed with the U.S. Securities and Exchange Commission in Office Depot, Inc. and OfficeMax Incorporated Forms 10Q for the quarterly period ended June 29, 2013

** Non-GAAP adjustments for the quarterly period ended on June 29, 2013, as disclosed at Office Depot's Investor Center at officedepot.com.

*** Pro Forma as filed with the U.S. Securities and Exchange Commission in Form 8-K on August 5, 2014