

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report September 5, 2001

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)

(561) 438-4800

(Registrant's telephone number, including area code)

Former name or former address, if changed since last report: N/A

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

- 99.1 Outline of CEO's Remarks to be made to analyst conferences on  
September 5 and 6, 2001.

ITEM 9. ITEMS FURNISHED PURSUANT TO REGULATION FD

On September 5, 2001, Office Depot Inc.'s Chief Executive Officer, Bruce Nelson, is making a presentation to securities analysts at the Prudential Back To School Conference and on September 6, 2001, Mr. Nelson is making a presentation to securities analysts at the Goldman Sachs Global Retailing Conference. Attached to this Form 8-K as Exhibit 99.1 is a copy of the outline of Mr. Nelson's remarks to be made at these conferences.

SIGNATURE

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.

Date: September 5, 2001

By: /S/ DAVID C. FANNIN

David C. Fannin  
Executive Vice President and  
General Counsel

FORWARD - LOOKING STATEMENTS

You should be aware that except for historical information, the matters discussed herein are forward-looking statements within the meaning of the private securities litigation reform act, as amended. Forward-looking statements, including projections and anticipated levels of future performance, involve risks and uncertainties which may cause actual results to differ materially from those discussed herein. You are urged to review our filings with the SEC and our press releases from time to time for details of these risks and uncertainties.

OFFICE DEPOT

- o Global, multi-channel supplier of business products and services
- o 829 office supply stores in North America
- o Nationwide full service contract stationer business
- o Leading direct marketer in U.S., Europe and Australia
- o Industry leader in e-commerce sales

WHY INVEST IN ODP?

- o Size leader in stable, growing industry
- o More than a big box North American retailer
- o Undisputed e-commerce leadership
- o Profitable international growth platform
- o Improving performance

WHY INVEST IN ODP?

Stable, Growing U.S. Industry

- o Market size estimated to be approximately \$200 billion
- o Market growing faster than GDP
- o More rational competitive behavior o Still room for more retail stores (market by market)
- o Market share gains still possible in delivery

WHY INVEST IN ODP?

Stable, Growing Industry Internationally

- o Market size estimated to be larger than the U.S.
- o Market growing faster than GDP
- o More fragmented than the U.S.
- o ODP/Viking leadership positions in catalog, delivery and the Internet
- o Leading position in French retail office supply market

WHY INVEST IN ODP?

More Than Just a Retailer...

- o Revenue (1997-2000) 3-Year CAGR
  - o Retail: 11%
  - o BSG: 13%
  - o International: 18%
  - o International (local): 24%
- o 1997 Revenues (% of Total)
  - o North American Retail: 58%
  - o BSG: 31%
  - o International Division: 11%
- o 2001 Company Estimated Revenues (% of Total)
  - o North American Retail: 53%
  - o BSG: 33%
  - o International Division: 14%
  - o Worldwide e-commerce (consolidated within BSG and International segments): 13%

#### WHY INVEST IN ODP?

##### More Than Just a Retailer...

- o 1997 Operating Profit (% of Total)
  - o North American Retail: 56%
  - o BSG: 28%
  - o International Division: 16%
- o 2001 Company Estimated Operating Profit (% of Total)
  - o North American Retail: 41%
  - o BSG: 34%
  - o International Division: 25%

#### WHY INVEST IN ODP?

##### More Than Just a Retailer...

- o Office Depot sells more office products to more customers, in more countries around the world than anyone else
- o Touch customers of all sizes through different channels and brands around the world
- o Highly targeted to each country, channel and customer
- o Highly synergistic across channels
  - Leverage "bricks and clicks"

#### WHY INVEST IN ODP?

##### E-commerce Leadership

- o Thirteen distinct Web sites in eight countries around the world
- o \$982 million in worldwide revenues in 2000
- o Profitable
- o Fully integrated across systems/delivery networks
- o Acquisition of 4Sure.com
  - New business model
- o Award winning
- o Highly targeted to customers needs

WHY INVEST IN ODP?

Global Reach

	STORES -----	WAREHOUSES -----
USA	795	25
AUSTRALIA	-	3
BELGIUM	-	1
CANADA	34	-
FRANCE	27	2
GERMANY	-	2
HUNGARY(2)	3	-
IRELAND	-	1
ISRAEL(1)	22	1
ITALY	-	1
JAPAN	7	2
MEXICO(1)	55	2
THE NETHERLANDS	-	1
POLAND(2)	16	-
THAILAND(2)	2	-
UNITED KINGDOM	-	3

- (1) Joint Venture
- (2) License agreement

WHY INVEST IN ODP?

Profitable International Growth Platform

- o Think global, act local
  - o Clear differentiation from SPLS and OMX
  - o Consistent growth in sales and operating profit
  - o International Sales:
    - 1998: \$1.1 billion
    - 1999: \$1.3 billion
    - 2000: \$1.5 billion
    - 2001 Goldman Sachs Estimate: \$1.6 billion
  - o International Operating Profit:
    - 1998: \$147 million
    - 1999: \$163 million
    - 2000: \$179 million
    - 2001 Goldman Sachs Estimate: \$223 million
- 3-Year CAGR (US\$): Sales: 18%; Operating Profit: 16%

WHY INVEST IN ODP?

Improving Performance

- o Sequential improvement in retail comps
- o Gross margins increasing across all channels
- o Operating costs essentially flat to last year
- o Improving returns on capital
- o Free cash flow growing
- o Solid balance sheet

Stock price rising, still under valued

WHY INVEST IN ODP?

Improving Performance

Retail Comps:

- 1st Qtr: -10%
- 2nd Qtr: -9%
- 3rd Qtr Estimate: -4% to -6%

Gross Margins\*:

- 4th Qtr: 26%
- 1st Qtr: 27%
- 2nd Qtr: 29%

(\* Excludes one-time charges and credits.)

Operating Margin:

- 4th Qtr: 6%
- 1st Qtr: 7%
- 2nd Qtr: 8%

Free Operating Cash Flow\*\*:

- 1998: \$446 million
- 1999: (\$23) million
- 2000: 49 million
- 2001 Estimate: \$250 million

(\*\* Free operating cash flow = funds from operations minus capital expenditures.)

MORE THAN JUST A RETAILER,  
BUT....

WHY INVEST IN ODP?

North American Retail

- o To Shop
- o To Work
- o To Invest

NORTH AMERICAN RETAIL

Compelling Place to Shop

- o Re-engineered real estate strategy
- o "Show-time"
- o Re-merchandising
- o New store prototype
- o Customer Service Index (CSI)

NORTH AMERICAN RETAIL

Real Estate

- o Open 45-50 stores per year
  - Existing markets
  - New smaller markets
- o Dramatically improved site selection process
- o Minimum return on capital requirements
- o Opportunity to evaluate almost 300 lease renewals over the next five years
  - Renew/remodel/new prototype
  - Relocate
  - Close



#### NORTH AMERICAN RETAIL

##### Re-merchandising

- o Improved signage
  - Overhead signage
  - End caps signage
  - Aisle markers
- o More self service
  - Enhanced sales tools
- o Enhanced lighting

#### NORTH AMERICAN RETAIL

##### Compelling Place to Work

- o Employee retention is rising
  - Turnover declining
- o Focused on "task reductions"
- o Instituted new informational tools
  - Store portal
- o Improved training
- o "CEO" of your store

#### NORTH AMERICAN RETAIL

##### Compelling Place to Invest

- o Focused on top line growth
  - Customer service
  - Driving market baskets and average transaction size
- o Cost management programs in place
  - Testing new payroll models
- o Investing for the future
  - Internet access points
  - New prototype

#### WHY INVEST IN ODP?

##### North American Business Services Group

- o Market share gains still possible
- o Fully integrated systems/delivery network
- o Focused on driving efficiency and productivity in our warehouses

- o Focus on fully allocated customer profitability
- o Customer service metrics at an all-time high
- o Operating metrics substantially improving

#### WHY INVEST IN ODP?

##### International

- o Low risk, high return approach to entering and developing new markets
  - Enter new markets and countries with higher margin catalog business, typically Viking
  - Leverage existing platforms to open new delivery channels
  - Highly selective retail strategy
- o Using a disproportionate share of total CAPEX to expand internationally

#### FRENCH RETAIL OVERVIEW

- o 27 Retail stores
- o Profitable on four wall basis within 10-14 months of opening
- o Comparable store sales in France exceeded 30% in 2000
- o Aggressive expansion plans (15-25 stores per year)
- o Estimated 175 total superstore market potential in France
  - - Less than 25 other

#### JAPANESE OVERVIEW

- o Japan is the second largest office supplies market in world
  - - Highly fragmented
- o 7 Retail stores in Tokyo market area
- o Still refining retail and catalog model
- o Not yet profitable on four wall basis, but declining losses

WHY INVEST IN ODP?

Strong LT Growth Opportunities

NA Retail (mid-high single digits)

- o Comp store growth (2-4%)

- o New store growth

NA Delivery (high single/low double digits)

- o Contract

- o E-commerce

International (mid-high teens \$)

- o New channels

- o New countries

- o Acquisitions

WHY INVEST IN ODP?

Company Wide Cost Management Programs

- o Restructured, more accountable organization

- o New measurement tools

- o Re-engineering processes to drive productivity and enhance customer service

- o Moving processes to the Internet at a fast pace

WHY INVEST IN ODP?

Focus on Financial Strategies/Goals

- o Earnings growth

- o Cash flow

- o Capital expenditures

- o RONA

- o ROE

## FINANCIAL OVERVIEW

### Return on Net Assets:

1998: 7%  
1999: 7%  
2000: 1%  
2001E(1): 5%

### Return on Equity(2):

1998: 17%  
1999: 16%  
2000: 12%  
2001E(3): 18%

### Capital Expenditures:

1998: \$233 million  
1999: \$392 million  
2000: \$268 million  
2001E: \$250 million

## INVESTMENT HIGHLIGHTS

- o Stable industry
- o Multi-channel
- o Global
- o Growth opportunities
- o Improvement in retail
- o Cost management
- o Solid focus on financial goals

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- 1 Annualized from 2Q01
- 2 Excluding one-time charges and credits
- 3 Source: Goldman Sachs