UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

|X| Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 23, 2000

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from ________________ to ________________

Commission file number 1-10948

OFFICE DEPOT, INC.
(Exact name of registrant as specified in its charter)

Delaware	59-2663954
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

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

(561) 438-4800
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

The registrant had 297,948,899 shares of common stock outstanding as of October 20, 2000.

ITEM 1 FINANCIAL STATEMENTS

OFFICE DEPOT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	AS OF SEPTEMBER 23, 2000 (UNAUDITED)	AS OF DECEMBER 25, 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 225,683	$ 218,784
Receivables, net	852,094	849,478
Merchandise inventories, net	1,390,245	1,436,879
Deferred income taxes and other current assets	128,963	125,911
Total current assets	2,596,985	2,631,052
Property and equipment, net	1,181,697	1,145,628
Goodwill, net	232,933	240,166
Other assets	183,716	259,337
	$ 4,195,331	$ 4,276,183
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	1,242,767	$ 1,239,301
Accrued expenses and other current liabilities	444,902	414,690
Income taxes payable	44,199	39,588
Current maturities of long-term debt	258,576	250,466
Total current liabilities	1,990,444	1,944,045
Deferred income taxes and other credits	87,981	103,319
Long-term debt, net of current maturities	344,821	321,099
Commitments and contingencies		
Stockholders' equity:		
Common stock - authorized 800,000,000 shares of $.01 par value; issued 378,021,775 in 2000 and 376,212,439 in 1999	3,780	3,762
Additional paid-in capital	939,993	926,295
Unamortized value of long-term incentive stock grants	(2,813)	(4,065)
Accumulated other comprehensive income	(72,090)	15,730
Retained earnings	1,684,954	1,467,359
Treasury stock, at cost - 79,125,319 shares in 2000 and 46,770,272 shares in 1999	(781,739)	(501,361)
	1,772,085	1,907,720
	$ 4,195,331	$ 4,276,183

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS.

OFFICE DEPOT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

	13 WEEKS ENDED		39 WEEKS ENDED	
	SEPTEMBER 23, 2000	SEPTEMBER 25, 1999	SEPTEMBER 23, 2000	SEPTEMBER 25, 1999
Sales	$ 2,820,735	$ 2,578,500	$ 8,514,836	$ 7,544,387
Cost of goods sold and occupancy costs	2,087,769	1,928,508	6,197,117	5,487,312
Gross profit	732,966	649,992	2,317,719	2,057,075
Store and warehouse operating and selling expenses	546,944	481,954	1,648,278	1,406,833
Pre-opening expenses	2,823	5,007	8,630	16,709
General and administrative expenses	137,243	106,129	358,645	285,559
Merger and restructuring costs	(3,177)	8,955	1,204	24,434
Store closure and relocation costs	--	46,438	--	46,438
Operating profit	49,133	1,509	300,962	277,102
Other income (expense):				
Interest income	2,666	8,654	9,551	27,076
Interest expense	(9,318)	(6,505)	(23,584)	(19,556)
Miscellaneous income (expense), net	39,310	(461)	59,899	(4,106)
Earnings before income taxes	81,791	3,197	346,828	280,516
Income taxes	31,169	4,270	129,233	106,897
Net earnings (loss)	$ 50,622	$ (1,073)	$ 217,595	$ 173,619
Earnings (loss) per common share:				
Basic	$ 0.17	$ 0.00	$ 0.69	$ 0.47
Diluted	0.16	0.00	0.67	0.45

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS.

OFFICE DEPOT, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	39 WEEKS ENDED SEPTEMBER 23, 2000	39 WEEKS ENDED SEPTEMBER 25, 1999
CASH FLOW FROM OPERATING ACTIVITIES:		
Net earnings	$ 217,595	$ 173,619
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	144,634	123,061
Provision for losses on inventories and receivables	75,850	118,541
Changes in assets and liabilities	28,731	21,318
Gain on sales of investment securities	(57,950)	--
Other operating activities, net	26,369	13,107
Net cash provided by operating activities	435,229	449,646
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from maturities or sales of investment securities	54,006	42,006
Purchases of investment securities	(24,612)	(110,161)
Capital expenditures, net of proceeds from sales	(181,203)	(292,502)
Other investing activities	--	(21,897)
Net cash used in investing activities	(151,809)	(382,554)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercise of stock options and sale of stock under employee stock purchase plans	9,713	52,011
Acquisition of treasury stock	(280,378)	(329,718)
Other financing activities, net	6,688	12,825
Net cash used in financing activities	(263,977)	(264,882)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(12,544)	(3,411)
Net increase (decrease) in cash and cash equivalents	6,899	(201,201)
Cash and cash equivalents at beginning of period	218,784	704,541
Cash and cash equivalents at end of period	$ 225,683	$ 503,340
SUPPLEMENTAL DISCLOSURE OF OTHER CASH FLOW ACTIVITIES:		
Interest received	$ 9,112	$ 27,029
Interest paid	7,015	4,895
Income taxes paid	116,464	137,888
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Additional paid-in capital related to income tax benefits on stock options exercised	$ 482	$ 13,760
Assets acquired under capital leases	12,569	37,795
Unrealized gain on investment securities, net of income taxes	--	6,977
Reversal of unrealized gain on investment securities, net of income taxes	62,128	--
Common stock issued upon conversion of debt	--	329

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

OFFICE DEPOT, INC. AND SUBSIDIARIES
NOTES TO OUR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in thousands)

NOTE A - BASIS OF PRESENTATION

Office Depot, Inc., together with our subsidiaries, is the world's largest seller of office products and services. We operate on a 52- or 53-week fiscal year ending on the last Saturday of December. Our condensed interim financial statements as of September 23, 2000 and for the 13- and 39-week periods ending September 23, 2000 (also referred to as "the third quarter of 2000" and "year-to-date 2000," respectively) and September 25, 1999 (also referred to as "the third quarter of 1999" and "year-to-date 1999," respectively) are unaudited. However, in our opinion, these financial statements reflect all adjustments (consisting only of normal, recurring items) necessary to provide you with a fair presentation of our financial position, results of operations and cash flows for the periods presented. Also, we have made certain reclassifications to our historical financial statements to conform them to the presentation we used in the current year.

These interim results are not necessarily indicative of the results you should expect for the full year. For a better understanding of our company and our financial statements, we recommend that you read these condensed interim financial statements in conjunction with our audited financial statements for the year ended December 25, 1999, which are included in our 1999 Annual Report on Form 10-K, filed on March 22, 2000.

NOTE B - NON-RECURRING CHARGES AND CREDITS

During the first three quarters of 2000, we recorded certain non-recurring charges and credits primarily related to our restructuring plans, investment transactions and executive management changes. Our 1999 results include certain non-recurring charges related to merger and restructuring activities, slow-moving and obsolete inventories and store closures and relocations. These charges and credits, which are discussed in more detail below, impacted our condensed consolidated statements of earnings as follows:

		THIRD QUARTER		YEAR-TO-DATE	
		2000	1999	2000	1999
Cost of goods sold and occupancy costs	1	$ --	$ 56,100	$ --	$ 56,100
General and administrative expenses	2	27,544	--	32,544	--
Merger and restructuring costs	3	(3,177)	8,955	1,204	24,434
Store closure and relocation costs	4	--	46,438	--	46,438
Miscellaneous income	5	(38,990)	--	(57,950)	--
Total (credits) charges		$ (14,623)	$ 111,493	$ (24,202)	$ 126,972

1 - PROVISION FOR SLOW-MOVING AND OBSOLETE INVENTORY

In the third quarter of 1999, we increased our provision for slow-moving and obsolete inventories in our warehouses and stores by $56 million. This charge was primarily related to slow-moving technology-related products whose market values were adversely affected by accelerated rates of change in technology and a rationalization of the warehouse inventory assortments in conjunction with the Viking warehouse consolidation.

2 - MANAGEMENT CHANGES AND OTHER COSTS

During the third quarter and first nine months of 2000, we recorded charges of $28 million and $33 million, respectively, primarily for severance costs associated with changes in our executive management team.

3 - MERGER TRANSACTIONS AND RESTRUCTURING PLANS

For more detailed information on our merger and restructuring plans, see the disclosure in our 1999 Annual Report on Form 10-K.

During the third quarter of 2000, we reviewed our Viking warehouse consolidation and integration plans. Based on our review, we made the decision to indefinitely postpone the integration and consolidation of our Viking and Office Depot brand warehouses in two markets. We also updated our accruals, as we do each quarter, based on actual progress to date. The final warehouse integration, which involves preparing it to fulfill both our Office Depot and Viking brand orders, is still expected to be completed in the first quarter of 2001; however, the final Viking warehouse closure has been extended into the second quarter of 2001. Once a warehouse is integrated and has begun fulfilling orders for both Office Depot and Viking customers, it can take up to four months to close the associated excess warehouse. As a result of these changes, we recorded a net credit in merger and restructuring costs of $3 million in the third quarter of 2000. Year-to-date 2000, merger and restructuring charges consisted primarily of $4 million in personnel-related expenses, reduced by the adjustments we made in the third quarter of 2000.

Charges in the third quarter of 1999 consisted of $11 million in personnel-related costs and $2 million in asset impairment charges incurred as a result of the Viking merger. These costs were reduced by a credit of $4 million in facility-related costs resulting from changes in our original estimates for the Images(TM) and Furniture at Work(TM) restructuring. In addition to the charges and credits recorded in the third quarter of 1999, year-to-date 1999 merger charges included $9 million attributable to the acquisition of our remaining joint venture interests in France and Japan, $4 million in asset write-offs and personnel-related charges for our merger with Viking, and $2 million related to our Furniture at Work(TM) and Images(TM) restructuring. As of September 2000, we had $11 million of accrued merger and restructuring charges remaining.

4 - STORE CLOSURE AND RELOCATION COSTS

In the third quarter of 1999, we recorded a charge of $46 million, primarily to reflect our decision to accelerate our store closure and relocation program for older and under-performing stores in our North American Retail Division. You can read more about this charge in our 1999 Annual Report on Form 10-K.

5 - INVESTMENT TRANSACTIONS

In September 1999, we began investing in companies that provide business-to-business electronic commerce solutions for small- and medium-sized businesses. We increased our investments in such companies during the first nine months of 2000 by $25 million, and the cost of investments held as of September 23, 2000 totaled $70 million. The carrying value of our investments at September 23, 2000 was equal to our cost, because quoted market prices are not available to adjust them to fair value. For these available-for-sale investments, a reasonable estimate of fair value could not be made without incurring excessive costs. During the first nine months of 2000, we liquidated one and a portion of another of our investments, realizing a total gain of $58 million.

We use specific identification to identify the cost of investments disposed of and have included these gains in miscellaneous income. Details of these transactions are as follows:

DATE	NUMBER OF SHARES	IN MILLIONS PROCEEDS	REALIZED GAIN
February 2000	277,777	$19	$19
September 2000	755,000	$35	$39

NOTE C - COMPREHENSIVE INCOME

Comprehensive income represents all non-owner changes in stockholders' equity and consists of the following:

	THIRD QUARTER		YEAR-TO-DATE	
	2000	1999	2000	1999
Net earnings (loss)	$ 50,622	$ (1,073)	$ 217,595	$ 173,619
Foreign currency translation adjustments	(9,850)	(4,852)	(25,692)	(22,438)
(Reversals of) unrealized gains on investment securities	(25,963)	11,381	(101,350)	11,381
Income tax (provision) benefit on reversals of unrealized gains (realized gains) on investment securities	9,517	(4,404)	39,222	(4,404)
Total comprehensive income	$ 24,326	$ 1,052	$ 129,775	$ 158,158

When we disposed of our available-for-sale investment securities in 2000, we increased our earnings by the amount of the realized gain and reduced other comprehensive income by the amount of the unrealized gain, net of taxes, previously recognized.

NOTE D - STOCK REPURCHASE

On August 30, 1999, our Board of Directors authorized a repurchase of up to $500 million of our common stock. In January, March and July 2000, our Board authorized the repurchase of an additional $300 million of our common stock, increasing the total program to $800 million. As of the end of the third quarter of 2000, we had repurchased a total of 79 million shares under our stock repurchase programs for $780 million plus commissions. Our stock repurchase programs do not have an expiration date.

NOTE E - LONG-TERM DEBT

In June 2000, we entered into a credit agreement with a syndicate of banks. This agreement has a one-year term and provides us with a working capital line of credit of $300 million. Furthermore, this agreement has various borrowing rate options, including a rate based on our credit rating, which would currently result in an interest rate of 0.5% over LIBOR. Together with our existing five-year credit agreement, we now have a total of $600 million in available funds. You can read about the five-year credit agreement, entered into in February 1998, in our 1999 Annual Report on Form 10-K. Both credit agreements contain similar restrictive covenants. As of September 23, 2000, we

had no outstanding borrowings under our domestic lines of credit, but we had outstanding letters of credit totaling $37 million.

In July 1999, we entered into term loan and revolving credit agreements with several Japanese banks (the "yen facilities") to provide financing for our operating and expansion activities in Japan. As of September 23, 2000, the equivalent of $57 million was outstanding under these yen facilities. We entered into a yen interest rate swap (for a principal amount equivalent to $22 million as of September 23, 2000) in order to hedge against the volatility of the interest payments on a portion of our yen borrowings. The swap will mature in July 2002. You can read more about our yen facilities and interest rate swap in our 1999 Annual Report on Form 10-K.

NOTE F - EARNINGS PER SHARE ("EPS")

The information required to compute basic and diluted EPS is as follows:

	THIRD QUARTER		YEAR-TO-DATE	
	2000	1999	2000	1999
Basic:				
Weighted average number of common shares outstanding	304,111	368,878	313,804	371,989
Diluted:				
Net earnings (loss)	$ 50,622	$ (1,073)	$217,595	$173,619
Interest expense related to convertible notes, net of income taxes*	3,238	--	9,594	8,943
Adjusted net earnings	$ 53,860	$ (1,073)	$227,189	$182,562
Weighted average number of common shares outstanding	304,111	368,878	313,804	371,989
Shares issued upon assumed conversion of convertible notes*	24,741	--	24,741	24,746
Shares issued upon assumed exercise of dilutive stock options	1,363	5,795	2,164	9,124
Shares used in computing diluted EPS	330,215	374,673	340,709	405,859

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* For the third quarter of 1999, our zero coupon, convertible subordinated notes would have been anti-dilutive if they were included in our calculation of diluted EPS. Accordingly, the shares (24,743) and related interest expense ($3,031) were excluded from our computations.

Options to purchase 35 million shares of common stock at an average exercise price of $15 per share were not included in our computation of diluted earnings per share for the third quarter of 2000, because their effect would be anti-dilutive.

NOTE G - NEW ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 requires that we record all derivatives as assets or liabilities measured at their fair value. Gains or losses resulting from changes in the values of those

derivatives should be accounted for according to the intended use of the derivative and whether it qualifies for hedge accounting.

In July 1999, the FASB issued SFAS No. 137, which defers the effective date of SFAS No. 133 until the start of fiscal years beginning after June 15, 2000. In June 2000, the FASB issued SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities - an Amendment of FASB Statement No. 133," which addresses implementation issues experienced by those companies that adopted SFAS No. 133 early. We will adopt SFAS No. 133, as well as its amendments and interpretations, in the first quarter of 2001. We do not expect the adoption of these statements to have a material impact on our financial position or the results of our operations.

On December 3, 1999, the Securities and Exchange Commission ("SEC") staff released Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements," which provides guidance on the recognition, presentation, and disclosure of revenue in reported financial statements. SAB No. 101 explains the SEC staff's views on selected revenue recognition issues based on existing generally accepted accounting principles. Subsequent to the release of SAB No. 101, the SEC issued SAB No. 101A and SAB No. 101B, each deferring the effective date of SAB No. 101. This SAB must be adopted no later than the fourth quarter of fiscal years beginning after December 15, 1999. Our adoption of SAB No. 101 in the fourth quarter of 2000 will have no impact on our financial position or the results of our operations.

In March 2000, the Emerging Issues Task Force ("EITF") reached a consensus in EITF Issue 00-02, "Accounting for Web Site Development Costs," agreeing that the costs incurred to develop software to operate a Web site for internal use should be accounted for in accordance with Statement of Position ("SOP") 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." Under this SOP, costs incurred in the preliminary project stage should be expensed as incurred, as should most training and data conversion costs. External direct costs of materials and services and internal direct payroll-related costs should be capitalized when certain criteria are met. This consensus is effective for the first quarter beginning after June 30, 2000. We will adopt EITF Issue 00-02 in the fourth quarter of 2000, and the adoption will not have a material impact on our financial position or the results of our operations.

In September 2000, the EITF reached a consensus in EITF Issue 00-10, "Accounting for Shipping and Handling Fees and Costs," agreeing that shipping and handling fees must be classified as revenues and comparable prior periods should be restated. Further, they agreed that shipping and handling costs can be classified anywhere in the statement of earnings, except they cannot be netted against sales. If shipping and handling costs are not included in costs of goods sold, the amount and classification of these expenses must be disclosed in the footnotes to the financial statements. Currently, we classify shipping and handling fees as an offset to shipping and handling costs in our store and warehouse operating and selling expenses. This consensus must be adopted no later than the fourth quarter of fiscal years beginning after December 15, 1999. We will adopt EITF Issue 00-10 in the fourth quarter of 2000. The adoption of EITF Issue 00-10 will have no impact on our financial position or the results of our operations.

In September 2000, the FASB issued SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," which replaces SFAS No. 125 with the same title. It revises the standards for securitizations and other transfers of financial assets and collateral and requires certain additional disclosures, but otherwise retains most of SFAS No. 125's provisions. We sell our credit card receivables to a third party, and this statement will require us to disclose more information about these transactions.

We will adopt SFAS No. 140 in the fourth quarter of 2000, when the new disclosure requirements become effective. The adoption of SFAS 140 will have no impact on our financial position or the results of our operations.

NOTE H - SEGMENT INFORMATION

During the first quarter of 2000, we redefined our operating and reporting segments to more closely match management responsibility. Accordingly, all of our historical segment information has been restated to reflect this change. The following is a summary of our significant accounts and balances by segment for the 13- and 39-week periods ended September 23, 2000 and September 25, 1999, reconciled to our consolidated totals.

	SALES			
	THIRD QUARTER		YEAR-TO-DATE	
	2000	1999	2000	1999
North American Retail *	$ 1,587,053	$ 1,489,992	$ 4,798,703	$ 4,348,140
Business Services Group	897,854	775,908	2,650,331	2,254,387
International	336,669	313,489	1,068,601	944,926
Total reportable segments	2,821,576	2,579,389	8,517,635	7,547,453
Eliminations	(841)	(889)	(2,799)	(3,066)
Total	$ 2,820,735	$ 2,578,500	$ 8,514,836	$ 7,544,387

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*   Previously referred to as Stores.

	EARNINGS BEFORE INCOME TAXES			
	THIRD QUARTER		YEAR-TO-DATE	
	2000	1999	2000	1999
North American Retail	$ 83,230	$ 82,234	$ 337,469	$ 346,761
Business Services Group	54,023	46,671	182,087	167,113
International	46,387	33,750	143,375	115,732
Total reportable segments	183,640	162,655	662,931	629,606
Eliminations and other	(101,849)	(159,458)	(316,103)	(349,090)
Total	$ 81,791	$ 3,197	$ 346,828	$ 280,516

A reconciliation of our earnings before income taxes from our reportable segments to earnings before income taxes in our condensed consolidated financial statements is as follows:

	THIRD QUARTER		YEAR-TO-DATE	
	2000	1999	2000	1999
Total from reportable segments	$ 183,640	$ 162,655	$ 662,931	$ 629,606
General and administrative expenses	(137,243)	(106,129)	(358,645)	(285,559)
Gain on sales of investment securities	38,990	--	57,950	--
Interest (expense) income, net	(6,652)	2,149	(14,033)	7,520
Merger and restructuring costs	3,177	(8,955)	(1,204)	(24,434)
Store closure and relocation costs	--	(46,438)	--	(46,438)
Inter-segment transactions	(121)	(85)	(171)	(179)
Total	$ 81,791	$ 3,197	$ 346,828	$ 280,516

	ASSETS	
	SEPTEMBER 23, 2000	DECEMBER 25, 1999
North American Retail	$2,116,050	$2,170,928
Business Services Group	1,138,005	1,097,232
International	700,605	683,322
Total reportable segments	3,954,660	3,951,482
Other	240,671	324,701
Total	$4,195,331	$4,276,183

ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Tabular amounts in thousands)

GENERAL

Office Depot, Inc., together with our subsidiaries, is the largest seller of office products and services in the world. We sell to consumers and businesses of all sizes through our three business segments: North American Retail (previously referred to as Stores), Business Services Group ("BSG") and International. During the first quarter of 2000, we redefined our operating and reporting segments to more closely match management responsibility. All historical financial information for our segments has been restated to reflect this change.

Management's Discussion and Analysis ("MD&A") is intended to provide information to assist you in better understanding and evaluating our financial condition and results of operations. We recommend that you read this MD&A in conjunction with our condensed consolidated financial statements in Item 1 of this Quarterly Report on Form 10-Q, as well as our 1999 Annual Report on Form 10-K. This MD&A contains significant amounts of forward-looking information. Without limitation, when we use the words "believe," "estimate," "plan," "expect," "intend," "anticipate," "continue," "project," "probably," "should" and similar expressions in this Quarterly Report on Form 10-Q, we are identifying forward-looking statements. Our Cautionary Statements, which you will find immediately following this MD&A and following the MD&A in our 1999 Annual Report on Form 10-K, apply to these forward-looking statements.

RESULTS OF OPERATIONS

NON-RECURRING CHARGES AND CREDITS

In the third quarters and first nine months of 2000 and 1999, we recorded certain non-recurring charges and credits that impact the comparability of our financial results. These charges and credits pertain primarily to merger and restructuring activities, investment transactions, executive management changes, store closures and relocations, and slow-moving and obsolete inventories. The impact of these charges and credits, which are detailed in NOTE B - NON-RECURRING CHARGES AND CREDITS to our condensed consolidated financial statements in Item 1 of this Quarterly Report on Form 10-Q, is excluded from the following discussions of our operating results.

OVERALL

Our overall sales increased by 9% for the third quarter and 13% for the first nine months of 2000. The largest percentage sales increases were realized in our BSG segment, driven most significantly by growth in our Internet business. Our continued worldwide store expansion also contributed greatly to our overall sales increases. During the 12 months ended September 23, 2000, we expanded our domestic and international store base by 76 and 6 stores, respectively.

For the third quarter of 2000, our overall gross profit percentage was negatively impacted primarily by our revised pricing strategy for paper, ink and toner cartridges. In an effort to improve our competitive position with non-traditional office supply retailers, we lowered our prices, changed packaging and strengthened the promotion of these high-visibility product groups that are essential to every business. In addition to our reduced selling prices, paper costs have increased over last year, which magnified the negative impact on gross profit during the third quarter as paper sales volume increased. This increase in paper costs was the leading factor in the decline of our overall gross profit for the year-to-date period. Also, our occupancy costs have risen significantly as a percentage of sales, driven largely by the number of new stores opened in the past year and the consolidation of our Japanese retail operations in our 2000 results. (We began including Japan in our consolidated results during the second quarter of 1999.) Our retail operations generally require higher occupancy costs as a percentage of sales than our catalog operations, resulting in downward pressure on our gross margins as we open more stores.

There were several factors that impacted the increase in our operating and selling expenses as a percentage of sales during the third quarter and first nine months of 2000. With comparable store sales declining 1% for the quarter and increasing only 1% for the first nine months of 2000, the fixed portion of our store expenses increased relative to sales. Also this year, we have incurred higher advertising expenses in our domestic segments for our "Taking Care of Business" campaign, which we began during the latter half of 1999, and we increased our catalog mailings to further penetrate our commercial markets. Furthermore, we experienced higher delivery- and personnel-related costs in our warehouse operations as third-party carriers increased their rates, and our integration efforts have taken longer to complete than originally planned.

Stores in our North American Retail Division have not generated expected sales volumes and profitability levels, particularly those opened from 1998 to 2000. As a result, our management is examining these stores closely as part of a more comprehensive business review and analysis. For further details on our business review, see our LIQUIDITY AND CAPITAL RESOURCES section below.

NORTH AMERICAN RETAIL

	THIRD QUARTER				YEAR-TO-DATE			
	2000		1999		2000		1999	
Sales	$1,587,053	100.0%	$1,489,992	100.0%	$4,798,703	100.0%	$4,348,140	100.0%
Cost of goods sold and occupancy costs	1,257,300	79.2%	1,147,342	77.0%	3,729,318	77.7%	3,327,795	76.5%
Gross profit	329,753	20.8%	342,650	23.0%	1,069,385	22.3%	1,020,345	23.5%
Store operating and selling expenses	243,946	15.4%	217,056	14.6%	723,725	15.1%	619,474	14.3%
Store operating profit	$ 85,807	5.4%	$ 125,594	8.4%	$ 345,660	7.2%	400,871	9.2%

In our North American Retail Division, sales increased 7% for the third quarter and 10% year-to-date. These increases were primarily generated by opening new stores. Comparable sales declined 1% for the quarter and grew 1% for the year in the 776 domestic stores that have been open for more than one year. These comparable results were heavily impacted by a decline in sales of technology products, both in hardware and software items. By contrast, we saw exceptional growth last year in technology sales, primarily as a result of the September 1999 introduction of an instant rebate program provided in connection with an Internet service provider ("ISP") and the launch of the popular Microsoft Office 2000(R) software suite. During most of the third quarter of 2000, we did not have a competitive ISP offering in our stores.

As discussed in the OVERALL section above, we revised our pricing strategy for paper, ink and toner cartridges during the third quarter of 2000. This was the largest contributor to the decrease in gross profit percentage for the quarter. Our gross profit percentages for both the quarter and year-to-date periods in 2000 were also negatively impacted by increases in paper costs and certain fixed costs when compared to last year. Fixed costs included in our gross profit include the occupancy costs of our stores and the rental costs for equipment used in our print and copy centers. Occupancy costs have increased primarily as a result of the larger proportion of new stores with higher average rents. Furthermore, much of our print and copy center equipment was recently upgraded, which further increased our underlying costs.

Our store operating and selling expenses have largely fixed components. Compared to last year, these expenses have increased as a percentage of sales for both the third quarter and year-to-date periods. This increase is mainly attributable to our inability to gain expense leverage through sales growth, particularly in those stores opened during the last three years. Increased advertising expenses this year, primarily from greater spending on television, also negatively impacted our operating expenses for the year-to-date 2000 period.

BSG

	THIRD QUARTER				YEAR-TO-DATE			
	2000		1999		2000		1999	
Sales	$897,854	100.0%	$775,908	100.0%	$2,650,331	100.0%	$2,254,387	100.0%
Cost of goods sold and occupancy costs	627,382	69.9%	535,128	69.0%	1,823,543	68.8%	1,542,002	68.4%
Gross profit	270,472	30.1%	240,780	31.0%	826,788	31.2%	712,385	31.6%
Warehouse operating and selling expenses	215,151	24.0%	176,764	22.8%	640,807	24.2%	524,837	23.3%
Warehouse operating profit	$ 55,321	6.2%	$ 64,016	8.2%	$ 185,981	7.0%	$ 187,548	8.3%

BSG's sales increased 16% in the third quarter and 18% in the first nine months of 2000. Sales generated from our public and contract Web sites in the United States increased to $219 million in the third quarter of 2000, as compared to $99 million in the third quarter of 1999. Over the first nine months of 2000, domestic Web site sales rose 162% to $574 million from $219 million in the comparable 1999 period. We believe that our Internet services attract new customers as well as strengthen existing customer relationships. The proportion of paper and machine supplies increased in BSG's product mix during the first nine months of 2000. These increases were mainly attributable to the overall growth in our large business customer base. Sales of furniture also increased in BSG's product mix in response to an emphasis on promoting these items, including sales force training and enhanced assortment offerings.

BSG's gross profit percentage decreased for both the third quarter and the first nine months of 2000. Increased paper costs, coupled with increased paper sales in the product mix, put downward pressure on our year-to-date gross profit. Our selling prices cannot be adjusted as quickly as our costs increase, because they are either governed by contractual arrangements or are generally fixed for the life of a catalog. In addition, during the third quarter of 2000, we reduced our selling prices for paper products across all of our domestic divisions as part of our new pricing strategy, which magnified the negative impact of these products on our gross margin. Similarly, selling prices for ink and toner cartridges were also lowered in the third quarter. The reduced prices for these three core product groups had an even greater impact on third quarter 2000 gross margin as the sales volume increased.

The increase in warehouse operating and selling expenses during the first nine months of 2000 was primarily the result of higher delivery costs, arising from increased rates charged by third-party carriers. The increase in year-to-date warehouse operating and selling expenses was further driven by personnel-related expenses associated with our warehouse staff, where a larger workforce was required to handle the execution of our warehouse integration plans. These plans include integrating seven warehouses and opening and integrating two new warehouses to incorporate the fulfillment of both our Office Depot and Viking brand orders. Our plans also include closing nine warehouses and transferring their orders to the integrated facilities. During the latter half of 1999, we began the integration process, and we expect to complete our integration plans by mid-2001. At the end of September 2000, three facilities had been fully integrated, including two newly opened facilities, and three facilities had been closed. During our transition into these integrated facilities, we incurred certain incremental expenses related to preparing for the increased volume of deliveries and the dual-brand fulfillment in the newly integrated facilities. The integration of five other warehouses was started before the end of the third quarter, but was not completed. We currently deliver merchandise out of 29 customer service centers ("CSCs"), including our five integrated Office Depot/Viking facilities. As we progress in the integration process, we plan to significantly reduce the total number of warehouse facilities we operate, which should positively impact our BSG's overall operating expenses relative to sales. See additional discussion of the planned integration in our 1999 Annual Report on Form 10-K and in NOTE B - NON-RECURRING CHARGES AND CREDITS to our condensed consolidated financial statements in Item 1 of this Quarterly Report on Form 10-Q.

INTERNATIONAL

	THIRD QUARTER				YEAR-TO-DATE			
	2000		1999		2000		1999	
Sales	$336,669	100.0%	$313,489	100.0%	1,068,601	100.0%	$944,926	100.0%
Cost of goods sold and occupancy costs	203,557	60.5%	190,460	60.8%	645,951	60.4%	563,250	59.6%
Gross profit	133,112	39.5%	123,029	39.2%	422,650	39.6%	381,676	40.4%
Store and warehouse operating and selling expenses	88,130	26.2%	88,416	28.2%	284,679	26.6%	263,574	27.9%
Store and warehouse operating profit	$ 44,982	13.4%	$ 34,613	11.0%	137,971	12.9%	$118,102	12.5%

Sales in our International Division increased by 7% for the third quarter and 13% for the first nine months of 2000 over the comparable 1999 periods. Our international sales, translated into and reported in U.S. dollars, were negatively impacted by unfavorable exchange rate changes. In local currencies, the increases were 19% and 23% for the third quarter and first nine months of 2000, respectively, and our comparable sales increased 18% for the third quarter and 19% for the first nine months of the year. Sales increased in our International Division as a result of new store openings, the introduction of multiple public Internet sites and significant comparable sales increases in most countries in which we operate. Furthermore, our Japanese operations accounted for a significant portion of the overall increase for the third quarter and year-to-date periods. We first began consolidating the results of our Japanese retail operations in April 1999 when we purchased the remaining 50% ownership interest from our joint venture partner. Additionally, our Japanese catalog operations began generating revenue for the first time during the second quarter of 1999. We added six stores in France and Japan since the end of September 1999, an increase in our wholly-owned international store base of more than 20%. We also launched six public Internet sites--one Office Depot brand site and five Viking brand sites--in five countries since the third quarter of 1999.

The year-to-date gross profit percentage is lower in 2000 because we consolidated our Japanese retail operations for nine months, compared to five months in the prior year period. Gross profit percentages earned in our international retail stores are lower than the percentages in our international catalog business, primarily as a result of pricing and product mix differences and higher occupancy costs as a percentage of sales. The growth rates of our international retail sales exceeded those of our international catalog sales, contributing to the decrease in our gross profit rates for the year-to-date period. Year-to-date 2000 results were also negatively impacted by higher costs for our more popular products such as paper and laser cartridges. These cost increases had a smaller impact on our third quarter results because we were able to issue new catalogs with revised pricing on these items during the quarter. We experienced an increase in our gross profit percentage in the third quarter of 2000 as compared to the same period in 1999. We distributed more competitively priced catalogs during the third quarter of 1999 than during the third quarter of 2000 to counter the entry of a competitor in one of our larger international markets. We have earned greater volume rebates from our vendors, primarily achieved through consolidating elements of our European purchasing. We began recognizing a portion of these benefits during the third quarter of 1999; and as a result, rebates had a greater effect on our year-to-date 2000 results than on our third quarter 2000 results.

For the third quarter and year-to-date 2000 periods, the decrease in operating and selling expenses as a percentage of sales was achieved mainly through efficiencies gained by growing sales. Advertising costs, in particular, grew at a slower pace than our sales because we have implemented more productive advertising campaigns in certain European markets with the help of our improved data warehouses.

Looking forward, we anticipate continued volatility in exchange rates to have a negative impact on the reported results of our international business segments due to the strong U.S. dollar. We currently hedge some of our international inventory purchases and are considering other opportunities to hedge against such foreign currency volatility.

CORPORATE AND OTHER

Income and expenses not allocated to the store and warehouse operating profit of our segments consist of pre-opening expenses, general and administrative expenses, our share of the earnings (losses) of our joint ventures, amortization of goodwill, interest income and expense, income taxes, and inter-segment transactions. Our pre-opening expenses consist principally of personnel, property and advertising expenses incurred in opening or relocating stores in our North American Retail Division. They also include, to a lesser extent, expenses incurred to open and relocate facilities in our BSG and our International Division. We typically incur these expenses during a six-week period prior to a store opening. Pre-opening expenses have declined in the first half of 2000 as compared to 1999 as a result of fewer new store openings. We opened 15 stores during the third quarter and 48 stores during the first nine months of 2000, as compared to 40 stores and 108 stores for the respective comparable periods in 1999. We have made a conscious decision to implement a more conservative approach to our North American Retail real estate strategy this year, and have reduced our planned store openings for the year to approximately 70 stores.

Excluding the non-recurring charges discussed earlier, general and administrative expenses increased by $4 million for the third quarter and $41 million for the first nine months of 2000, resulting in relatively flat expenses as a percentage of sales. These increases are primarily from additional spending to support our e-commerce and data warehouse initiatives and our international expansion.

Our share of the earnings (losses) of our joint venture operations has improved considerably over last year. Our joint ventures in Mexico and Israel achieved stronger results this year, and our year-to-date 1999 earnings include the losses from our Japanese retail operations for the period prior to April 1999, when these operations were accounted for as a joint venture.

The decrease in interest income was attributable to our lower average cash balances following the repurchase of 79 million shares of our stock at a total cost of $780 million plus commissions. The shares were purchased during the last half of 1999 and the first nine months of 2000 pursuant to a Board-approved stock repurchase plan. We expect our average cash balances to remain at this lower level through the end of 2001.

LIQUIDITY AND CAPITAL RESOURCES

We are currently conducting a review of all aspects of our business. In our North American Retail Division, many of our retail stores opened from 1998 to 2000 have been performing at levels below our expectations. Based on the results of this comprehensive business review, we will probably close or relocate some of these stores. It is also possible that we will choose to exit certain markets and/or further penetrate other markets. We are also conducting a review of our warehouse operations, including the number and type of SKUs we stock, our operational capabilities and our customer service levels. Based on the results of our review, we may reduce the number of SKUs handled and delivered by our warehouses. We may also alter our warehouse network configuration and increase the use of certain technologies and processes. If we make the changes contemplated, we will record a one-time charge next quarter. However, we expect the changes to improve our future operating results.

Our operating cash flows for the first nine months of 2000 were lower than the same period in 1999. Our savings attributable to decreased store openings were offset by lower gross profits, primarily during the third quarter, as explained more fully in the RESULTS OF OPERATIONS section above. On a worldwide basis in the first nine months of 2000, excluding joint venture operations and licensing arrangements, we opened 48 stores, including relocations, as compared to 108 stores during the first nine months of 1999. Opening a new domestic store requires that we outlay approximately $500 thousand for the portion of our inventories that is not financed by our vendors, as well as approximately $155 thousand for pre-opening expenses.

Our primary investing activity is the acquisition of capital assets. The number of stores and CSCs we open or remodel each period generally drives the volume of our capital investments. As mentioned earlier, our store openings for the first nine months of 2000 have decreased as compared to the first nine months of 1999. This decrease was a significant contributor to the overall reduction in our investing cash outflows. We have reduced our planned store openings for the year 2000 to approximately 70 stores.

Fewer investing opportunities also contributed significantly to the reduction in our investing cash outflows. Beginning late in 1999, we expanded our presence in the electronic commerce marketplace by entering into strategic business relationships with several Web-based providers of business-to-business ("B2B") electronic commerce solutions. We made equity investments in these and other companies in late 1999 ($51 million) and in the first nine months of 2000 ($25 million). During the first nine months of 2000, we liquidated one and a portion of another of our investments, which resulted in gains of $58 million. Although certain of our investments increased in value since our initial purchase, our remaining investments may not generate similar appreciation in the future. Because most of our investments are in start-up companies operating in a relatively new and volatile industry, we believe there is a high degree of risk associated with these investments. They may permanently depreciate in value from the amount we originally paid. We plan to continue to consider opportunities to invest in companies that provide B2B electronic commerce solutions for small- and medium-sized businesses, and our intention is to invest primarily or exclusively in those with which we also form strategic business relationships.

Our cash outflows from financing activities during the first nine months of 2000 and 1999 were driven primarily by our stock repurchase program. Between August 1999 and July 2000, our Board of Directors authorized a common stock repurchase program of $800 million. Under this program, in the first nine months of 1999, we repurchased 36 million shares of our stock at a total cost of $390 million plus commissions, $60 million of which had not been paid for by the end of September 1999. During the first nine months of 2000, we purchased 32 million

shares of our stock at a total cost of $280 million plus commissions. Total repurchases under the program through September 2000 were $780 million plus commissions. Although there is no expiration date for this most recent authorization, we expect to complete it by the end of 2000.

On November 1, 2000, it is likely, based on our current stock price, that we will be required to purchase our 1993 Liquid Yield Option Notes (LYONs(R)) from the holders of those LYONs(R). Although we have the choice of paying the holders $250 million in cash, common stock or a combination of the two, we intend to pay them in cash, using cash on hand and funds available under our five-year credit facility. You can read more about our LYONs(R) in our 1999 Annual Report on Form 10-K, and you can read more about our five-year credit facility, as well as our two other credit facilities and our interest rate swap, in NOTE E - LONG-TERM DEBT to our condensed consolidated financial statements in Item 1 of this Quarterly Report on Form 10-Q.

EURO

For the past nine months, we have continued to evaluate the business implications of modifying our systems to properly recognize and handle our conversion to the euro. Based on that evaluation, we have determined that we need to make multiple changes and modifications to our current systems to prepare them for July 1, 2002, the date the new euro-denominated bills and coins will become the sole legal currency in several European countries. Even so, we still do not expect the conversion to the euro to have a material effect on our financial position or the results of our operations. You can read more about the euro's impact on our business in our 1999 Annual Report on Form 10-K.

NEW ACCOUNTING PRONOUNCEMENTS

For information regarding new accounting pronouncements, see NOTE G - NEW ACCOUNTING PRONOUNCEMENTS of our condensed consolidated financial statements in Item 1 of this Form 10-Q.

CAUTIONARY STATEMENTS FOR PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

In December 1995, the Private Securities Litigation Reform Act of 1995 (the "Act") was enacted by the United States Congress. The Act, as amended, contains certain amendments to the Securities Act of 1933 and the Securities Exchange Act of 1934. These amendments provide protection from liability in private lawsuits for "forward-looking" statements made by public companies. We want to take advantage of the "safe harbor" provisions of the Act. In doing so, we have disclosed these forward-looking statements by informing you in specific cautionary statements of the circumstances which may cause the information in these statements not to transpire as expected.

This Quarterly Report on Form 10-Q contains both historical information and other information that you may use to infer future performance. Examples of historical information include our quarterly financial statements and the commentary on past performance contained in our MD&A. While we have specifically identified certain information as being forward-looking in the context of its presentation, we caution you that, with the exception of information that is clearly historical, all the information contained in this Quarterly Report on Form 10-Q should be considered to be "forward-looking statements" as referred to

in the Act. Without limitation, when we use the words "believe," "estimate," "plan," "expect," "intend," "anticipate," "continue," "project," "probably," "should" and similar expressions, we intend to clearly express that the information deals with possible future events and is forward-looking in nature.

Forward-looking information involves risks and uncertainties, including certain matters that we discuss in more detail below and in our 1999 Annual Report on Form 10-K. This information is based on various factors and assumptions about future events that may or may not actually come true. As a result, our operations and financial results in the future could differ substantially from those we have discussed in the forward-looking statements in this Quarterly Report. In particular, the factors we discuss below and in our 1999 Annual Report on Form 10-K could affect our actual results and could cause our actual results during the remainder of 2000 and in future years to differ materially from those expressed in any forward-looking statement made by us in this Quarterly Report on Form 10-Q. Those Cautionary Statements contained in our 1999 Annual Report on Form 10-K are incorporated herein by this reference to them, and, in addition, we urge you to also consider the following updated cautionary statements:

BUSINESS REVIEW

We currently are conducting a review of all aspects of our business, with particular attention on the stores in our North American Retail Division and on our distribution and supply chain activities. This review, which we expect to complete by the end of 2000, is focused particularly - but not exclusively - on our retail stores opened from 1998 to 2000, many of which have been performing at levels below our expectations. Based on the results of this review, we will probably close or relocate some of these stores. It is also possible that we will choose to exit certain markets, and/or further penetrate other markets. We expect that these decisions will result in improved profitability of our North American Retail Division. However, this analysis involves many variables and uncertainties; and, as a result, we may not achieve any of the expected benefits. Furthermore, individual stores or markets that were not evaluated as part of this business review may have similar characteristics as this class of stores. Those stores may have an adverse affect on our business and our results of operations in the future.

We are also conducting a review of our warehouse operations, including the number and type of SKUs we stock, our operational capabilities and our customer service levels. Based on the results of our review, we may reduce the number of SKUs handled and delivered by our warehouses. We may also alter our warehouse network configuration and increase the use of certain technologies and processes. We expect that these decisions will result in improved profitability of our warehouses in our Business Services Group. However, this analysis involves many variables and uncertainties; and, as a result, we may not achieve all or any of the expected benefits.

If we elect to close or relocate retail stores and/or to effect SKU reductions, we will probably record a one-time charge which will impact our statements of earnings and balance sheet in the fourth quarter of 2000 and result in much lower earnings, or even a loss, after such charge is taken into account. Moreover, we cannot project that our actions will have the desired result of increasing our Company's efficiency and profitability in the future, nor can we ensure that further charges of this nature will not be required in the future.

ECONOMIC DOWNTURN

In the past decade, the favorable United States economy has contributed to the expansion and growth of retailers. Our country has experienced low inflation, low interest rates, low unemployment and an escalation of new businesses. The

economy has recently begun to show signs of a downturn. The Federal Reserve has raised interest rates, and the stock market has shown signs that it may no longer be a "bull" market. The retail industry, in general, is displaying signs of a slowdown, with several specialty retailers, both in and outside our industry segment, reporting earnings warnings in the last few months. This general economic slowdown may adversely impact our business and the results of our operations.

EXECUTIVE MANAGEMENT

Since the appointment of our new Chief Executive Officer, we have evolved our management organization to better address the future goals of our Company. This new organization has vacancies in several key positions, including the President of North American Retail and the Chief Financial Officer. A search is underway to identify the best individuals to fill these positions; however, the process may be a protracted one. Furthermore, the new management structure may not be ideal for our Company and may not result in the benefits expected; and, as a result, may materially and adversely affect our future operating results.

INTERNATIONAL ACTIVITY

In addition to our prior comments in our 1999 Annual Report on Form 10-K regarding risk factors associated with operating outside North America, recent world events have served to underscore even further the risks and uncertainties of operating in other parts of the world. Risks of civil unrest, war and economic crises in portions of the world outside North America in which we operate represent a more significant factor than may have been the case in the past. Moreover, as we increase the relative percentage of our business that is operated globally, our Company is subject to greater risk associated with political and economic issues that are beyond our control. This could have a material adverse impact on our future operating results. Also, we have experienced significant fluctuations in foreign currency exchange rates in 2000, which have resulted in lower than anticipated sales and earnings in our International Division. We are subject to the risk of foreign currency exchange rate movements, and our results may continue to be adversely affected by these fluctuations in the future.

EURO

On January 1, 1999, 11 of the 15 member countries of the European Economic and Monetary Union established fixed conversion rates between their existing currencies and their new common currency (the "euro"). On July 1, 2002, new euro-denominated bills and coins will become the sole legal currency in those countries, and all former currencies will be withdrawn from circulation. Since the introduction of the euro, we have been evaluating the business implications of modifying our systems to properly recognize and handle conversion to the euro. Based on that evaluation, we need to make multiple changes and modifications to our current systems before July 1, 2002. We expect to complete our system modifications in advance of the deadline, and we do not expect our conversion to the euro to have a material effect on our financial position or the results of our operations. However, we may not complete the system changes by the targeted date, preventing us from accepting orders or collecting receivables from our customers or from paying our vendors. This could have an adverse impact on our business and our future operating results.

ITEM 3 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

INTEREST RATE RISKS

See the disclosure in our 1999 Annual Report on Form 10-K. We do not believe that the risk we face related to interest rate changes is materially different than it was at the date of such Report.

FOREIGN EXCHANGE RATE RISKS

See the disclosure in our 1999 Annual Report on Form 10-K. While we realize that foreign currency exchange rates have fluctuated much more in the past year than they have in previous years, we do not believe that the risk we face related to foreign currencies is materially different than it was at the date of such Report.

PART II. OTHER INFORMATION

ITEM 1 LEGAL PROCEEDINGS

We are involved in litigation arising in the normal course of our business. We do not believe that these matters, either individually or in aggregate, will materially affect our financial position or the results of our operations.

ITEM 6 EXHIBITS AND REPORTS ON FORM 8-K

a. 27.1 Financial Data Schedule (for SEC use only).

b. 1. A Current Report on Form 8-K was filed on August 22, 2000 regarding certain management changes.

2. A Current Report on Form 8-K was filed on September 9, 2000 regarding certain remarks made by management at a securities analysts conference.

3. A Current Report on Form 8-K was filed on October 12, 2000 regarding a press release issued to announce our third quarter 2000 results.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OFFICE DEPOT, INC.

(Registrant)

Date: October 31, 2000

By: /s/ M. Bruce Nelson

M. Bruce Nelson
Chief Executive Officer

Date: October 31, 2000

By: /s/ Charles E. Brown

Charles E. Brown
Senior Vice President,
Finance and Controller
(Principal Accounting
Officer)

INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION
10.1	Executive Severance Agreement, including Release and Non-Competition Agreement, dated September 19, 2000 by and between the Company and David I. Fuente (schedules and exhibits omitted).
10.2	Non-executive Chairman Agreement dated September 19, 2000 by and between the Company and David I. Fuente.
10.3	Executive Retirement Agreement dated July 17, 2000 by and between the Company and Barry J. Goldstein (Attachment A omitted).
27.1	Financial Data Schedule (for SEC use only)

Exhibit 10.1

SEVERANCE AGREEMENT

INCLUDING RELEASE AND NON-COMPETITION AGREEMENT

This Agreement is made and given this 19th day of September, 2000 (the "date hereof") by and between David I. Fuente ("Mr. Fuente"), a resident of Palm Beach County, Florida, and Office Depot, Inc. (the "Company"), a Delaware corporation with its principal place of business in Palm Beach County, Florida.

RECITALS

A. Mr. Fuente currently serves as Chairman of the Board of Directors of the Company and until July 14, 2000, he also served as its Chief Executive Officer; and

B. Mr. Fuente and the Company are parties to a certain Employment Agreement dated as of January 1, 1998 and a certain Change in Control Employment Agreement, dated as of September 1996 (collectively herein the "Employment Agreement"); and

C. Mr. Fuente and the Company have mutually agreed that his tenure as Chief Executive Officer of the Company (but not as an employee of the Company) ended, effective as of July 14, 2000, and they have also reached certain other agreements pertaining to the termination of the Employment Agreement and his severance from the position of Chief Executive Officer of the Company, and they now desire to set forth those agreements herein; and

D. Mr. Fuente has agreed, except as provided herein, to release the Company from any and all liabilities relating to his employment with the Company and the termination of that employment, and to enter into certain other agreements in consideration of the receipt from the Company of certain payments and other benefits referred to herein; and

E. Mr. Fuente hereby agrees that certain of the payments and benefits provided in this Agreement exceed any payments or benefits to which Mr. Fuente is entitled under the Employment Agreement or any other contract between the Company and Mr. Fuente; and

F. As a condition of the payments and benefits being provided to Mr. Fuente hereunder (other than the payments and benefits to which Mr. Fuente otherwise

would have been entitled under the plans listed on SCHEDULE 1 to this Agreement (the "Vested Benefits") without this Agreement), receipt and sufficiency of which are acknowledged by Mr. Fuente, the Company has required, and Mr. Fuente has agreed to provide the releases, the agreements of non-competition, non-solicitation, non-interference and no-hire set forth in this Agreement.

NOW THEREFORE, IN CONSIDERATION OF THE FOREGOING RECITALS, which the parties acknowledge are true and correct and are incorporated herein by this reference, and other good and valuable consideration, the legal sufficiency of which is acknowledged, the parties hereby agree as follows:

1. AGREEMENTS AS TO PAYMENTS AND BENEFITS.

(a) Effective as of the date hereof, the Employment Agreement is terminated in its entirety, and the relationship of the Company and Mr. Fuente shall hereafter be governed by the terms and provisions of this Agreement, the Chairman's Agreement being entered into contemporaneously herewith and the benefit plans listed on SCHEDULE 1 to this Agreement (as modified by the terms of this Agreement). From and after the date hereof, Mr. Fuente is no longer an employee of the Company, although he continues to serve as a director of the Company.

(b) Effective on the date hereof, the Company shall credit an Elective Deferral Account established for Mr. Fuente under the Deferred Compensation Plan, a form of which is attached hereto as EXHIBIT A (herein the "Plan") in the sum of $8,574,000 (the "Elective Deferral"). Effective not later than ten (10) business days after the date hereof, the Company shall deposit an amount in cash equal to the Elective Deferral into the trust (the "Trust") established under the Plan document (the "Plan") attached hereto as EXHIBIT B. The disposition of the Elective Deferral and the funds held under the Trust shall be governed by the terms of the Plan and Trust respectively.

(c) Effective not later than five (5) business days after the date hereof, the Company shall deliver to Mr. Fuente certificate(s) for 150,000 shares of common stock in PurchasePro.com, Inc. (the "PPRO Stock"), endorsed in blank or accompanied by stock powers in blank, sufficient to enable Mr. Fuente to have such PPRO Stock transferred into his name on the stock ledger book of PurchasePro.com, Inc. Such stock shall be delivered against the payment by

Mr. Fuente to the Company (1) of the withholding taxes required to be withheld and paid by the Company to any applicable taxing authority in connection with the delivery of such stock, as set forth in a written notice from the Company and (2) the sum of $350,000 (which returns to the Company the consideration originally paid to Mr. Fuente by the Company for such PPRO Stock), such payments to be made within fifteen (15) business days from the date of delivery of the PPRO Stock to Mr. Fuente.

(d) Effective on the date hereof, all amounts credited to Mr. Fuente's account under the Office Depot, Inc. Key Management Retention Bonus Plan, including without limitation all discretionary contributions made under the July 1997 Key Management Retention Plan, shall become 100% vested.

(e) For a period of twenty-four months, ending as of the last day of the 24th month following the month in which the date hereof occurs (the "Ending Date"), the Company shall provide Mr. Fuente with the following benefits:

(i) Mr. Fuente and his eligible dependents will be entitled to continuation of his Insurance Benefits (defined below) at no cost to Mr. Fuente or his eligible dependents, and at a level of coverage (including, without limitation, any deductibles and co-payments at least as favorable to Mr. Fuente and his eligible dependents as that maintained for them immediately prior to the date hereof). For purposes of this Agreement, "Insurance Benefits" shall mean insurance benefits maintained for senior officers of the Company, including without limitation: medical, prescription, dental, disability, employee life, group life, split-dollar life ("Split-Dollar Life Policy"), accidental death and travel accident insurance plans.

(ii) Mr. Fuente also will be entitled to receive an automobile allowance in the amount of $1,250 per month, reimbursement for the cost of financial and estate planning and tax preparation, in an amount not to exceed $20,000 per annum through the Ending Date.

(iii) From and after the Ending Date (defined in Subsection (d) above), through and including the natural lives of Mr. Fuente and his spouse, Sheila Fuente, the Company hereby agrees to (i) provide to each of them (at no cost to them) extended insurance coverage

limited to medical, prescription and dental insurance benefits which are comparable in all material respects with the medical, prescription and dental Insurance Benefits provided pursuant to Subsection 1(d)(i) above (the "Extended Insurance Benefits") and (ii) continue paying premiums on the Split- Dollar Life Policy (at no cost to Mr. Fuente). The Company, in its sole discretion, may provide the Extended Insurance Benefits by purchasing a policy of such insurance or by a program of self-insurance by the Company; provided however, that from the date on which Mr. Fuente becomes eligible for Medicare (or any successor program) and ending at the end of his life, the Company shall satisfy the obligation to provide Extended Insurance Benefits to him by furnishing to Mr.. Fuente a policy of insurance (the "Medigap Policy") , supplementing coverage provided by Medicare, such that the combination of coverages provided by Medicare and the coverages provided under the Medigap Policy shall be substantially equivalent to the insurance provided to him prior to such date. The Company also shall continue the policy or policies of insurance (or program of self-insurance) with respect to Sheila Fuente. Upon her eligibility for Medicare (or any successor program) , the Company shall provide a similar Medigap Policy for her, supplementing coverage provided by Medicare, such that the combination of coverages provided by Medicare and the coverages provided under the Medigap Policy shall be substantially equivalent to the insurance provided to her prior to such date. In the event Mr. Fuente should die prior to the death of Sheila Fuente, then she shall continue to receive the Extended Insurance Benefits to be provided hereunder to Mr. Fuente and his eligible dependents hereunder until she becomes eligible for Medicare and thereafter she shall receive the Medigap Policy coverage referred to in the preceding sentence hereof. during the balance of her life.

(f) The Company shall reimburse Mr. Fuente for the cost of his legal and accounting fees (and related incidental expenses) associated with the negotiation and preparation of this Agreement; provided that the aggregate amount thereof shall not exceed $25,000.

2. AGREEMENTS AS TO MR. FUENTE'S STOCK OPTIONS. The Company and Mr. Fuente hereby agree as follows with respect to certain stock options granted to him pursuant to the Company's Long-Term Equity Incentive Plan (the "Option Plan"):

(a) Attached to this Agreement as SCHEDULE 2 is a Grant Summary Report (the "Report") for Mr. Fuente, reflecting stock options granted to him, exercised by him and options which are vested and unvested. The parties agree that such Report is a true, accurate and complete statement of Mr. Fuente's option grants under the Option Plan as of the date hereof and represents his full entitlement absent the agreements set forth herein.

(b) The Report reflects that certain option grants remain unvested, including the following :

The "Retained Shares"

5-26-98

for 5,069 shares @ $19.7292
for 1,494,932 shares @ $19.7292

The "Forfeited Shares"

1-04-99 for 4,016 shares @ $24.8959
1-04-99 for 1,495,985 shares @ $24.8959

(c) Mr. Fuente shall retain as fully vested and exercisable the options to acquire shares in the Company, which are designated in the table above as the "Retained Shares." Mr. Fuente hereby forever forfeits and surrenders to the Company the options to acquire shares in the Company, which are designated in the table above as the "Forfeited Shares."

(d) The Company hereby further agrees that Mr. Fuente shall have through and including the latter to occur of: (i) 36 months from the date hereof OR (ii) 90 days after Mr. Fuente is no longer a director of the Company, regardless of the reason therefor, within which to exercise all his vested options . Notwithstanding the preceding provisions, however, no such stock option shall be exercisable after the expiration of the ten year term of such stock option, measured from the date of its original grant. It is further agreed that

the Forfeited Shares are hereby deemed stricken from such SCHEDULE 2. All vested options not exercised within the terms set forth herein shall be deemed forfeited and surrendered and Mr. Fuente agrees and acknowledges that he shall thereafter have no rights in or to any such expired options, or in or to any other compensation for the value of any such expired options.

3. SERVICE AS NON-EXECUTIVE CHAIRMAN OF THE COMPANY. The Company and Mr. Fuente hereby agree to the terms of the agreement attached hereto as SCHEDULE 3 (the "Chairman's Agreement"), under the terms of which Mr. Fuente agrees to serve as non-executive Chairman of the Company's Board of Directors, and the Company agrees to the compensation for such service as set forth in the Chairman's Agreement.

4. RELEASE BY MR. FUENTE. Except as otherwise expressly provided herein, in consideration of the payments and other benefits (other than the Vested Benefits) (collectively herein the "Consideration") being provided to Mr. Fuente by the Company under the terms of this Agreement, which Consideration is hereby acknowledged and agreed to exceed any existing obligations of the Company to Mr. Fuente and as constituting sufficient consideration for his agreements set forth herein, Mr. Fuente, for himself and his heirs, executors, administrators, successors, personal representatives or assigns, hereby RELEASES and FOREVER DISCHARGES the Company and all of its Subsidiaries and their respective predecessor entities, officers, directors, shareholders, agents, employees, legal representatives, successors, trustees, fiduciaries and assigns (individually a "Released Party" and collectively the "Released Parties") of and from (and does hereby WAIVE) any and all rights, claims, grievances or causes of action (or rights to mediation or arbitration), suits, debts, dues, sums of money, accounts, covenants, contracts, controversies, agreements, promises, trespasses, damages, judgments, executions, claims for negligence which Mr. Fuente has or could assert, or which could be asserted on his behalf, against the Released Parties or any of them, relating in any manner to his hiring by or employment with the Company, the Employment Agreement (or the termination thereof) and his separation from such employment, whether by reason of contract (or alleged breach of contract) or of any state, federal or local law, ordinance or rule (collectively "Claims"). This Release includes, but is not limited to, Claims at law or equity or sounding in contract (express or implied) or tort arising under federal, state or local laws prohibiting discrimination based upon age, sex, race, physical or mental disability or handicap, his status as a veteran or any other forms of discrimination. This Release further includes but is not limited to any and all Claims arising under the Age Discrimination in Employment Act, the Americans with Disabilities Act of 1990, Title VII of the Civil Rights Act of 1964, the Labor Management Relations Act, the Florida Human Rights Act of 1992 or the Employee Retirement Income Security Act (ERISA), as

amended (the foregoing, together with any other similar or dissimilar laws, whether federal, state or local intended to provide legal protections against termination of, or discrimination in employment (herein collectively the "Protective Laws")), or claims growing out of any legal restrictions on the Company's right to terminate its employees generally, which Mr. Fuente ever had, now has, or his heirs, executors, administrators, successors, personal representatives or assigns hereafter can, shall or may have against the Released Parties or any of them, whether known, unknown, foreseen, or unforeseen, from the beginning of the world to the date of this Agreement.

5. WAIVER. Mr. Fuente also WAIVES ANY AND ALL RIGHTS under the laws of any jurisdiction in the United States that would limit the release and waiver of Claims specified in Section 4 hereof, but only to the extent necessary to remove any such limitation on such release and/or waiver. He understands, among other matters, that he is waiving and releasing the Released Parties and each of them from and against any and all Claims for pain and suffering, emotional distress, compensatory and punitive damages and for employment discrimination based upon age (including claims under the federal Age Discrimination in Employment Act of 1967, as amended - "ADEA") or any comparable state laws. He also understands that he is waiving and releasing any Claims based upon gender, national origin, race or color, mental or physical handicap or disability or religious belief. Mr. Fuente expressly waives and releases any right to reinstatement or future employment by the Company or any Released Party.

6._COVENANTS NOT TO SUE. (a) Mr. Fuente COVENANTS NOT TO SUE the Released Parties, or any Released Party, for any Claims released hereby. Mr. Fuente represents that he has not filed any complaints or lawsuits against the Company in any forum and that he will not file any such complaint, or lawsuit at any time arising out of or related to his employment by the Company or his separation from such employment. He further agrees that if he violates this covenant or any other provision of this Agreement, he shall indemnify the Company for all reasonable costs and attorneys' fees incurred by it in enforcing this covenant and this Agreement. It is further understood that this Agreement does not prevent Mr. Fuente from filing a charge or complaint with, or participating in any investigation or proceeding conducted by, the Equal Employment Opportunity Commission, although he hereby waives any right to recover any damages or other relief in any claim or suit brought by or through the Equal Employment Opportunity Commission or any other state or local agency on his behalf, except where this waiver may be prohibited by law.

(b) The Company shall not, and shall cause each of the Released Parties not to, bring against Mr. Fuente or to name Mr. Fuente in any action or proceeding relating to or in connection with his hiring by, employment with, or termination from employment by the Company or any Subsidiary; provided that the Company shall not hereby be precluded from bringing an action or naming Mr. Fuente in any action with respect to conduct by Mr. Fuente with respect to which the Company would not be obligated to indemnify Mr. Fuente under Section 145 of the Delaware General Corporation Law by reason of the fact that Mr. Fuente did not meet the applicable standards of conduct set forth in such statute. The Company represents that neither it, nor to the best of its knowledge after due inquiry, has any Released Party filed any complaint or lawsuit against Mr. Fuente in any forum and that it shall not (and shall use its best efforts to ensure that any Released Party does not) file any such complaint or lawsuit against Mr. Fuente in any forum arising out of or related to Mr. Fuente's employment with the Company or his separation from such employment. In the event of a violation of this section 6(b) by the Company, the Company shall indemnify Mr. Fuente for all reasonable costs and attorneys' fees incurred by him as a result of such violation.

7. NO ADMISSION OF LIABILITY. Mr. Fuente understands and agrees that this Agreement shall not in any way be construed as an admission by the Company of any unlawful or wrongful acts whatsoever against him, and the Company specifically disclaims any liability to or wrongful acts against Mr. Fuente.

8. EXCLUSIONS FROM RELEASE. Mr. Fuente is not releasing and hereby expressly retains any and all rights and claims to which he is entitled under (i) the terms of this Agreement, including without limitation the payments and other benefits due to him under this Agreement and (ii) the Vested Benefits. Mr. Fuente also excludes from this Release and retains any claim for indemnification and any hold harmless claim to which he may be entitled as a former officer and director of the Company, whether by contract, under the Delaware statutes, the Bylaws of the Company, or the Company's policy or policies of directors and officers liability insurance ("D&O Insurance"). The Company hereby affirmatively agrees to honor such indemnification obligations and to continue to cover Mr. Fuente under the Company's D&O Insurance for so long as any potential liability exists for acts he performed while employed by the Company and/or any Subsidiary.

9. RESIGNATIONS. To the extent he has not already done so, Mr. Fuente hereby resigns any and all offices held by him in the Company or in any Subsidiary of the Company, as

such terms are defined in the Severance Agreement, effective not later than the date hereof, with the sole exception of the position of non-executive Chairman of the Board of Directors and the position of Director of the Company, as set forth in the Chairman's Agreement.

10. REPRESENTATIONS OF MR. FUENTE.

As a material inducement to the Company to enter into this Agreement and to provide the payments, benefits and covenants to Mr. Fuente set forth herein, Mr. Fuente represents, acknowledges and agrees as follows:
(a) The businesses in which the Company is engaged are very competitive. The Company has developed certain strategies and plans for enhancing its position in the market and remaining competitive, including plans and strategies extending into the future for as long as five (5) years. The Company's strategies and plans are highly confidential and are not disseminated to shareholders or the public and certainly not to competitors. Mr. Fuente acknowledges that, during his employment with the Company and/or any Subsidiary, he has been involved in creating and has been made aware of information of substantial value to the Company both in its domestic and international markets, which information is not old and is not generally known in the trade and which gives the Company an advantage over its competitors who do not know or use it, all of which is referred to herein as "Confidential Information". As used herein Confidential Information shall include without limitation trade secrets, methods and techniques of marketing and merchandising discounted office supplies to the public at retail, by way of catalogs, contract sales, Internet and electronic commerce, financial information of every nature (including forecasts, projections and other financial information extending well into the future), pricing information, customer information, present and future business plans of the Company, real estate strategies of any sort, plans for mergers or acquisitions, store planograms or other plans, patents, trademarks, copyrighted writings, other intellectual property of every kind or description, and any other document or information in whatsoever form (whether on paper, in electronic form, etc.), which a prudent business person, in the normal course of operating a business of the type and scope of the Company's business, would deem to be confidential, proprietary or trade secret information relating to the Company or its shareholders, directors, officers, representatives, employees, predecessors, successors, affiliates or assigns.

(b) Mr. Fuente has participated in numerous key management committees and attended weekly meetings of the most senior officers of the Company. He also attended numerous meetings and conferences in late 1999 involving the Monitor Company in its capacity as a strategic consultant to the Company, and he has attended meetings of the Board of Directors of

the Company at which various confidential strategic matters, including possible acquisitions, have been discussed. In this key management position as well as prior positions, Mr. Fuente has been privy to the Company's highly confidential strategies and plans for current operations and future development throughout the United States and internationally. Mr. Fuente has special knowledge about the internal organization, personnel, and strengths and weaknesses of the Company that may effect its ability to compete in the market place. In addition to tangible strategies and plans, Mr. Fuente has special knowledge of the Company's and its officers' intangible business philosophies, personalities, views of competitors' strengths and weaknesses, and corporate culture that combine to make the Company unique and competitive in the market place.

(c) The Company and Mr. Fuente have taken reasonable measures to protect the confidentiality of the Confidential Information, and Mr. Fuente acknowledges that disclosure of any such Confidential Information, especially to any competitor of the Company, would result in irreparable harm to the Company. Mr. Fuente acknowledges that, even without disclosing specific material plans or strategies of the Company, Mr. Fuente has special knowledge of the Company that would provide a competitor with an unfair advantage over the Company should Mr. Fuente be employed by a competitor or were he to divulge any Confidential Information to a competitor or to any person who might transmit or use such Confidential Information in competing with the Company.

(d) Given the extensive and pervasive nature of Mr. Fuente's knowledge of the Company, which encompasses every material item of Confidential Information in the possession of the Company; the highly competitive nature of the businesses in which the Company engages; the importance to the Company of ensuring that such trade secrets and Confidential Information not fall into the hands of any Competitor (defined below) or parties with which the Company does business; and the inevitability of disclosure of Confidential Information, including trade secrets in the event Mr. Fuente should work for a Competitor, Mr. Fuente hereby agrees that a five (5) year period of non-competition, as set forth in Section 11 below, is both reasonable and necessary for the adequate protection of the Company.

11. NON-COMPETITION. In consideration of the valuable payments, benefits and covenants of the Company being provided to Mr. Fuente hereunder, specifically including an allocation by the parties of the sum of $3.2 million to this Covenant of Non-Competition, and the covenants contained in Sections 12 - 14 below, Mr. Fuente agrees that for a period of five (5) years from the date hereof (the "Noncompete Period"), Mr. Fuente shall not directly or indirectly own any

interest in (except as provided below), manage, control, participate in, consult with, render services for, or in any manner engage in any business (herein a "Competitor") which engages in the sale (as a 10% or greater part of its business), within any geographical area in which the Company or any Subsidiary of the Company engages in such businesses on the date hereof, of either (i) the sale of office products, office supplies, office business machines, electronics or cellular telephones or (ii) the sale of any other product or service (x) sold by the Company at the time of determination under this Section 11 and (y) which represented at least five percent (5%) of the Company's revenues during the Company's fiscal year ending immediately prior to the year in which such determination is made.

Nothing herein shall prohibit Mr. Fuente from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation which is publicly traded or 10% of any class of equity of any other entity, so long as Mr. Fuente has no active participation in the business of such corporation.

12. NON-SOLICITATION; NO-HIRE; NON-INTERFERENCE. During the Noncompete Period, Mr. Fuente shall not directly, or indirectly through another entity or person, (i) induce or attempt to induce any employee of the Company or of any Subsidiary to leave the employ of the Company or such Subsidiary, or in any way interfere with the relationship between the Company or any Subsidiary and any employee thereof, (ii) hire any person who was an employee of the Company or any Subsidiary at any time during the Non-Compete Period or (iii) induce or attempt to induce any customer, supplier, licensee, licensor, franchisee or other business relation of the Company or any Subsidiary to cease doing business with the Company or such Subsidiary, or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company or any Subsidiary ; provided, however, that the foregoing shall not prohibit Mr. Fuente from (I) hiring any individual whose employment is involuntarily terminated by the Company or any Subsidiary or (ii) engaging in any business-related recruiting activities generally, which are not targeted at employees of the Company or any Subsidiary.

13. CONFIDENTIALITY AGREEMENT. Mr. Fuente hereby agrees not to disclose any Confidential Information about the Company during the longer of the Non-Compete Period or three years following his last date of service as a Director of the Company. As used herein, the term Confidential Information shall not include, however, information which (i) is or becomes generally available to the public or within the industries and businesses in which the Company operates, other than as a result of a disclosure by Mr. Fuente, (ii) becomes available to Mr.

Fuente on a non-confidential basis from a source other than the Company or any of its present or former employees, provided that such source is not known by Mr. Fuente after reasonable inquiry to be bound by an agreement or other obligation of confidentiality to the Company or (iii) that Mr. Fuente is required to divulge pursuant to court order by a governmental body or agency.

14. DUTIES AS A DIRECTOR. Notwithstanding the provisions of Sections 11-13 above, as long as Mr. Fuente is a Director of the Company, he acknowledges and agrees that he is in a fiduciary relationship to the Company and shall govern his activities in accordance with the standards required and expected of a Director of a Delaware corporation, and to the extent that the provisions of Sections 11-13 above may be deemed in any manner as requiring a lower standard than the standards imposed upon a Director of a Delaware corporation, then such higher standard shall govern his conduct during the continuation of his service as a Director of the Company.

15. REFORMATION OF THIS AGREEMENT. If, at the time of enforcement of any of the provisions of this Agreement regarding Non-Competition, Non-Solicitation, No-Hire or Non-Interference, any court shall hold that the duration, scope or geographical restrictions stated herein are unreasonable under the circumstances then existing, the parties agree that it is their mutual desire and intent that the Company shall be afforded the maximum duration, scope or area reasonable under such circumstances, and each of them hereby requests such court to reform this Agreement so that the maximum duration, scope and geographical restrictions available under applicable law at the time of enforcement of this Agreement shall be substituted by such court for the duration, scope or geographical area stated herein and that the court shall be allowed to revise the restrictions contained in the Noncompete, Non-Solicitation, No-Hire or Non-Interference provisions hereof to such provisions as are deemed reasonable by the court at the time such enforcement is requested.

16. INJUNCTIVE RELIEF. In the event of the breach or any threatened breach (that is an anticipatory breach of this Agreement) by Mr. Fuente of any of the provisions of the Noncompete, Non-Solicitation, No-Hire, Non-Interference, No Comment and Confidentiality covenants and agreements (collectively the "Non-Compete Agreements") set forth in this Agreement, Mr. Fuente agrees that the Company will suffer irreparable harm and that the Company, in addition and supplementary to any and all other rights and remedies existing in its favor, may apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce the Noncompete Agreements herein or to

prevent any violation or threatened violation that is an anticipatory breach of the provisions hereof. Mr. Fuente agrees to waive, and does hereby waive, any requirements for the posting of any bond or other security to secure such relief, provided such waiver is allowed by the laws of the jurisdiction in which the action is pending. In addition, in the event of any breach or violation by Mr. Fuente of the Noncompete Agreements, the Noncompete Period shall be tolled until such breach or violation has been duly cured and thereafter the Noncompete Period shall be extended for an additional period of time equivalent to the time during which Mr. Fuente was in breach of the Noncompete agreement.

17. ACKNOWLEDGMENTS BY MR. FUENTE. MR. FUENTE ACKNOWLEDGES THAT THE COMPANY HAS GIVEN HIM ADEQUATE TIME WITHIN WHICH TO CONSIDER THIS AGREEMENT AND HAS ADVISED HIM IN WRITING TO CONSULT WITH COUNSEL BEFORE SIGNING THIS AGREEMENT, AND MR. FUENTE HAS HAD AMPLE OPPORTUNITY TO CONSULT WITH COUNSEL PRIOR TO SIGNING THIS AGREEMENT. MR. FUENTE ACKNOWLEDGES THAT HE UNDERSTANDS THIS AGREEMENT AND HAS ENTERED INTO THIS AGREEMENT FREELY AND VOLUNTARILY.

18. ACKNOWLEDGMENTS BY THE PARTIES. THE PARTIES ACKNOWLEDGE THAT FOR A PERIOD OF SEVEN (7) DAYS FOLLOWING THE EXECUTION OF THIS AGREEMENT BY MR. FUENTE, I.E. ON OR PRIOR TO SEPTEMBER 26, 2000, MR. FUENTE MAY REVOKE THIS AGREEMENT. SUCH REVOCATION SHALL BE MADE IN WRITING AND DELIVERED TO THE EXECUTIVE VICE PRESIDENT, HUMAN RESOURCES, OF THE COMPANY. IF NOT SO REVOKED IN WRITING SO DELIVERED ON OR BEFORE SUCH DATE, THIS AGREEMENT SHALL THEREAFTER BE IRREVOCABLE.

19. TAX PROVISIONS AND AGREEMENTS. The parties hereby agree that all sums due and payable to Mr. Fuente hereunder (other than amounts payable under the Chairman's Agreement) are subject to withholding for applicable federal, state and local taxes. To the extent any such sums are paid into a deferral account, Mr. Fuente acknowledges that he has received his own personal tax and legal advice regarding the nature of such account(s) and that he is not relying on any representation of the Company insofar as the nature of such account(s) for the deferral of income taxes. Mr. Fuente further agrees to remit to the Company at any time, upon written request from the Company, any amount which the Company, upon the advice of its internal or external tax advisers, is required to remit to any revenue agency, including the Internal Revenue Service, by reason of any requirement that

the Company withhold and remit income taxes due and owing by Mr. Fuente, and Mr. Fuente hereby agrees to indemnify and hold the Company harmless (including any penalties, interest or related reasonable legal or accounting fees incurred by the Company) against any failure on his part to remit in a timely and prompt manner any such payment required of him by the Company. Each party hereby agrees that in filing his/its tax returns, he/it shall do so in accordance with the provisions of this Agreement. Mr. Fuente agrees and acknowledges that he has relied exclusively upon the advice of this own tax and accounting consultants concerning the structure of the payments and benefits provided pursuant to this Agreement and any resulting tax implications to him.

20. MISCELLANEOUS PROVISIONS.

(a) DEFINITIONS. As used herein, the term "business day" shall mean any day Monday through Friday, which is not a legal holiday in the State of Florida. As used herein, the term "Subsidiary" of the Company shall refer to any entity owned by, controlled by, or under common control with, the Company.

(b) SEVERABILITY. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(c) COMPLETE AGREEMENT. This Agreement and those documents expressly referred to herein and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

(d) NO STRICT CONSTRUCTION; NO WAIVER. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party, including by reason of the fact that such party or its legal counsel drafted this Agreement. No failure of either party to insist upon strict performance of any provision of this Agreement shall be deemed a waiver of that or of any other right of such party hereunder.

(e) COUNTERPARTS. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(f) SUCCESSORS AND ASSIGNS. This Agreement is intended to bind and inure to the benefit of and be enforceable by Mr. Fuente, the Company and their respective heirs, successors and assigns, except that Mr. Fuente may not assign Mr. Fuente's rights or delegate Mr. Fuente's obligations hereunder without the prior written consent of the Company. Without limiting the preceding sentence, this Agreement shall be binding upon any successor of the Company by purchase, merger or otherwise, and the Company shall require any successor (whether direct or indirect) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement.

(g) CHOICE OF LAW. All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement and the exhibits and schedules hereto shall be governed by, and construed in accordance with, the laws of the State of Florida, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Florida or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Florida.

(h) JURISDICTION AND VENUE. Each party agrees that this Agreement is made and entered into in Palm Beach County, Florida, and each party hereby consents to exclusive jurisdiction in the courts of Palm Beach County, Florida and/or the United States courts sitting in such location with respect to any matter permitted to be adjudicated hereunder in a court of law.

(i) AMENDMENT AND WAIVER. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company and Mr. Fuente, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

(j) FURTHER ASSURANCES; COOPERATION. In the event either party is required to execute any other documentation subsequent to the execution of this Agreement for the purpose of giving effect to any provision hereof (for example, any letters of resignation by Mr. Fuente from offices held by him or other similar administrative or executory documentation), then each of the Company and Mr. Fuente hereby agrees to provide

such documentation. In addition, each party hereby agrees to cooperate with the other in any matters in which the parties may have an interest. For example, Mr. Fuente hereby agrees to provide assistance and testimony, as may be required, in any litigation in which the Company may be involved and as to which his assistance or testimony may be helpful or necessary. The Company agrees to cooperate in scheduling such matters so as not to unreasonably interfere with Mr. Fuente's other activities, including any employment in which he may be engaged. Mr. Fuente shall use his best efforts to meet any scheduling requirements imposed by any court or by legal process. The Company shall reimburse Mr. Fuente for the reasonable costs he incurs in connection with the foregoing assistance, and, in the event he is no longer receiving payments under the Chairman's Agreement, shall pay him a fee of $1,000 per day for his services. The Company agrees to provide Mr. Fuente with legal defense of any claim asserted against him by reason of his serving as an officer or director of the Company or any Subsidiary, provided that Mr. Fuente agrees to cooperate and does cooperate fully with such defense counsel. If Mr. Fuente has a reasonable dispute with the Company concerning any legal defense provided by the Company, Mr. Fuente shall be entitled to engage his own defense counsel, and the reasonable fees and expenses of such counsel shall be paid by the Company.

(k) CONSTRUCTION. This Agreement shall not be construed against or in favor of either party by reason of such party's having prepared or drafted this Agreement, it being understood that each party has had the benefit of legal counsel or the opportunity to consult legal counsel of his or its choosing. The captions in this Agreement are provided as a matter of convenience only and shall not be used as an aid in the construction of any provision of this document.

21. ARBITRATION. Any dispute or controversy between the Company and Mr. Fuente arising out of or relating to this Agreement or the breach of this Agreement shall be settled by arbitration administered by the American Arbitration Association ("AAA") in accordance with its Commercial Arbitration Rules then in effect, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Any arbitration shall be held before a single arbitrator who shall be selected by the mutual agreement of the Company and Mr. Fuente, unless the parties are unable to agree to an arbitrator, in which case the arbitrator will be selected under the procedures of the AAA. The arbitrator shall have the authority to award any remedy or relief that a court of competent jurisdiction could order or grant, including, without limitation, the issuance of an injunction. However,

either party may, without inconsistency with this arbitration provision, apply to any court otherwise having jurisdiction over such dispute or controversy and seek interim provisional, injunctive or other equitable relief until the arbitration award is rendered or the controversy is otherwise resolved. Except as necessary in court proceedings to enforce this arbitration provision or an award rendered hereunder, or to obtain interim relief, or as may otherwise be required by law, neither a party nor an arbitrator may disclose the existence, content or results of any arbitration hereunder without the prior written consent of the Company and Mr. Fuente. The Company and Mr. Fuente acknowledge that this Agreement evidences a transaction involving interstate commerce. Notwithstanding any choice of law provision included in this Agreement, the United States Federal Arbitration Act shall govern the interpretation and enforcement of this arbitration provision. The arbitration proceeding shall be conducted in Palm Beach County, Florida or such other location to which the parties may agree. The Company shall pay the costs of any arbitrator appointed hereunder and of the arbitration proceedings.

IN TESTIMONY WHEREOF, the parties have signed this Severance Agreement Including RELEASE AND NON-COMPETITION AGREEMENT this 19th day of September, 2000.

MR. FUENTE	OFFICE DEPOT, INC.
By: /s/ David I. Fuente	By: /s/ Thomas Kroeger
Name: David I. Fuente	Name: Thomas Kroeger Title: EVP - Human Resources

Exhibit 10.2

CHAIRMAN'S AGREEMENT

THIS AGREEMENT is made as of the 19th day of September , 2000 between Office Depot, Inc., a Delaware corporation (the "COMPANY"), and David I. Fuente ("Mr. Fuente"), an individual resident of Boca Raton, Florida.

In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, including the parties' contemporaneously entering into certain other agreement of even date, the parties hereto agree as follows:

1. RETENTION AS NON-EXECUTIVE CHAIRMAN OF THE BOARD.

The Company hereby retains Mr. Fuente's services as non-executive Chairman of the Board of Directors of the Company for a term beginning on the date hereof and ending ninety (90) days after either party gives written notice to the other that it wishes to cancel this Agreement (the "Service Period"), upon the terms and conditions set forth in this Agreement. The Company's Board of Directors hereby agrees to cause the Nominating Committee of the Board to nominate Mr. Fuente for election as a Director of the Company at the Company's Annual Meeting in 2001. This Agreement may be terminated by either party at any time upon not less than ninety (90) days prior written notice to the other party as set forth below.

2. DUTIES.

(a) During the Service Period, Mr. Fuente shall serve as the non-executive Chairman of the Board of Directors of the Company and shall have the normal duties, responsibilities and authority of such position, as set forth in Article V of the Bylaws of the Company, attached to this Agreement as ATTACHMENT A, subject to the power of the Board of Directors to expand or limit such duties, responsibilities and authority.

(b) Mr. Fuente shall devote reasonable time and efforts in the discharge of his duties and, among other things, shall use his best efforts to attend each and every meeting of the Board of Directors and of any committee of the Board on which he serves. Mr. Fuente shall perform his duties and responsibilities under this Agreement to the best of his abilities in a diligent, trustworthy, businesslike and efficient manner.

(c) For purposes of this Agreement, "SUBSIDIARIES" shall mean any corporation of which the securities having a majority of the voting power in electing directors are, at the time of determination, owned by the Company, directly or through one of more Subsidiaries.

(d) For purposes of this Agreement, Mr. Fuente is a director of the Company but he is not an employee of the Company.

3. COMPENSATION.

(a) For serving as non-executive Chairman of the Board during the Service Period, Mr. Fuente shall be paid compensation in weekly installments at the rate of $ 1 Million per annum through December 31, 2000 and thereafter at the rate of $250,000 per annum, which amount shall be payable in accordance with the Company's general practices for payments to its outside directors. Mr. Fuente shall not receive any other compensation for serving as a Director of the Company during the Service Period. Subsequent to the Service Period, as long as Mr. Fuente is a Director of the Company, he shall receive the same compensation as is provided to outside Directors of the Company.

(b) In addition, the Company shall reimburse Mr. Fuente for all reasonable and necessary expenses incurred by him in the course of performing his duties under this Agreement which are consistent with the Company's policies in effect from time to time with respect to reimbursement of travel and other business expenses of Directors of the Company.

4. TERMINATION OF SERVICE.

(a) Mr. Fuente's service as Chairman may be terminated by either Mr. Fuente or the Company on at least ninety (90) days' prior written notice to the other or at any time by mutual consent of the parties; PROVIDED FURTHER that the Service Period shall terminate immediately and automatically upon Mr. Fuente's death or permanent disability or incapacity (as determined by the Board of Directors in its good faith judgment).

(b) In the event Mr. Fuente's service as Chairman shall be terminated by the Company for reasons other than his failure to perform his duties as a director (other than as a result of illness or incapacity), which shall be deemed his failure to attend at least 75% of the Board meetings and meetings of any committees of the Board on which he may serve, after notice from the Board, the Company shall (i) pay Mr. Fuente the amount he would have otherwise received had he remained the Chairman, through and including the later of (y) December 31, 2000 or (z) ninety (90) days after the Company provides him written notice of such termination and (ii) and reimburse him for any expenses incurred by him as of such date.

(c) In the event of termination of this Agreement or the Service Period, prior to the vesting of any unvested stock options held by Mr. Fuente (as set forth on SCHEDULE 2 to the Severance Agreement dated simultaneously herewith), his stock options shall continue to vest for as long as he is a Director, and, if the Board shall decline to nominate him for re-election at the 2002 or any subsequent Annual Meeting of the

Company (provided that Mr. Fuente has attended at least 75% of the meetings of the Board or of any Board committee on which he serves), or if the stockholders shall fail to elect Mr. Fuente as a Director at any such meeting, then any unvested stock options listed on Schedule 2 to the Severance Agreement shall be 100% vested upon the last date Mr. Fuente serves as a Director of the Company. In the event Mr. Fuente resigns as a Director prior to such vesting or in the event he is not nominated for re-election by reason of his having failed to attend at least 75% of the Board or committee meetings at which his attendance is expected, then any unvested stock options at the end of his term as a Director shall expire unvested. Notwithstanding the Company's ability to terminate this Agreement upon ninety (90) days' notice, the Company's obligations: (i) as to the Nominating Committee, in Section 1 above, (ii) as to Director's compensation in Section 3(a) above, (iii) as to the vesting of previously unvested stock options under this Section 4(c), and (iv) as to the provision of an office for not less than two (2) years, as set forth in Section 5 below, shall survive and continue in full force and effect, as applicable.

(d) Upon such payment(s) as are set forth above and the option exercise extension as set forth in Subsection (c) above, the Company shall have no further obligation to him except as provided in the Severance Agreement and except as otherwise provided herein in subsection (e) below.

(e) As set forth in the Severance Agreement, the shares identified therein (and in SCHEDULE 2 thereto) as the "Retained Shares" shall be and are deemed to be fully vested.

5. OFFICE. For so long as Mr. Fuente serves as Chairman of the Board of the Company (but in no event less than two years from the date hereof), the Company shall provide Mr. Fuente with reasonable office accommodations, including secretarial/receptionist services and e-mail and voice mail service, at a location to be mutually determined by the Company and Mr. Fuente in the Boca Raton/Delray Beach area. During such period of time, Mr. Fuente also may also maintain a voice mailbox on the voice mail system of the Company. Such office may be an office with shared secretarial and support services with other persons, such as the arrangement commonly known as "executive suites" or similar arrangement.

6. NOTICES. Any notice provided for in this Agreement shall be in writing and shall be either personally delivered, or mailed by first class mail, return receipt requested, to the recipient at the address below indicated:

NOTICES TO MR. FUENTE:

ADDRESS: 701 TERN POINT CIRCLE
BOCA RATON, FL 33431

NOTICES TO THE COMPANY:

OFFICE DEPOT, INC.
2200 GERMANTOWN ROAD
DELRAY BEACH, FLORIDA 33445
ATTENTION: CHIEF EXECUTIVE OFFICER

AND

OFFICE DEPOT, INC.
2200 GERMANTOWN ROAD
DELRAY BEACH, FLORIDA 33445
ATTENTION: EXECUTIVE VICE PRESIDENT - HUMAN RESOURCES

or such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party. Any notice under this Agreement shall be deemed to have been given when so delivered or mailed.

7. INCORPORATION OF TERMS BY REFERENCE. The parties hereby agree to incorporate by reference herein, and by this reference do incorporate by reference as if set forth at length herein, all the provisions of Sections 20 and 21 of the Severance Agreement of even date herewith.

8. COMPLETE AGREEMENT. Without limitation of Section 6 above, this Agreement and those documents expressly referred to herein and other documents of even date herewith, including the Severance Agreement, embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

9. COUNTERPARTS. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

OFFICE DEPOT, INC.

By: /s/ Thomas Kroeger

Name: Thomas Kroeger
Title: EVP - Human Resources

MR. FUENTE

By: /s/ David I. Fuente

Name: David I. Fuente

Date: 9/19/00

ATTACHMENT A

ARTICLE V OF THE BYLAWS OF OFFICE DEPOT, INC.

ARTICLE V

[AS AMENDED BY ACTION OF THE BOARD OF DIRECTORS, AUGUST 3, 2000]

OFFICERS

SECTION 1. NUMBER AND AUTHORITY. The Board of Directors of the corporation shall from time to time, elect from its membership, a Chairman of the Board. He may be a non-executive of the Company, in which event he shall not be an officer of the corporation. The officers of the corporation shall consist of at least the following: (1) a Chief Executive Officer, (2) a Chief Financial Officer, (3) a Secretary and (4) a Treasurer.

The Board of Directors may appoint such other officers and agents, including but not limited to, one or more Presidents of Divisions or Business Groups, one or more Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Assistant Vice Presidents, Assistant Secretaries and Assistant Treasurers, as it shall at any time or from time to time deem necessary or advisable. Pursuant to Section 10 of this Article V, the Board of Directors hereby delegates to the Chief Executive Officer the right to appoint such Vice Presidents and Assistant Vice Presidents, Assistant Secretaries and Assistant Treasurers, as he shall deem appropriate and necessary from to time. The Board shall elect all other officers.

Any number of offices may be held by the same person, except that neither the Chief Executive Officer nor any President shall also hold the office of either Treasurer or Secretary. All officers, as between themselves and the corporation, shall have such authority and perform such duties in the management of the business and affairs of the corporation as may be provided in these Bylaws, or, to the extent not so provided, as may be prescribed by the Board of Directors or by the Chief Executive Officer.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of the corporation shall be elected at least once annually by the Board of Directors. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office until the next annual meeting of the Board of Directors or until a successor is duly elected and qualified or until his or her earlier resignation or removal as herein provided.

SECTION 3. REMOVAL. All officers and agents shall hold office at the pleasure of the Board of Directors, and any officer or agent elected or appointed by the Board of Directors may be removed at any time by the Board of Directors for cause or without cause at any regular or special meeting, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

SECTION 4. VACANCIES. Any vacancy occurring in any office because of death, resignation, removal, disqualification or otherwise, may be filled by resolution of the Board of Directors.

SECTION 5. COMPENSATION. Compensation of all officers and agents shall be fixed by or in the manner prescribed by the Board of Directors, and no officer shall be prevented from receiving such compensation by virtue of his or her also being a director of the corporation.

SECTION 6. CHAIRMAN OF THE BOARD. The Chairman of the Board shall preside at all meetings of the directors, or he may delegate such duties to the Chief Executive Officer. The Chairman shall perform such other duties as are required of him by the Board of Directors and shall have no other duties except such as are delegated to him by the Board.

SECTION 7. CHIEF EXECUTIVE OFFICER. The Chief Executive Officer of the corporation shall have the general charge of the business and affairs of the corporation and shall oversee the management of the business of the corporation. In the absence of the Chairman, or if designated to do so by the Board of Directors, he shall preside at all meetings of the stockholders and of the directors and shall exercise the other powers and perform the other duties of the Chairman or designate the executive officers of the corporation by whom such other powers shall be exercised and other duties performed. He shall see to it that all resolutions and orders of the Board of Directors are carried into effect, and he shall have full power of delegation in so doing. He shall have such other powers and perform such other duties as the Board of Directors or these Bylaws may, from time to time, prescribe. The Chief Executive Officer shall have the power to execute any and all instruments and documents on behalf of the corporation and to delegate to any other officer of the corporation the power to execute any and all such instruments and documents.

SECTION 8. SECRETARY. The Secretary shall attend all meetings of the Board of Directors and its committees and all meetings of the stockholders and shall record all the proceedings of the meetings in a book or books to be kept for that purpose; he shall see that all notices required to be given by these Bylaws or by law are duly given in accordance with the provisions of these Bylaws or as required by law; he shall be the custodian of the records and of the corporate seal or seals of the corporation; he shall have authority to affix the corporate seal or seals to all documents, the execution of which, on behalf of the corporation, under its seal, is duly authorized, and when so affixed it may be attested by his signature; and in general, he shall perform all duties incident to the office of the Secretary of a corporation, and such other duties as the Board of Directors or the Chief Executive Officer may from time to time prescribe.

SECTION 9. TREASURER. The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the corporation and shall deposit, or cause to be deposited, all moneys and other valuable effects in the name and to the credit of the corporation in such banks, trust companies, or other depositories as shall from time to time be selected by the Board of Directors. He shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation; he shall render to the Chairman of the Board and to each member of the Board of Directors, whenever requested, an account of the Treasurer's actions and of the financial condition of the corporation. The Treasurer shall perform all of the duties incident to the office of the Treasurer of a corporation, and have such other powers and perform such other duties as the Board of Directors may, from time to time, prescribe. In the event the corporation shall fail to have a Treasurer at any time, then the duties of the Treasurer may be assumed and performed by the Chief Financial Officer and delegated by him to one or more assistant Treasurers.

SECTION 10. OTHER OFFICERS, ASSISTANT OFFICERS AND AGENTS. The Board of Directors may also elect or may delegate to the Chief Executive Officer the power to appoint such other officers, assistant officers and agents, as it may at any time or from time to time deem advisable, and any officers so elected or appointed shall have such authority and perform such duties as the Board of Directors or the Chief Executive Officer may from time to time prescribe.

SECTION 11. RESERVATION OF AUTHORITY. All other powers not expressly delegated or provided for herein, or in the Delaware General Corporation Law to any officer, are expressly reserved to the Board of Directors and may be delegated by it to any officer by resolution adopted from time to time by the Board of Directors.

Exhibit 10.3

AGREEMENT

THIS AGREEMENT is made and entered into as of July 17th, 2000 by and between OFFICE DEPOT, INC., a Delaware corporation (the "COMPANY"), and BARRY J. GOLDSTEIN ("EXECUTIVE"), with reference to the following:

A. Executive has been employed by the Company as its Executive Vice President & Chief Financial Officer pursuant to an Employment Agreement, dated as of October 21, 1997 and a Change in Control Agreement dated September 1996 (collectively the "Employment Agreement"), a copy of which is attached hereto as ATTACHMENT A.

B. Executive and the Company have decided to terminate the Employment Agreement (except with respect to the Change in Control provisions thereof, referred to in section 2(h) below), pursuant to the Executive's desire to retire from active employment by the Company ("Retirement") and to replace the Employment Agreement with this Agreement.

C. Executive and the Company desire by this Agreement to set forth certain understandings between themselves regarding Executive's Retirement and certain other agreements reached by them and to resolve any claims which Executive might have against the Company for any reason whatsoever.

D. Executive and the Company also desire by this Agreement to set forth certain additional understandings between them regarding restrictions on Executive's ability to compete with the Company.

In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. RETIREMENT OF EXECUTIVE.

Effective upon the date of the appointment of his successor as Chief Financial Officer of the Company (or on such other date as to which the Company and Executive shall mutually agree, but at Executive's option not later than October 31, 2000), Executive shall retire from the Company and also shall, as of such date, resign all offices held by him in the Company or in any

Subsidiary (1) of the Company. The parties agree to execute a letter memorializing the date of such retirement and resignations and agree that the date contained in such letter shall be the "Effective Date" for purposes of measuring the Term of this Agreement. However, this Agreement shall have legal force and effect upon execution hereof by each of the parties.

2. CONTINUATION OF BASE SALARY AND BENEFITS; BONUS; STOCK OPTIONS. During the Term of this Agreement, defined below, the Company shall provide the following to Executive; provided that Executive does not violate any material provision of this Agreement or of any of the agreements attached to this Agreement and incorporated by reference herein which material violation remains uncured beyond any applicable cure period:

(a) Executive's base salary of $525,000 shall continue for the period through and including the second anniversary of the Effective Date , payable in accordance with the Company's general payroll practices, as in effect on the Effective Date, and subject to applicable withholdings as required by law. Such period from the Effective Date through and including the second anniversary of the Effective Date is herein referred to as the "Term" of this Agreement.

(b) Executive shall receive an amount equivalent to his "target bonus" ($315,000) for the years 2000 and 2001, payable not later than March 1, 2001 for the year 2000 and March 1, 2002 for the year 2001. He shall not receive a bonus attributable to the year 2002.

(c) In addition to the base salary and target bonus amounts referred to above, in accordance with the prior practices of the Company with respect to executives who leave the Company and execute agreements comparable to this Agreement, providing among other things for a release of the Company from all liabilities and claims for liabilities and other consideration, Executive's matching deferred bonus account with Merrill Lynch & Company, which would vest by its terms on December 31, 2000, shall vest in full on and as of such date.

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1 For purposes of this Agreement, "SUBSIDIARY" shall mean any corporation of which the securities having a majority of the voting power in electing directors are, at the time of determination, owned by the Company, directly or through one of more Subsidiaries.

(d) During the Term of this Agreement (and for any additional time specified on ATTACHMENT B hereto), Executive shall be eligible to receive those benefits which are set forth on ATTACHMENT B to this Agreement.

(e) During the Term of this Agreement and for the period ending on the last day of January, 2003, Executive shall continue to be treated as an "employee of the Company " for purposes of the vesting and exercisability of his outstanding stock options in accordance with the terms of the applicable stock option plans and agreements between Executive and the Company; PROVIDED HOWEVER, that Executive shall not be eligible for any future stock option grants from and after the date of this Agreement. In addition, the period of time during which Executive may exercise stock options held by him shall extend for a period of twelve (12) months following the end of the Term of this Agreement (but not later than the expiration of any such stock option grant).

(f) Executive shall not be considered an "employee of the Company" for purposes of any benefit plan of the Company which is not in effect on the date hereof.

(g) In the event of the disability of Executive during the Term, all payments hereunder shall continue to be paid to him or to his personal representative. In the event of the death of Executive during the Term, the Company shall have the option to continue to make the payments provided, or to pay the entire remaining obligation to Executive hereunder in a lump sum (without discount) to Executive's estate. In either event the Company shall continue to provide the benefits described on ATTACHMENT B to this Agreement.

(h) In the event of a Change in Control of the Company, as set forth on ATTACHMENT E to this Agreement, then the provisions of such ATTACHMENT E, pertaining to Change in Control, shall take effect and shall override any provisions of this Agreement to the contrary.

3. CONFIDENTIAL INFORMATION. Executive acknowledges that all the information, observations and data obtained by Executive while employed by the Company and its Subsidiaries concerning the business or affairs of the Company or any Subsidiary ("CONFIDENTIAL INFORMATION") are the property of the Company. Therefore, Executive agrees that Executive shall

not disclose to any unauthorized person or use for Executive's own purposes any Confidential Information without the prior written consent of the Company's Chief Executive Officer, unless and to the extent that the aforementioned matters become generally known to and available for use by the public other than as a result of Executive's acts or omissions. Executive shall deliver to the Company at the Effective Date, or at such other time as the Company may request, all memoranda, notes, plans, records, reports, computer tapes, printouts and software and other documents and data (and copies thereof) in any form or medium relating to the Confidential Information, Work Product (as defined below) of the business of the Company or any Subsidiary which Executive may then possess or have under Executive's control. The provisions of this paragraph 3 shall survive the termination of this Agreement for an unlimited period of time.

4. INVENTIONS AND PATENTS. Executive acknowledges that all inventions, innovations, improvements, developments, methods, designs, analyses, drawings, reports and all similar or related information (whether or not patentable) that relate to the Company's or any of its Subsidiaries' actual or anticipated business, research and development or existing or future products or services and that are conceived, developed or made by Executive while employed by the Company and its Subsidiaries ("WORK PRODUCT") belong to the Company or such Subsidiary. Executive shall promptly perform all actions reasonably requested by the Company (whether during or after the Term) to establish and confirm such ownership (including, without limitation, assignments, consents, powers of attorney and other instruments).

5. NON-COMPETE, NON-SOLICITATION. Executive acknowledges that during the course of Executive's employment with the Company he has, become familiar with the trade secrets of the Company and its Subsidiaries and that the Company has a special, unique and extraordinary interest in Executive's not competing with the businesses of the Company and/or its Subsidiaries. To this end, the parties are executing on the date hereof the Non-Competition and Non-Solicitation Agreement attached hereto as ATTACHMENT C.

6. EXECUTIVE'S RELEASE OF LIABILITIES. In consideration of the benefits provided, and to be provided to Executive, he hereby agrees to execute and deliver to the Company on the Effective Date, a release of liabilities ("Release") in the form of ATTACHMENT D to this Agreement. Executive understands and agrees that the continuation of benefits under this Agreement is dependent upon his execution of such Release and his non-repudiation of such Release within seven (7) days after his execution of the same.

7. SURVIVAL. Paragraphs 3, 4 and 5 and paragraphs 9 through 11 hereof shall survive and continue in full force in accordance with their terms notwithstanding any termination of the Term. In addition, any provisions of the Employment Agreement which are expressly incorporated by reference herein, or in any Attachment to this Agreement, shall survive the execution and delivery of this Agreement.

8. NOTICES. Any notice provided for in this Agreement shall be in writing and shall be either personally delivered, or mailed by first class mail, return receipt requested, to the recipient at the address below indicated:

NOTICES TO EXECUTIVE:

Barry J. Goldstein
9981 N. W. 45th Street
Coral Springs, FL 33065

NOTICES TO THE COMPANY:

Office Depot, Inc.
2200 Old Germantown Road
Delray Beach, Florida 33445
Attention: Executive Vice President - Human Resources

and

Office Depot, Inc.
2200 Old Germantown Road
Delray Beach, Florida 33445
Attention: General Counsel

or such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party. Any notice under this Agreement shall be deemed to have been given when so delivered or mailed.

9. MISCELLANEOUS PROVISIONS.

A. SEVERABILITY. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

B. COMPLETE AGREEMENT. This Agreement and those documents expressly referred to herein and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

C. NO STRICT CONSTRUCTION; NO WAIVER. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party, including by reason of the fact that such party or its legal counsel drafted this Agreement. No failure of either party to insist upon strict performance of any provision of this Agreement shall be deemed a waiver of that or of any other right of such party hereunder.

D. COUNTERPARTS. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

E. SUCCESSORS AND ASSIGNS. This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive, the Company and their respective heirs, successors and assigns, except that Executive may not assign Executive's rights or delegate Executive's obligations hereunder without the prior written consent of the Company. Without limiting the preceding sentence, this Agreement shall be binding upon any successor of the Company by purchase, merger or otherwise, and the Company shall require any successor (whether direct or indirect) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement.

F. CHOICE OF LAW. All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement and the exhibits and schedules hereto shall be governed by, and construed in accordance with, the laws of the State of Florida, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Florida or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Florida.

G. AMENDMENT AND WAIVER. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company and Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

H. INCORPORATION BY REFERENCE. The attachments to this Agreement are incorporated by reference and made a part hereof as if set forth at length herein.

I. FURTHER ASSURANCES; COOPERATION. In the event either party is required to execute any other documentation subsequent to the execution of this Agreement for the purpose of giving effect to any provision hereof (for example, any letters of resignation by Executive from offices held by him or other similar administrative or executory documentation), then each of the Company and Executive hereby agrees to provide such documentation. In addition, each party hereby agrees to cooperate with the other in any matters in which the parties may have an interest. For example, Executive hereby agrees to provide assistance and testimony, as may be required, in any litigation in which the Company may be involved and as to which his assistance or testimony may be helpful. The Company agree to cooperate in scheduling such matters so as not to interfere with Executive's other activities, including any employment in which he may be engaged.

10. ARBITRATION. Except as to any controversy or claim which Executive elects by written notice to the Company, to have adjudicated by a court of competent jurisdiction, any dispute or controversy between the Company and Executive arising out of or relating to this Agreement or the breach of this Agreement shall be settled by arbitration administered by the American Arbitration Association ("AAA") in accordance with its Commercial Arbitration Rules then in effect, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Any arbitration shall be held before a single arbitrator who shall be selected by the mutual agreement of the Company and Executive, unless the parties are unable to agree to an arbitrator, in which case the arbitrator will be selected under the procedures of the AAA. The arbitrator shall have the authority to award any remedy or relief that a court of competent jurisdiction could order or grant, including, without limitation, the issuance of an injunction. However, either party may, without inconsistency with this arbitration provision, apply to any court otherwise having jurisdiction over such dispute or controversy and seek interim provisional,

injunctive or other equitable relief until the arbitration award is rendered or the controversy is otherwise resolved. Except as necessary in court proceedings to enforce this arbitration provision or an award rendered hereunder, or to obtain interim relief, or as may otherwise be required by law, neither a party nor an arbitrator may disclose the existence, content or results of any arbitration hereunder without the prior written consent of the Company and Executive. The Company and Executive acknowledge that this Agreement evidences a transaction involving interstate commerce. Notwithstanding any choice of law provision included in this Agreement, the United States Federal Arbitration Act shall govern the interpretation and enforcement of this arbitration provision. The arbitration proceeding shall be conducted in Palm Beach County, Florida or such other location to which the parties may agree. The Company shall pay the costs of any arbitrator appointed hereunder

11. CERTAIN OTHER AGREEMENTS BETWEEN THE PARTIES. (a) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement, any schedule to this Agreement, or otherwise, but determined without regard to any additional payments required under this Section 11) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Notwithstanding the foregoing provisions of this Section 11, if it shall be determined that Executive is entitled to a Gross-Up Payment, but that Executive, after taking into account the Payments and the Gross-Up Payment, would not receive a net after-tax benefit of at least $50,000 (taking into account both income taxes and any Excise Tax) as compared to the net after-tax proceeds to Executive resulting from an elimination of the Gross-Up Payment and a reduction of the Payments, in the aggregate, to an amount (the "Reduced Amount") such that the receipt of Payments would not give rise to any Excise Tax, then no Gross-Up Payment shall be made to Executive and the Payments, in the aggregate, shall be reduced to the Reduced Amount.

(b) Subject to the provisions of Section 11(c) , all determinations required to be made under this Section 11, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Deloitte & Touche or such other certified public accounting firm as may be designated by Executive (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and Executive within 15 business days of the receipt of notice from Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting a change in control of the Company, Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 11(b) , shall be paid by the Company to Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 11(c) and Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of Executive.

(c) Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies Executive in writing prior to the expiration of such period that it desires to contest such claim, Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith in order effectively to contest such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses.

Without limitation on the foregoing provisions of this Section 11, the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct Executive to pay the tax claimed and sue for a refund or to contest the claim in any permissible manner, and Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to Executive, on an interest-free basis and shall indemnify and hold Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the

contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by Executive of an amount advanced by the Company pursuant to Section 11(c) above, Executive becomes entitled to receive any refund with respect to such claim, Executive shall (subject to the Company's complying with the requirements of Section 11(c) above) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by Executive of an amount advanced by the Company pursuant to Section 11(c) , a determination is made that Executive shall not be entitled to any refund with respect to such claim and the Company does not notify Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

* * *

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

OFFICE DEPOT, INC.

By: /s/ Thomas Kroeger

Name: Thomas Kroeger

Its: EVP - Human Resources

/s/ Barry J. Goldstein

Barry J. Goldstein

JULY 17, 2000 - FINAL

ATTACHMENT A

A COPY OF EXECUTIVE'S CURRENT EMPLOYMENT CONTRACT IS ATTACHED TO THIS AGREEMENT.

Omitted

ATTACHMENT B

BENEFITS TO WHICH EXECUTIVE IS ENTITLED

1. HEALTH INSURANCE. Executive and his eligible dependents shall be entitled to the continuation of the same health insurance coverage Executive and his eligible dependents are receiving on the Effective Date of the Agreement during the Term of this Agreement. From the end of the Term of this Agreement until Executive becomes eligible for the federal Medicare program, or any successor to such program (herein collectively "Medicare") , the Company shall provide a comparable plan of health insurance, but such comparable plan may be subject to co-payments, exclusions and restrictions similar to the Company's PPO health insurance plans; provided, however, that such comparable plan shall provide continuous coverage of all conditions covered under the health insurance plan by which Executive and his eligible dependents are covered on the Effective Date. From the date on which Executive becomes eligible for Medicare and ending at the end of Executive's natural life, the Company shall reimburse Executive and his spouse for the cost of any policy of Medigap insurance purchased by them, supplementing coverage provided by Medicare . In the event Executive should die prior to the death of the person who is his spouse on the Effective Date of this Agreement, then such spouse shall continue to receive the health benefits to be provided hereunder to Executive and his spouse until she becomes eligible for Medicare and thereafter she shall receive reimbursement for any Medigap insurance purchased by her from and after such date , during the balance of her natural life.

2. SPLIT DOLLAR LIFE INSURANCE. The Company shall continue the policy of split dollar life insurance on the life of Executive bearing Policy # 13287193 and having a death benefit of $1 million, through and including the final date for which premiums are required to be paid (i.e. through and including 12-31-2004). The Company shall not continue the second policy of split dollar life insurance on the life of Executive bearing Policy # (005024) 14 810 159 and having death benefit of $400,000.

3. OTHER BENEFITS. During the Term, Executive shall continue to enjoy the other executive benefits to which he currently is entitled, including without limitation, automobile allowance, tax and financial planning, participation in other health and welfare plans, if any, use of cellular telephone and laptop computer.

4. OUTPLACEMENT BENEFITS. If Executive wishes to receive such benefits, he shall be entitled to a program of outplacement benefits, including counseling, an office location, etc.

IT IS EXPRESSLY UNDERSTOOD THAT ALL BENEFITS PAYABLE TO EXECUTIVE WHICH ARE SUBJECT TO FEDERAL, STATE OR LOCAL INCOME TAXATION SHALL BE PROVIDED NET OF ANY REQUIRED WITHHOLDING FOR SUCH TAXES, FICA AND MEDICARE PAYMENTS AND ALL OTHER APPLICABLE WITHHOLDING AMOUNTS.

OFFICE DEPOT, INC.	EXECUTIVE
By /s/ Thomas Kroeger	/s/ Barry J. Goldstein
THOMAS KROEGER EXECUTIVE VICE PRESIDENT - HUMAN RESOURCES	BARRY J. GOLDSTEIN

JULY 17, 2000 - FINAL

ATTACHMENT C

AGREEMENT OF NON-COMPETITION, NON-SOLICITATION AND NO-HIRE

This Agreement of Non-Competition, Non-Solicitation and No-Hire (this "Noncompete Agreement") is made and entered into this 17th day of July, 2000 by and between Office Depot, Inc., a Delaware corporation (the "Company") and Barry J. Goldstein (the "Executive").

RECITALS

A. The Company and Executive are on this date entering into certain agreements pertaining to Executive's retirement from the Company; and

B. Executive acknowledges that during the course of his employment as a very senior executive officer of the Company and as such being fully familiar with the most sensitive, confidential and proprietary information of the Company ("Confidential Information"); and

C. Executive has been requested by the Company to enter into this Noncompete Agreement as a condition to the Company's being willing to enter into the other Agreements being entered into contemporaneously herewith; and

D. The parties are willing to abide by the terms and provisions of this Noncompete Agreement;

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals, which are incorporated by reference and made a part hereof, the payment to Executive referred to in Section 1 below, and other good and valuable consideration, the parties hereby agree as follows:

1. PAYMENT TO EXECUTIVE; AGREEMENT OF NON-COMPETITION. For and in consideration of the payments being made to Executive pursuant to Section 1 of the Agreement to which this Attachment C is attached (the "Main Agreement"), receipt and sufficiency of which are hereby acknowledged, and allocating from such payments, the sum of Three Hundred Thousand Dollars ($300,000) specifically to this Non-Compete Agreement, Executive acknowledges that in the course of Executive's employment with the Company Executive has become familiar with the Company's trade secrets and with other Confidential Information concerning the Company and its Subsidiaries and that Executive's services have been of a special, unique and extraordinary value to the Company and its Subsidiaries. Therefore, and in consideration of the payment(s) being made to Executive referred to above, Executive agrees that, during the Term of the Main Agreement and for a period of one year thereafter, (as used herein, the "NONCOMPETE PERIOD"), Executive shall not directly or indirectly own or have any interest in, manage, control, participate in, consult with, render services for, or in any manner engage in any business competing with the businesses of the Company or its Subsidiaries, as such businesses exist or are in process on the Effective Date of the Main Agreement, within any geographical area in which the Company or its Subsidiaries engage in such businesses on the Effective Date of the Main Agreement or at any time during the Term of the Main Agreement. Nothing herein shall prohibit Executive from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation which is publicly traded, so long as Executive has no active participation in the business of such corporation.

2. NON-SOLICITATION; NO-HIRE; NON-INTERFERENCE. During the Noncompete Period, Executive shall not directly, or indirectly through another entity, (i) induce or attempt to induce any employee of the Company or any Subsidiary to leave the employ of the Company or such Subsidiary, or in any way interfere with the relationship between the Company or any Subsidiary and any employee thereof, (ii) hire any person who was an employee of the Company or any Subsidiary at the time of termination of the Employment Term or (iii) induce or attempt to induce any customer, supplier, licensee, licensor, franchisee or other business relation of the Company or any Subsidiary to cease doing business with the Company or such Subsidiary, or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company or any Subsidiary (including, without limitation, making any negative statements or communications about the Company or its Subsidiaries).

3. REFORMATION OF THIS AGREEMENT. If, at the time of enforcement of this Noncompete Agreement, any court shall hold that the duration, scope or geographical restrictions stated herein are unreasonable under the circumstances then existing, the parties agree that it is their mutual desire and intent that the Company shall be afforded the maximum duration, scope or area reasonable under such circumstances, and each of them hereby requests such court to reform this Agreement so that the maximum duration, scope and geographical restrictions available under applicable law at the time of enforcement of this Agreement shall be substituted by such court for the stated duration, scope or geographical area stated herein and that the court shall be allowed to revise the restrictions contained in this Noncompete Agreement to such provisions as are deemed reasonable by the court at the time such enforcement is requested.

4. INJUNCTIVE RELIEF. In the event of the breach or any threatened breach by Executive of any of the provisions of this Noncompete Agreement, the Company, in addition and supplementary to any and all other rights and remedies existing in its favor, may apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce this Noncompete Agreement or to prevent any violations or threatened violations of the provisions hereof (without being required to post any bond or other security to secure such relief). In addition, in the event of any alleged breach or violation by Executive of this Noncompete Agreement, the Noncompete Period shall be tolled until such breach or violation has been duly cured and thereafter the Noncompete Period shall be extended for an additional period of time equivalent to the time during which Executive was in breach of this Noncompete Agreement. This provision overrides the Arbitration provisions of the Main Agreement.

5. INCORPORATION OF TERMS BY REFERENCE. The provisions of the following number sections of the Main Agreement are incorporated by reference as if set forth at length herein and shall be deemed to constitute a part hereof notwithstanding the earlier termination of such Agreement: Sections 8,9 and 10 of the Main Agreement are incorporated by this reference.

IN TESTIMONY WHEREOF, the parties have signed this NONCOMPETE AGREEMENT this 17th day of July, 2000.

EXECUTIVE	OFFICE DEPOT, INC.
/s/ Barry J. Goldstein	By: /s/ Thomas Kroeger
Barry J. Goldstein	Name: Thomas Kroeger Title: Executive Vice President - Human Resources

JULY 17, 2000 - FINAL

ATTACHMENT D

RELEASE AGREEMENT AND COVENANT NOT TO SUE

This Agreement is made and given this 17th day of July, 2000 by Barry J. Goldstein ("Executive") in favor of and for the benefit of Office Depot, Inc. (the "Company") and certain other parties as more fully set forth below.

RECITALS

A. Executive and the Company have entered into a certain Agreement (the "Main Agreement") dated July 17th, 2000, to which this Release Agreement and Covenant Not to Sue is attached, and pursuant to which Executive is retiring as Executive Vice President and Chief Financial Officer of the Company; and

B. As a condition of the payments and benefits being provided to Executive, receipt and sufficiency of which are acknowledged by Executive, the Company has required, and Executive is willing to provide this Release Agreement.

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the parties hereby agree as follows:

1. RELEASES. In consideration of the payments and other benefits being provided to Executive by the Company, which are hereby acknowledged and agreed as being over and above any existing obligations of the Company to Executive as of the date hereof and as constituting sufficient consideration for his agreements set forth herein, Executive hereby RELEASES and FOREVER DISCHARGES the Company and all of its subsidiaries and their respective predecessor entities, officers, directors, shareholders, agents, employees, legal representatives, successors, trustees, fiduciaries and assigns (individually a "Released Party" and collectively the "Released Parties") of and from (and does hereby WAIVE) any and all rights, claims, grievances or causes of action (or rights to mediation or arbitration) (collectively "Claims) which Executive has or could assert, or which could be asserted on his behalf, against the Released Parties, relating in any manner to his hiring, employment with the Company or any Released Party, his separation from such employment, whether by reason of contract or of any state, federal or local law, ordinance or rule.

2. WAIVER. Executive also WAIVES ANY AND ALL RIGHTS under the laws of any jurisdiction in the United States that would or might limit the foregoing release and waiver. Executive understands, among other matters, that he is waiving and releasing the Released Parties from and against any and all Claims for pain and suffering, emotional distress, compensatory and punitive damages and for employment discrimination based upon age (including claims under the federal Age Discrimination in Employment Act of 1967, as amended - "ADEA") or any comparable state laws. He also understands that he is waiving and releasing any Claims based upon gender, national origin, race or color, mental or physical handicap or disability or religious belief. Executive expressly waives and releases any right to reinstatement by the Company or any Released Party.

3. COVENANT NOT TO SUE. Executive also COVENANTS NOT TO SUE the Released Parties, or any Released Party, for any Claims released hereby.

4. EXCLUSIONS FROM RELEASE. Executive is not releasing and hereby expressly retains any and all rights to which he is entitled under the terms of this Agreement and/or the Main Agreement,

including without limitation the payments due to him under the Main Agreement. Executive also excludes from this Release and retains any claim for indemnification to which he may be entitled as a former officer and director of the Company, whether by contract or under the Delaware statutes or the Bylaws of the Company, and the Company hereby affirmatively agrees to honor such indemnification obligations.

5. RESIGNATIONS. To the extent he has not already done so, Executive hereby resigns any and all offices held by him in the Company or in any Subsidiary of the Company, as such terms are defined in the Main Agreement.

6. EXECUTIVE ACKNOWLEDGES THAT THE COMPANY HAS GIVEN HIM ADEQUATE TIME WITHIN WHICH TO CONSIDER THIS AGREEMENT AND HAS ADVISED HIM IN WRITING TO CONSULT WITH COUNSEL BEFORE SIGNING THIS AGREEMENT, AND EXECUTIVE HAS HAD AMPLE OPPORTUNITY TO CONSULT WITH COUNSEL PRIOR TO SIGNING THIS AGREEMENT. EXECUTIVE ACKNOWLEDGES THAT HE UNDERSTANDS THIS AGREEMENT AND HAS ENTERED INTO THIS AGREEMENT FREELY AND VOLUNTARILY.

7. THE PARTIES ACKNOWLEDGE THAT FOR A PERIOD OF SEVEN (7) DAYS FOLLOWING THE EXECUTION OF THIS AGREEMENT BY EXECUTIVE, I.E. ON OR PRIOR TO JULY 24, 2000, EXECUTIVE MAY REVOKE THIS AGREEMENT. SUCH REVOCATION SHALL BE MADE IN WRITING AND DELIVERED TO THE EXECUTIVE VICE PRESIDENT, HUMAN RESOURCES, OF THE COMPANY. IF NOT SO REVOKED IN WRITING SO DELIVERED ON OR BEFORE SUCH DATE, THIS AGREEMENT SHALL THEREAFTER BE IRREVOCABLE.

8. INCORPORATION BY REFERENCE. The following provisions of the Main Agreement are incorporated by this reference as if set forth herein: Section 8, 9 and 10.

EXECUTIVE	OFFICE DEPOT, INC.
/s/ Barry J. Goldstein	/s/ Thomas Kroeger
Barry J. Goldstein	Thomas Kroeger EVP- Human Resources

JULY 17, 2000 - FINAL

ATTACHMENT E

PROVISIONS RELATING TO CHANGE IN CONTROL

The Parties hereby agree that the provisions of the following sections of the Agreement between Executive and the Company dated September 1996 (the "CIC Agreement") are incorporated by reference herein:

Sections 1, 2, 6, 8, 9 and 11.

In the event of a Change in Control of the Company, as defined in Section 2 of the CIC Agreement, during the Term of the Agreement to which this Attachment E is appended (the "Main Agreement"), then thirty (30) days following the event resulting in such Change in Control, Executive shall be deemed to have terminated his employment with the Company for "Good Reason" within the meaning of Section 6 of the CIC Agreement. Accordingly, the Company shall pay to Executive the benefits provided by Section 6 of the CIC Agreement, in a lump sum, less the dollar amount of any and all cash payments then and theretofore paid to Executive under the Main Agreement, It is further agreed that Executive shall continue to be entitled to the benefits of Section 2(d) and 2(g) of the Main Agreement (and of Attachment B thereto) in accordance with the terms thereof, and the obligations to provide such benefits shall be continuously binding upon any successor entity to the Company following such Change in Control.

OFFICE DEPOT, INC.

By /s/ THOMAS KROEGER

THOMAS KROEGER
EVP - HUMAN RESOURCES

/s/ BARRY J. GOLDSTEIN

BARRY J. GOLDSTEIN

JULY 17, 2000 - FINAL

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF OFFICE DEPOT, INC. FOR THE QUARTER ENDED SEPTEMBER 23, 2000 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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DEC-26-1999
SEP-23-2000
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