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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

CURRENT REPORT

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

Date of Report: April 21, 2005

Commission file number 1-10948

**OFFICE DEPOT, INC.**

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(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

59-2663954

(I.R.S. Employer  
Identification No.)

2200 Old Germantown Road, Delray Beach, Florida

(Address of principal executive offices)

33445

(Zip Code)

(561) 438-4800

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(Registrant's telephone number, including area code)

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

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Attached hereto as Exhibit 99.1 and incorporated by reference herein is Office Depot, Inc.'s news release dated April 21, 2005, announcing its financial results for its fiscal first quarter 2005, for the period ended March 26, 2005. This news release contains forward-looking statements.

This information is furnished pursuant to Item 2.02 of Form 8-K. The information in this report shall not be treated as filed for purposes of the Securities Exchange Act of 1934, as amended.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

Exhibit 99.1 News release of Office Depot, Inc. issued on April 21, 2005.

**SIGNATURE**

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

OFFICE DEPOT, INC.

Date: April 21, 2005

By: /s/ DAVID C. FANNIN

David C. Fannin

Executive Vice President and General Counsel



## NEWS RELEASE

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### OFFICE DEPOT FIRST QUARTER REVENUE UP 3%; EPS \$0.37

**Delray Beach, Fla., April 21, 2005** — Office Depot, Inc. (NYSE: ODP), a leading global provider of office products and services, today reported sales of \$3.7 billion for its fiscal first quarter ended March 26, 2005, up 3% over fiscal first quarter 2004<sup>1</sup>. North American Retail Division comparable sales increased 1% for the quarter.

Operating profit for the first quarter was \$165 million, representing a 5% decrease compared to the same period in 2004. Net earnings and net earnings per diluted share for the first quarter remained unchanged over the same period last year at \$115 million and \$0.37, respectively.

Return on invested capital for the trailing four quarters was 10.6%, unchanged from the same periods in the previous year.

For the first quarter, gross profit, as a percentage of sales, was 31.1% versus 31.5% in the same period last year. North American Retail Division sales and gross margin rate increases were offset by a North American Business Services Division gross margin rate decrease and International Division sales and gross margin rate decreases. Total operating expenses, as a percentage of sales, remained flat for the first quarter, as reduced general and administrative expenses were offset by increased store and warehouse operating and selling expenses.

“We delivered mixed results this quarter,” said Steve Odland, Chairman and Chief Executive Officer. “North American Retail recorded its fifth consecutive quarter of positive comparable sales while improving its division operating profit margin by over 70 basis points. North American Business Services division operating profit grew at a faster rate than sales, and corporate general and administrative costs declined. On the other hand, International’s results fell short of our expectations. Despite very difficult business conditions in Europe, we clearly have an opportunity to improve International’s performance.”

Odland was appointed Chairman and CEO on March 11, 2005, near the end of the Company’s fiscal first quarter.

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<sup>1</sup> Prior fiscal periods have been restated to comply with lease accounting principles set forth in Note B of our FY2004 report on Form 10-K, filed with the Securities and Exchange Commission on March 10, 2005.

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## **DIVISION RESULTS**

### **North American Retail**

First quarter sales in the North American Retail Division increased 6% compared to the same period last year. Comparable store sales in the 894 stores in the U.S. and Canada that have been open for more than one year increased 1% for the first quarter.

Gross margin, as a percentage of sales, increased during the first quarter to 27.0% compared to 26.7% in the same period last year. Broad based product category gross margin percentage improvements were offset by an increased sales mix of lower margin technology products. Cost management efforts produced a 40 basis point decline in store and warehouse operating expenses. Division operating profit increased 17% in the first quarter compared to the same period in 2004.

During the first quarter, the Company opened 29 new stores, while closing three and relocating one office supply stores. At the end of the first quarter, Office Depot operated a total of 995 office products superstores throughout the U.S. and Canada.

### **North American Business Services**

North American Business Services sales increased by 2% in the first quarter compared to the same period last year. Increased Contract, Office Depot Direct and Tech Depot sales contributed to the overall revenue growth.

Gross margin, as a percentage of sales, decreased during the first quarter to 31.7% versus 32.4% in the same period last year. The absorption of higher costs in key supplies categories, promotional activity and additional lower margin technology sales contributed to the gross margin decline. This margin pressure was more than offset by an 84 basis point improvement in store and warehouse expenses for the first quarter. Division operating profit increased 4% in the first quarter compared to the same period in 2004.

### **International**

International first quarter sales decreased 2% in U.S. dollars (a decline of 6% in local currencies) compared to the same period in 2004. Comparable International sales declined 7% for the quarter. The favorable change in exchange rates from the corresponding prior year period increased sales reported in U.S. dollars by \$40 million for the quarter. Comparable sales declined in all major geographic markets.

Gross margin, as a percentage of sales, decreased during the first quarter to 37.7% versus 38.6% in the same period last year. Increased promotional activity and pricing pressure in key product categories contributed to the decline. First quarter selling and warehouse expenses, as a percent of sales, increased 282 basis points compared to the prior year, primarily because of deleverage associated with lower local currency sales volumes and increased expenses related to warehouse closures and relocations in Europe. Division operating profit declined 28% (a decline of 31% in local currencies) in the first quarter compared to the same periods in 2004. International division operating profit, when translated into U.S. dollars, benefited from foreign exchange rates by \$4 million during the quarter.

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### **Conference Call Information**

Office Depot will hold a conference call for investors and analysts at 9:00 a.m. (Eastern Daylight Time) on today's date. The conference call will be available to all investors via Webcast at <http://investor.officedepot.com>. Interested parties may contact Investor Relations at 561-438-7893 for further information.

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**About Office Depot**

With annual sales approaching \$14 billion, Office Depot provides more office products and services to more customers in more countries than any other company. Incorporated in 1986 and headquartered in Delray Beach, Florida, Office Depot conducts business in 23 countries and employs 47,000 people worldwide. The Company operates under the Office Depot®, Viking Office Products®, Viking Direct®, Guilbert®, and Tech Depot® brand names.

Office Depot is a leader in every distribution channel — from retail stores and contract delivery to catalogs and e-commerce. With \$3.1 billion in online sales in FY'04, the Company is the world's number three Internet retailer. As of March 26, 2005, Office Depot has 995 retail stores in North America in addition to a national business-to-business delivery network supported by 22 delivery centers and more than 60 local sales offices. Internationally, the Company conducts wholly-owned operations in 14 countries through 77 retail stores and 26 distribution centers, and operates 153 retail stores under joint venture and license arrangements in another seven countries.

The company's common stock is listed on the New York Stock Exchange under the symbol ODP and is included in the S&P 500 Index. Additional press information can be found at: <http://mediarelations.officedepot.com>.

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS:** Except for historical information, the matters discussed in this press release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements, including without limitation all of the projections and anticipated levels of future performance, involve risks and uncertainties which may cause actual results to differ materially from those discussed herein. These risks and uncertainties are detailed from time to time by Office Depot in its filings with the United States Securities and Exchange Commission ("SEC"), including without limitation its most recent filing on Form 10-K, filed on March 10, 2005 and its 10-Q and 8-K filings made from time to time, including in particular its 10-Q filing made on the date of this press release. You are strongly urged to review all such filings for a more detailed discussion of such risks and uncertainties. The Company's SEC filings are readily obtainable at no charge at [www.sec.gov](http://www.sec.gov) and at [www.freeEDGAR.com](http://www.freeEDGAR.com), as well as on a number of other commercial web sites.

**OFFICE DEPOT, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share and per share amounts)  
(Unaudited)

|   | As of<br>March 26, 2005 | As of<br>December 25, 2004 |
|---|-------------------------|----------------------------|
| <b>Assets</b>   |                         |                            |
| Current assets:   |                         |                            |
| Cash and cash equivalents   | \$ 763,981              | \$ 793,727                 |
| Short-term investments  | 65,880                  | 161,133                    |
| Receivables, net  | 1,238,991               | 1,303,888                  |
| Merchandise inventories, net  | 1,379,634               | 1,408,778                  |
| Deferred income taxes   | 130,349                 | 133,282                    |
| Prepaid expenses and other current assets   | 116,405                 | 115,363                    |
| <b>Total current assets</b>   | <b>3,695,240</b>        | <b>3,916,171</b>           |
| Fixed assets:   |                         |                            |
| Property and equipment, at cost   | 2,840,966               | 2,836,633                  |
| Less accumulated depreciation and amortization  | 1,407,080               | 1,373,605                  |
| <b>Net fixed assets</b>   | <b>1,433,886</b>        | <b>1,463,028</b>           |
| Goodwill  | 1,018,031               | 1,049,669                  |
| Other assets  | 319,408                 | 338,483                    |
| <b>Total assets</b>   | <b>\$ 6,466,565</b>     | <b>\$ 6,767,351</b>        |
| <b>Liabilities and stockholders' equity</b>   |                         |                            |
| Current liabilities:  |                         |                            |
| Trade accounts payable  | \$ 1,259,799            | \$ 1,569,862               |
| Other accounts payable  | 71,497                  | 80,455                     |
| Accrued expenses and other current liabilities  | 803,811                 | 819,631                    |
| Income taxes payable  | 128,535                 | 133,266                    |
| Current maturities of long-term debt  | 13,917                  | 15,143                     |
| <b>Total current liabilities</b>  | <b>2,277,559</b>        | <b>2,618,357</b>           |
| Deferred income taxes and other long-term liabilities   | 332,189                 | 342,266                    |
| Long-term debt, net of current maturities   | 559,969                 | 583,680                    |
| Commitments and Contingencies   |                         |                            |
| Stockholders' Equity  |                         |                            |
| Common stock — authorized 800,000,000 shares of \$.01 par value; outstanding shares - 409,503,131 in 2005 and 404,925,515 in 2004 | 4,095                   | 4,049                      |
| Additional paid-in capital  | 1,314,650               | 1,255,494                  |
| Accumulated other comprehensive income  | 267,219                 | 339,708                    |
| Retained earnings   | 2,708,583               | 2,593,275                  |
| Treasury stock, at cost – 94,227,705 shares in 2005 and 92,623,768 shares in 2004   | (997,699)               | (969,478)                  |
|   | <u>3,296,848</u>        | <u>3,223,048</u>           |
|   | <u>\$ 6,466,565</u>     | <u>\$ 6,767,351</u>        |



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

|   | 13 Weeks Ended    |   | 52 Weeks Ended    |   |
|---|-------------------|---|-------------------|---|
|   | March 26,<br>2005 | March 27,<br>2004<br>(As Restated) <sup>1</sup> | March 26,<br>2005 | March 27,<br>2004<br>(As Restated) <sup>1</sup> |
| Sales   | \$ 3,702,891      | \$ 3,605,153                                    | \$ 13,662,437     | \$ 12,907,850                                   |
| Cost of goods sold and occupancy costs                  | <u>2,551,236</u>  | <u>2,469,016</u>                                | <u>9,390,780</u>  | <u>8,856,095</u>                                |
| Gross profit  | 1,151,655         | 1,136,137                                       | 4,271,657         | 4,051,755                                       |
| Store and warehouse operating and selling expenses      | 821,546           | 791,202   | 3,067,601         | 2,925,932                                       |
| General and administrative expenses                     | 158,908           | 165,956   | 658,777           | 619,522   |
| Other operating expenses                                | 6,261             | 4,532   | 24,809            | 26,106  |
|   | <u>986,715</u>    | <u>961,690</u>                                  | <u>3,751,187</u>  | <u>3,571,580</u>                                |
| Operating profit  | 164,940           | 174,447   | 520,470           | 480,195   |
| Other income (expense):                                 |                   |   |                   |   |
| Interest income   | 5,469             | 3,456   | 22,055            | 12,302  |
| Interest expense  | (10,383)          | (17,284)  | (54,207)          | (60,351)  |
| Loss on extinguishment of debt                          | —                 | —   | (45,407)          | —   |
| Miscellaneous income, net                               | 4,700             | 4,650   | 17,779            | 17,482  |
| Earnings from continuing operations before income taxes | 164,726           | 165,269   | 460,690           | 449,628   |
| Income taxes  | 49,418            | 50,369  | 124,778           | 138,724   |
| Earnings from continuing operations                     | 115,308           | 114,900   | 335,912           | 310,904   |
| Discontinued operations, net                            | —                 | —   | —                 | (990)   |
| Net earnings  | <u>\$ 115,308</u> | <u>\$ 114,900</u>                               | <u>\$ 335,912</u> | <u>\$ 309,914</u>                               |
| Earnings per share from continuing operations:          |                   |   |                   |   |
| Basic   | \$ 0.37           | \$ 0.37   | \$ 1.08           | \$ 1.00   |
| Diluted   | 0.37              | 0.37  | 1.06              | 0.99  |
| Net earnings per share:                                 |                   |   |                   |   |
| Basic   | \$ 0.37           | \$ 0.37   | \$ 1.08           | \$ 1.00   |
| Diluted   | 0.37              | 0.37  | 1.06              | 0.99  |
| Weighted average number of common shares outstanding:   |                   |   |                   |   |
| Basic   | 311,940           | 310,261   | 312,180           | 310,271   |
| Diluted   | 315,526           | 314,758   | 315,817           | 314,572   |

<sup>1</sup> Prior fiscal periods have been restated to comply with lease accounting principles set forth in Note B of our FY2004 report on Form 10-K, filed with the Securities and Exchange Commission on March 10, 2005.

**OFFICE DEPOT, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)  
(Unaudited)

|   | 13 Weeks Ended    |  |
|---|-------------------|--|
|   | March 26, 2005    | March 27, 2004<br>(As Restated) <sup>1</sup> |
| <b>Cash flows from operating activities:</b>  |                   |  |
| Net earnings  | \$ 115,308        | \$ 114,900                                   |
| Adjustments to reconcile net earnings to net cash provided by operating activities:           |                   |  |
| Depreciation and amortization   | 71,811            | 67,958                                       |
| Charges for losses on inventories and receivables   | 31,508            | 35,823                                       |
| Changes in working capital and other  | (279,264)         | 37,442                                       |
| Net cash (used in) provided by operating activities   | <u>(60,637)</u>   | <u>256,123</u>                               |
| <b>Cash flows from investing activities:</b>  |                   |  |
| Capital expenditures  | (80,472)          | (71,053)                                     |
| Net deposit on asset group purchase   | —                 | (15,100)                                     |
| Proceeds from disposition of assets and deposits received                                     | 7,348             | 2,160  |
| Purchase of short-term investments  | (168,755)         | —  |
| Sale of short-term investments  | 263,022           | —  |
| Net cash provided by (used in) investing activities   | <u>21,143</u>     | <u>(83,993)</u>                              |
| <b>Cash flows from financing activities:</b>  |                   |  |
| Proceeds from exercise of stock options and sale of stock under employee stock purchase plans | 54,183            | 21,780                                       |
| Acquisition of treasury stock   | (28,229)          | —  |
| Net payments on long- and short-term borrowings   | (5,599)           | (2,604)                                      |
| Net cash provided by financing activities   | <u>20,355</u>     | <u>19,176</u>                                |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>                           | <u>(10,607)</u>   | <u>(7,908)</u>                               |
| Net (decrease) increase in cash and cash equivalents  | (29,746)          | 183,398                                      |
| Cash and cash equivalents at beginning of period  | 793,727           | 790,889                                      |
| Cash and cash equivalents at end of period  | <u>\$ 763,981</u> | <u>\$ 974,287</u>                            |

<sup>1</sup> Prior fiscal periods have been restated to comply with lease accounting principles set forth in Note B of our FY2004 report on Form 10-K, filed with the Securities and Exchange Commission on March 10, 2005.

**OFFICE DEPOT, INC.**  
**DIVISION INFORMATION**  
(In millions)  
(Unaudited)

**North American Retail**

(\$ in millions)

|  | <b>First Quarter</b> |        |   |        |
|--|----------------------|--------|---|--------|
|  | <u>2005</u>          |        | <u>2004</u><br><u>(As Restated)<sup>1</sup></u> |        |
| Sales  | \$ 1,698.2           | 100.0% | \$ 1,604.6                                      | 100.0% |
| Cost of goods sold and occupancy costs             | <u>1,239.8</u>       | 73.0%  | <u>1,176.4</u>                                  | 73.3%  |
| Gross profit                                       | 458.4                | 27.0%  | 428.2   | 26.7%  |
| Store and warehouse operating and selling expenses | <u>328.3</u>         | 19.3%  | <u>316.6</u>                                    | 19.7%  |
| Division operating profit                          | <u>\$ 130.1</u>      | 7.7%   | <u>\$ 111.6</u>                                 | 7.0%   |

**North American Business Services**

(\$ in millions)

|  | <b>First Quarter</b> |        |   |        |
|--|----------------------|--------|---|--------|
|  | <u>2005</u>          |        | <u>2004</u><br><u>(As Restated)<sup>1</sup></u> |        |
| Sales  | \$ 1,051.0           | 100.0% | \$ 1,026.4                                      | 100.0% |
| Cost of goods sold and occupancy costs             | <u>717.5</u>         | 68.3%  | <u>694.0</u>                                    | 67.6%  |
| Gross profit                                       | 333.5                | 31.7%  | 332.4   | 32.4%  |
| Store and warehouse operating and selling expenses | <u>232.2</u>         | 22.1%  | <u>235.4</u>                                    | 22.9%  |
| Division operating profit                          | <u>\$ 101.3</u>      | 9.6%   | <u>\$ 97.0</u>                                  | 9.5%   |

**International**

(\$ in millions)

|  | <b>First Quarter</b> |        |   |        |
|--|----------------------|--------|---|--------|
|  | <u>2005</u>          |        | <u>2004</u><br><u>(As Restated)<sup>1</sup></u> |        |
| Sales  | \$ 954.3             | 100.0% | \$ 974.8  | 100.0% |
| Cost of goods sold and occupancy costs             | <u>594.4</u>         | 62.3%  | <u>599.0</u>                                    | 61.4%  |
| Gross profit                                       | 359.9                | 37.7%  | 375.8   | 38.6%  |
| Store and warehouse operating and selling expenses | <u>261.1</u>         | 27.3%  | <u>239.2</u>                                    | 24.6%  |
| Division operating profit                          | <u>\$ 98.8</u>       | 10.4%  | <u>\$ 136.6</u>                                 | 14.0%  |

<sup>1</sup> Prior fiscal periods have been restated to comply with lease accounting principles set forth in Note B of our FY2004 report on Form 10-K, filed with the Securities and Exchange Commission on March 10, 2005.

**OFFICE DEPOT, INC.**  
**OTHER SELECTED FINANCIAL AND OPERATING DATA**  
(In thousands, except per share amounts, return and operating data)  
(Unaudited)

**Other Selected Financial Information**

|  | <b>13 Weeks Ended</b>      |                       |
|--|----------------------------|-----------------------|
|  | <b>March 26, 2005</b>      | <b>March 27, 2004</b> |
| Cumulative share repurchases (\$):     | \$ 28,229                  | —                     |
| Cumulative share repurchases (shares): | 1,605                      | —                     |
| Shares outstanding, end of quarter     | 315,275                    | 311,951               |
|  | <b>Trailing 4 Quarters</b> |                       |
|  | <b>March 26, 2005</b>      | <b>March 27, 2004</b> |
| Return on Equity (ROE)                 | 11.0%                      | 11.9%                 |
| Return on Invested Capital (ROIC)      | 10.6%                      | 10.6%                 |

**Selected Operating Highlights**

|  | <b>13 Weeks Ended</b> |                       |
|--|-----------------------|-----------------------|
|  | <b>March 26, 2005</b> | <b>March 27, 2004</b> |
| <b>Store Count and Square Footage</b>          |                       |                       |
| <b>United States and Canada:</b>               |                       |                       |
| Store count:                                   |                       |                       |
| Stores opened                                  | 29                    | 3                     |
| Stores closed                                  | 3                     | 3                     |
| Stores relocated                               | 1                     | 3                     |
| Total U.S. and Canada stores                   | 995                   | 900                   |
| North American Retail Division square footage: | 25,289,417            | 23,602,070            |
| Average square footage per NAR store           | 25,416                | 26,225                |
| <b>International Division company-owned:</b>   |                       |                       |
| Store count:                                   |                       |                       |
| Stores opened                                  | —                     | 3                     |
| Stores closed                                  | 1                     | —                     |
| Total International company-owned stores       | 77                    | 67                    |
| <b>Percentage of sales by division:</b>        |                       |                       |
| North American Retail                          | 45.8%                 | 44.5%                 |
| North American Business Services               | 28.4%                 | 28.5%                 |
| International                                  | 25.8%                 | 27.0%                 |