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

SCHEDULE 13D

(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO § 240.13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO § 240.13d-2(a)

(Amendment No.)[1]

Office Depot, Inc.
(Name of Issuer)

Common Stock, par value $0.01 per share
(Title of Class of Securities)

676220106
(CUSIP Number)

JEFFREY C. SMITH
STARBOARD VALUE LP
830 Third Avenue, 3rd Floor
New York, New York 10022
(212) 845-7977

STEVE WOLOSKY, ESQ.
OLSHAN FROME WOLOSKY LLP
Park Avenue Tower
65 East 55th Street
New York, New York 10022
(212) 451-2300
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

September 5, 2012
(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box ☐.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. *See* § 240.13d-7 for other parties to whom copies are to be sent.

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1 The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, *see* the *Notes*).

1	NAME OF REPORTING PERSON STARBOARD VALUE AND OPPORTUNITY MASTER FUND LTD	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a) o (b) o
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)	☐
6	CITIZENSHIP OR PLACE OF ORGANIZATION CAYMAN ISLANDS	

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 12,158,429
	8	SHARED VOTING POWER - 0 -
	9	SOLE DISPOSITIVE POWER 12,158,429
	10	SHARED DISPOSITIVE POWER - 0 -

11	AGGREGATE AMOUNT BENFICIALLY OWNED BY EACH REPROTING PERSON 12,158,429	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES	o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 4.3%	
14	TYPE OF REPORTING PERSON CO	

1	NAME OF REPORTING PERSON STARBOARD VALUE AND OPPORTUNITY S LLC		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP		(a) o (b) o
3	SEC USE ONLY		
4	SOURCE OF FUNDS WC		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)		☐
6	CITIZENSHIP OR PLACE OF ORGANIZATION DELAWARE		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 2,706,557	
	8	SHARED VOTING POWER - 0 -	
	9	SOLE DISPOSITIVE POWER 2,706,557	
	10	SHARED DISPOSITIVE POWER - 0 -	
11	AGGREGATE AMOUNT BENFICIALLY OWNED BY EACH REPROTING PERSON 2,706,557		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) Less than 1%		
14	TYPE OF REPORTING PERSON OO		

1	NAME OF REPORTING PERSON STARBOARD VALUE LP		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP		(a) o (b) o
3	SEC USE ONLY		
4	SOURCE OF FUNDS OO		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)		☐
6	CITIZENSHIP OR PLACE OF ORGANIZATION DELAWARE		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 38,005,881	
	8	SHARED VOTING POWER - 0 -	
	9	SOLE DISPOSITIVE POWER 38,005,881	
	10	SHARED DISPOSITIVE POWER - 0 -	
11	AGGREGATE AMOUNT BENFICIALLY OWNED BY EACH REPROTING PERSON 38,005,881		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 13.3%		
14	TYPE OF REPORTING PERSON PN		

1	NAME OF REPORTING PERSON STARBOARD VALUE GP LLC		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP		(a) o (b) o
3	SEC USE ONLY		
4	SOURCE OF FUNDS OO		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)		☐
6	CITIZENSHIP OR PLACE OF ORGANIZATION DELAWARE		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 38,005,881	
	8	SHARED VOTING POWER - 0 -	
	9	SOLE DISPOSITIVE POWER 38,005,881	
	10	SHARED DISPOSITIVE POWER - 0 -	
11	AGGREGATE AMOUNT BENFICIALLY OWNED BY EACH REPROTING PERSON 38,005,881		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 13.3%		
14	TYPE OF REPORTING PERSON OO		

1	NAME OF REPORTING PERSON STARBOARD PRINCIPAL CO LP		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP		(a) o (b) o
3	SEC USE ONLY		
4	SOURCE OF FUNDS OO		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)		☐
6	CITIZENSHIP OR PLACE OF ORGANIZATION DELAWARE		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 38,005,881	
	8	SHARED VOTING POWER - 0 -	
	9	SOLE DISPOSITIVE POWER 38,005,881	
	10	SHARED DISPOSITIVE POWER - 0 -	
11	AGGREGATE AMOUNT BENFICIALLY OWNED BY EACH REPROTING PERSON 38,005,881		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 13.3%		
14	TYPE OF REPORTING PERSON PN		

1	NAME OF REPORTING PERSON STARBOARD PRINCIPAL CO GP LLC		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP		(a) o (b) o
3	SEC USE ONLY		
4	SOURCE OF FUNDS OO		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)		☐
6	CITIZENSHIP OR PLACE OF ORGANIZATION DELAWARE		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 38,005,881	
	8	SHARED VOTING POWER - 0 -	
	9	SOLE DISPOSITIVE POWER 38,005,881	
	10	SHARED DISPOSITIVE POWER - 0 -	
11	AGGREGATE AMOUNT BENFICIALLY OWNED BY EACH REPROTING PERSON 38,005,881		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 13.3%		
14	TYPE OF REPORTING PERSON OO		

1	NAME OF REPORTING PERSON JEFFREY C. SMITH		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP		(a) o (b) o
3	SEC USE ONLY		
4	SOURCE OF FUNDS OO		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)		☐
6	CITIZENSHIP OR PLACE OF ORGANIZATION USA		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER - 0 -	
	8	SHARED VOTING POWER 38,005,881	
	9	SOLE DISPOSITIVE POWER - 0 -	
	10	SHARED DISPOSITIVE POWER 38,005,881	
11	AGGREGATE AMOUNT BENFICIALLY OWNED BY EACH REPROTING PERSON 38,005,881		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 13.3%		
14	TYPE OF REPORTING PERSON IN		

1	NAME OF REPORTING PERSON MARK R. MITCHELL		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP		(a) o (b) o
3	SEC USE ONLY		
4	SOURCE OF FUNDS OO		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)		☐
6	CITIZENSHIP OR PLACE OF ORGANIZATION USA		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER - 0 -	
	8	SHARED VOTING POWER 38,005,881	
	9	SOLE DISPOSITIVE POWER - 0 -	
	10	SHARED DISPOSITIVE POWER 38,005,881	
11	AGGREGATE AMOUNT BENFICIALLY OWNED BY EACH REPROTING PERSON 38,005,881		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 13.3%		
14	TYPE OF REPORTING PERSON IN		

1	NAME OF REPORTING PERSON PETER A. FELD		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP		(a) o (b) o
3	SEC USE ONLY		
4	SOURCE OF FUNDS OO		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)		☐
6	CITIZENSHIP OR PLACE OF ORGANIZATION USA		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER - 0 -	
	8	SHARED VOTING POWER 38,005,881	
	9	SOLE DISPOSITIVE POWER - 0 -	
	10	SHARED DISPOSITIVE POWER 38,005,881	
11	AGGREGATE AMOUNT BENFICIALLY OWNED BY EACH REPROTING PERSON 38,005,881		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 13.3%		
14	TYPE OF REPORTING PERSON IN		

1	NAME OF REPORTING PERSON T-S CAPITAL PARTNERS, LLC	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a) o (b) o
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)	☐
6	CITIZENSHIP OR PLACE OF ORGANIZATION CALIFORNIA	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 100,000
	8	SHARED VOTING POWER - 0-
	9	SOLE DISPOSITIVE POWER 100,000
	10	SHARED DISPOSITIVE POWER - 0-
11	AGGREGATE AMOUNT BENFICIALLY OWNED BY EACH REPROTING PERSON 100,000	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES	o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) Less than 1%	
14	TYPE OF REPORTING PERSON OO	

1	NAME OF REPORTING PERSON DAVID SIEGEL		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP		(a) o (b) o
3	SEC USE ONLY		
4	SOURCE OF FUNDS OO		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)		☐
6	CITIZENSHIP OR PLACE OF ORGANIZATION USA		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER - 0 -	
	8	SHARED VOTING POWER 100,000	
	9	SOLE DISPOSITIVE POWER - 0 -	
	10	SHARED DISPOSITIVE POWER 100,000	
11	AGGREGATE AMOUNT BENFICIALLY OWNED BY EACH REPROTING PERSON 100,000		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) Less than 1%		
14	TYPE OF REPORTING PERSON IN		

1	NAME OF REPORTING PERSON ROBERT TELLES		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP		(a) o (b) o
3	SEC USE ONLY		
4	SOURCE OF FUNDS OO		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)		☐
6	CITIZENSHIP OR PLACE OF ORGANIZATION USA		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER - 0 -	
	8	SHARED VOTING POWER 100,000	
	9	SOLE DISPOSITIVE POWER - 0 -	
	10	SHARED DISPOSITIVE POWER 100,000	
11	AGGREGATE AMOUNT BENFICIALLY OWNED BY EACH REPROTING PERSON 100,000		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) Less than 1%		
14	TYPE OF REPORTING PERSON IN		

The following constitutes the Schedule 13D filed by the undersigned (the "Schedule 13D").

Item 1. Security and Issuer.

This statement relates to the common stock, par value $0.01 per share (the "Shares"), of Office Depot, Inc. (the "Issuer"). The address of the principal executive offices of the Issuer is 6600 North Military Trail, Boca Raton, Florida 33496.

Item 2. Identity and Background.

(a) This statement is filed by:

(i) Starboard Value and Opportunity Master Fund Ltd, a Cayman Islands exempted company ("Starboard V&O Fund"), with respect to the Shares directly and beneficially owned by it;

(ii) Starboard Value and Opportunity S LLC, a Delaware limited liability company ("Starboard LLC"), with respect to the Shares directly and beneficially owned by it;

(iii) Starboard Value LP ("Starboard Value LP"), as the investment manager of Starboard V&O Fund and of certain managed accounts (the "Starboard Value LP Accounts") and the manager of Starboard LLC;

(iv) Starboard Value GP LLC ("Starboard Value GP"), as the general partner of Starboard Value LP;

(v) Starboard Principal Co LP ("Principal Co"), as a member of Starboard Value GP;

(vi) Starboard Principal Co GP LLC ("Principal GP"), as the general partner of Principal Co;

(vii) Jeffrey C. Smith, as a member of Principal GP and as a member of each of the Management Committee of Starboard Value GP and the Management Committee of Principal GP;

(viii) Mark R. Mitchell, as a member of Principal GP and as a member of each of the Management Committee of Starboard Value GP and the Management Committee of Principal GP;

(ix) Peter A. Feld, as a member of Principal GP and as a member of each of the Management Committee of Starboard Value GP and the Management Committee of Principal GP;

(x) T-S Capital Partners, LLC, a California limited liability company ("T-S Capital"), with respect to the Shares directly and beneficially owned by it;

(xi) David Siegel, as a managing member of T-S Capital; and

(xii) Robert Telles, as a managing member of T-S Capital.

Each of the foregoing is referred to as a “Reporting Person” and collectively as the “Reporting Persons.” Each of the Reporting Persons is party to that certain Joint Filing Agreement, as further described in Item 6. Accordingly, the Reporting Persons are hereby filing a joint Schedule 13D.

(b) The address of the principal office of each of Starboard LLC, Starboard Value LP, Starboard Value GP, Principal Co, Principal GP, and Messrs. Smith, Mitchell and Feld is 830 Third Avenue, 3rd Floor, New York, New York 10022. The address of the principal office of Starboard V&O Fund is 89 Nexus Way, Camana Bay, PO Box 31106, Grand Cayman KY1-1205, Cayman Islands. The principal business address of each of T-S Capital and Messrs. Siegel and Telles is 1350 Treat Boulevard, Suite 400, Walnut Creek, California 94597. The officers and directors of Starboard V&O Fund and their principal occupations and business addresses are set forth on Schedule A and are incorporated by reference in this Item 2.

(c) The principal business of Starboard V&O Fund is serving as a private investment fund. Starboard V&O Fund has been formed for the purpose of making equity investments and, on occasion, taking an active role in the management of portfolio companies in order to enhance shareholder value. Starboard LLC has been formed for the purpose of investing in securities and engaging in all related activities and transactions. Starboard Value LP provides investment advisory and management services and acts as the investment manager of Starboard V&O Fund and the Starboard Value LP Accounts and the manager of Starboard LLC. The principal business of Starboard Value GP is providing a full range of investment advisory, pension advisory and management services and serving as the general partner of Starboard Value LP. The principal business of Principal Co is providing investment advisory and management services. Principal Co is a member of Starboard Value GP. Principal GP serves as the general partner of Principal Co. Messrs. Smith, Mitchell and Feld serve as members of Principal GP and the members of each of the Management Committee of Starboard Value GP and the Management Committee of Principal GP. The principal business of T-S Capital is serving as an investment partnership. The principal occupation of Mr. Siegel is as the President and CEO of Frontier Airlines, Inc. The principal occupation of Mr. Telles is as a corporate attorney.

(d) No Reporting Person, nor any person listed on Schedule A, annexed hereto, has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) No Reporting Person, nor any person listed on Schedule A, annexed hereto, has, during the last five years, been party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Messrs. Smith, Mitchell, Feld, Siegel and Telles are citizens of the United States of America. The citizenship of the persons listed on Schedule A is set forth therein.

Item 3. Source and Amount of Funds or Other Consideration.

The Shares purchased by each of Starboard V&O Fund and Starboard LLC and held in the Starboard Value LP Accounts were purchased with working capital (which may, at any given time, include margin loans made by brokerage firms in the ordinary course of business) in open market purchases, except as otherwise noted, as set forth in Schedule B, which is incorporated by reference herein. The aggregate purchase price of the 12,158,429 Shares beneficially owned by Starboard V&O Fund is approximately $22,141,097, excluding brokerage commissions. The aggregate purchase price of the 2,706,557 Shares beneficially owned by Starboard LLC is approximately $4,930,699, excluding brokerage commissions. The aggregate purchase price of the 23,140,895 Shares held in the Starboard Value LP Accounts is approximately $45,537,780, excluding brokerage commissions.

The Shares held by T-S Capital were purchased with working capital (which may, at any given time, include margin loans made by brokerage firms in the ordinary course of business) in open market purchases, except as otherwise noted, as set forth in Schedule B, which is incorporated by reference herein. The aggregate purchase price of the 100,000 Shares beneficially owned by T-S Capital is $422,253, excluding brokerage commissions.

Item 4. Purpose of Transaction.

The Reporting Persons purchased the Shares based on the Reporting Persons' belief that the Shares, when purchased, were undervalued and represented an attractive investment opportunity. Depending upon overall market conditions, other investment opportunities available to the Reporting Persons, and the availability of Shares at prices that would make the purchase or sale of Shares desirable, the Reporting Persons may endeavor to increase or decrease their position in the Issuer through, among other things, the purchase or sale of Shares on the open market or in private transactions or otherwise, on such terms and at such times as the Reporting Persons may deem advisable.

On September 17, 2012, Starboard Value delivered a letter to the Issuer's Chairman and CEO, Neil Austrian, and the Issuer's Board of Directors (the "Board"). In the letter, Starboard Value expressed that based on its detailed research and analysis, the Issuer is deeply undervalued and a substantial opportunity exists to improve its performance and valuation based on actions that are within the control of the Board and management team.

In the letter, Starboard Value outlined a number of opportunities to meaningfully improve operating performance and dramatically increase EBITDA. Further, in the letter, Starboard Value stated that the Issuer can achieve substantial margin improvement by, among other things: (i) meaningfully reducing general and administrative ("G&A") expenses to historical G&A expense-to-sales and G&A expense per store ratios; (ii) significantly lowering advertising expenses, which are substantially higher than peer levels and do not appear to be generating an adequate return on advertising dollars invested; (iii) increasing the mix of higher-margin services in its North American Retail Division, which carry gross margins two times greater than its average store gross margin; (iv) increasing private label direct sourced penetration of stock-keeping units (SKUs), which carries significantly higher gross margins than sourcing through an agent; (v) reducing the number of SKUs in order to lower procurement expense; (vi) downsizing to smaller store formats to drive substantially higher operating margins; and (vii) increasing the mix of significantly higher-margin small-to medium-sized business customers in the Issuer's North American Business Solutions Division. Starboard Value further estimated that Office Depot de Mexico, a non-core and highly profitable 50/50 joint venture between the Issuer and Grupo Gigante, which is not consolidated in the Issuer's financial statements, could be worth more than 50% of the Issuer's entire enterprise value. Starboard Value stressed that management must act with a renewed sense of urgency and discipline to reduce expenses and execute on strategic initiatives and expressed its hope of continuing a constructive dialogue with the Issuer's Board and senior management to address the challenges and opportunities facing the Issuer, and to ensure that it is run with the best interests of all shareholders as the primary objective. The full text of the letter is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

No Reporting Person has any present plan or proposal which would relate to or result in any of the matters set forth in subparagraphs (a) - (j) of Item 4 of Schedule 13D except as set forth herein or such as would occur upon or in connection with completion of, or following, any of the actions discussed herein. The Reporting Persons intend to review their investment in the Issuer on a continuing basis. Depending on various factors including, without limitation, the Issuer's financial position and investment strategy, the price levels of the Shares, conditions in the securities markets and general economic and industry conditions, the Reporting Persons may in the future take such actions with respect to their investment in the Issuer as they deem appropriate including, without limitation, continuing to engage in communications with management and the Board of the Issuer, engaging in discussions with stockholders of the Issuer and others about the Issuer and the Reporting Persons' investment, making recommendations or proposals to the Issuer concerning changes to the capitalization, ownership structure, board structure (including board composition) or operations of the Issuer, purchasing additional Shares, selling some or all of their Shares, engaging in short selling of or any hedging or similar transaction with respect to the Shares, or changing their intention with respect to any and all matters referred to in Item 4.

Item 5. Interest in Securities of the Issuer.

The aggregate percentage of Shares reported owned by each person named herein is based upon 285,160,572 Shares outstanding, as of June 30, 2012, which is the total number of Shares outstanding as reported in the Issuer's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 7, 2012.

A. Starboard V&O Fund

(a) As of the close of business on September 14, 2012, Starboard V&O Fund beneficially owned 12,158,429 Shares.

Percentage: Approximately 4.3%

(b) 1. Sole power to vote or direct vote: 12,158,429
2. Shared power to vote or direct vote: 0
3. Sole power to dispose or direct the disposition: 12,158,429
4. Shared power to dispose or direct the disposition: 0

(c) The transactions in the Shares by Starboard V&O Fund during the past sixty days are set forth in Schedule B and are incorporated herein by reference.

B. Starboard LLC

(a) As of the close of business on September 14, 2012, Starboard LLC beneficially owned 2,706,557 Shares.

Percentage: Less than 1%

(b) 1. Sole power to vote or direct vote: 2,706,557
2. Shared power to vote or direct vote: 0
3. Sole power to dispose or direct the disposition: 2,706,557
4. Shared power to dispose or direct the disposition: 0

(c) The transactions in the Shares by Starboard LLC during the past sixty days are set forth in Schedule B and are incorporated herein by reference.

C. Starboard Value LP

(a) As of the close of business on September 14, 2012, 23,140,895 Shares were held in the Starboard Value LP Accounts. Starboard Value LP, as the investment manager of Starboard V&O Fund and the Starboard Value LP Accounts and the manager of Starboard LLC, may be deemed the beneficial owner of the (i) 12,158,429 Shares owned by Starboard V&O Fund, (ii) 2,706,557 Shares owned by Starboard LLC and (iii) 23,140,895 Shares held in the Starboard Value LP Accounts.

Percentage: Approximately 13.3%

(b) 1. Sole power to vote or direct vote: 38,005,881
2. Shared power to vote or direct vote: 0
3. Sole power to dispose or direct the disposition: 38,005,881
4. Shared power to dispose or direct the disposition: 0

(c) The transactions in the Shares by Starboard Value LP through the Starboard Value LP Accounts and on behalf of each of Starboard V&O Fund and Starboard LLC during the past sixty days are set forth in Schedule B and are incorporated herein by reference.

D. Starboard Value GP

(a) Starboard Value GP, as the general partner of Starboard Value LP, may be deemed the beneficial owner of the (i) 12,158,429 Shares owned by Starboard V&O Fund, (ii) 2,706,557 Shares owned by Starboard LLC and (iii) 23,140,895 Shares held in the Starboard Value LP Accounts.

Percentage: Approximately 13.3%

(b) 1. Sole power to vote or direct vote: 38,005,881
2. Shared power to vote or direct vote: 0
3. Sole power to dispose or direct the disposition: 38,005,881
4. Shared power to dispose or direct the disposition: 0

(c) Starboard Value GP has not entered into any transactions in the Shares during the past sixty days. The transactions in the Shares on behalf of each of Starboard V&O Fund, Starboard LLC and through the Starboard Value LP Accounts during the past sixty days are set forth in Schedule B and are incorporated herein by reference.

E. Principal Co

(a) Principal Co, as a member of Starboard Value GP, may be deemed the beneficial owner of the (i) 12,158,429 Shares owned by Starboard V&O Fund, (ii) 2,706,557 Shares owned by Starboard LLC and (iii) 23,140,895 Shares held in the Starboard Value LP Accounts.

Percentage: Approximately 13.3%

(b) 1. Sole power to vote or direct vote: 38,005,881
2. Shared power to vote or direct vote: 0
3. Sole power to dispose or direct the disposition: 38,005,881
4. Shared power to dispose or direct the disposition: 0

(c) Principal Co has not entered into any transactions in the Shares during the past sixty days. The transactions in the Shares on behalf of each of Starboard V&O Fund, Starboard LLC and through the Starboard Value LP Accounts during the past sixty days are set forth in Schedule B and are incorporated herein by reference.

F. Principal GP

(a) Principal GP, as the general partner of Principal Co, may be deemed the beneficial owner of the (i) 12,158,429 Shares owned by Starboard V&O Fund, (ii) 2,706,557 Shares owned by Starboard LLC and (iii) 23,140,895 Shares held in the Starboard Value LP Accounts.

Percentage: Approximately 13.3%

(b) 1. Sole power to vote or direct vote: 38,005,881
2. Shared power to vote or direct vote: 0
3. Sole power to dispose or direct the disposition: 38,005,881
4. Shared power to dispose or direct the disposition: 0

(c) Principal GP has not entered into any transactions in the Shares during the past sixty days. The transactions in the Shares on behalf of each of Starboard V&O Fund, Starboard LLC and through the Starboard Value LP Accounts during the past sixty days are set forth in Schedule B and are incorporated herein by reference.

G. Messrs. Smith, Mitchell and Feld

(a) Each of Messrs. Smith, Mitchell and Feld, as a member of Principal GP and as a member of each of the Management Committee of Starboard Value GP and the Management Committee of Principal GP, may be deemed the beneficial owner of the (i) 12,158,429 Shares owned by Starboard V&O Fund, (ii) 2,706,557 Shares owned by Starboard LLC and (iii) 23,140,895 Shares held in the Starboard Value LP Accounts.

Percentage: Approximately 13.3%

(b) 1. Sole power to vote or direct vote: 0
2. Shared power to vote or direct vote: 38,005,881
3. Sole power to dispose or direct the disposition: 0
4. Shared power to dispose or direct the disposition: 38,005,881

(c) None of Messrs. Smith, Mitchell or Feld has entered into any transactions in the Shares during the past sixty days. The transactions in the Shares on behalf of each of Starboard V&O Fund, Starboard LLC and through the Starboard Value LP Accounts during the past sixty days are set forth in Schedule B and are incorporated herein by reference.

H. T-S Capital

(a) As of the close of business on September 14, 2012, T-S Capital beneficially owned 100,000 Shares.

Percentage: Less than 1%

(b) 1. Sole power to vote or direct vote: 100,000
2. Shared power to vote or direct vote: 0
3. Sole power to dispose or direct the disposition: 100,000
4. Shared power to dispose or direct the disposition: 0

(c) T-S Capital has not entered into any transactions in the Shares during the past sixty days.

I. Messrs. Siegel and Telles

(a) Each of Messrs. Siegel and Telles, as a managing member of T-S Capital, may be deemed the beneficial owner of the 100,000 Shares owned by T-S Capital

Percentage: Less than 1%

(b) 1. Sole power to vote or direct vote: 0
2. Shared power to vote or direct vote: 100,000
3. Sole power to dispose or direct the disposition: 0
4. Shared power to dispose or direct the disposition: 100,000

(c) Neither of Messrs. Siegel or Telles has entered into any transactions in the Shares during the past sixty days.

An aggregate of 38,105,881 Shares, constituting approximately 13.4% of the Shares outstanding, are reported in this Schedule 13D.

Each Reporting Person, as a member of a "group" with the other Reporting Persons for the purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, may be deemed the beneficial owner of the Shares directly owned by the other Reporting Persons. Each Reporting Person disclaims beneficial ownership of such Shares except to the extent of his or its pecuniary interest therein.

(d) No person other than the Reporting Persons is known to have the right to receive, or the power to direct the receipt of dividends from, or proceeds from the sale of, the Shares.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

Starboard Value LP and T-S Capital have agreed in principle on an Advisor's Agreement relating to certain services (the "Advisor Services") to be provided by Mr. Siegel in connection with Starboard Value LP's investment in the Issuer (the "Advisor's Agreement"). Pursuant to the Advisor's Agreement and in consideration for Mr. Siegel's performance of the Advisor Services, Starboard Value LP agreed to pay T-S Capital a fee based, in part, on a percentage of the investment gains, if any, relating to Starboard Value LP's investment in the Issuer.

On September 17, 2012, the Reporting Persons entered into a Joint Filing Agreement in which the Reporting Persons agreed to the joint filing on behalf of each of them of statements on Schedule 13D with respect to the securities of the Issuer to the extent required by applicable law. The Joint Filing Agreement is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

Item 7. Material to be Filed as Exhibits.

99.1 Letter to the Chairman and CEO and Board of Directors of Office Depot, Inc. dated September 17, 2012.

99.2 Joint Filing Agreement by and among Starboard Value and Opportunity Master Fund Ltd, Starboard Value and Opportunity S LLC, Starboard Value LP, Starboard Value GP LLC, Starboard Principal Co LP, Starboard Principal Co GP LLC, Jeffrey C. Smith, Mark R. Mitchell, Peter A. Feld, T-S Capital Partners, LLC, David Siegel and Robert Telles, dated September 17, 2012.

99.3 Power of Attorney for Jeffrey C. Smith, Mark Mitchell and Peter A. Feld, dated September 15, 2011.

99.4 Power of Attorney for T-S Capital Partners, LLC, David Siegel and Robert Telles, dated September 14, 2012.

SIGNATURES

After reasonable inquiry and to the best of his knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: September 17, 2012

STARBOARD VALUE AND OPPORTUNITY MASTER FUND LTD
By: Starboard Value LP,
its investment manager

STARBOARD VALUE AND OPPORTUNITY S LLC
By: Starboard Value LP,
its manager

STARBOARD VALUE LP
By: Starboard Value GP LLC,
its general partner

STARBOARD VALUE GP LLC
By: Starboard Principal Co LP,
its member

STARBOARD PRINCIPAL CO LP
By: Starboard Principal Co GP LLC,
its general partner

STARBOARD PRINCIPAL CO GP LLC

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

/s/ Jeffrey C. Smith
JEFFREY C. SMITH
Individually and as attorney-in-fact for Mark R. Mitchell, Peter A. Feld and David Siegel

T-S CAPITAL PARTNERS, LLC

By: /s/ David Siegel
Name: David Siegel
Title: Authorized Signatory

/s/ David Siegel
DAVID SIEGEL

/s/ Robert Telles
ROBERT TELLES

SCHEDULE A

Directors and Officers of Starboard Value and Opportunity Master Fund Ltd

Name and Position	Principal Occupation	Principal Business Address	Citizenship
Patrick Agemian Director	Director of Global Funds Management, Ltd.	PO Box 10034, Harbour Place 2nd Floor 103 South Church Street Grand Cayman Cayman Islands, KY1-1001	Canada
Mark Mitchell Director*			
Don Seymour Director	Managing Director of dms Management Ltd.	dms Management Ltd. dms House, 20 Genesis Close P.O. Box 31910 Grand Cayman Cayman Islands, KY1-1208	Cayman Islands

* Mr. Mitchell is a Reporting Person and, as such, the information with respect to Mr. Mitchell called for by Item 2 of Schedule 13D is set forth therein.

SCHEDULE B

Transactions in the Shares During the Past Sixty Days

Shares of Common Stock Purchased / (Sold)	Price Per Share($)	Date of Purchase / Sale
STARBOARD VALUE AND OPPORTUNITY MASTER FUND LTD		
159,500	1.9591	07/12/2012
159,500	1.9930	07/12/2012
234,618	2.0135	07/13/2012
243,882	1.9477	07/16/2012
182,021	1.9376	07/17/2012
120,008	1.9200	07/18/2012
319,000	2.0037	07/19/2012
319,000	1.9981	07/19/2012
176,471	1.9664	07/20/2012
638,000	1.9501	07/20/2012
374,251	1.8985	07/23/2012
104,249	1.8898	07/24/2012
159,500	1.8400	07/24/2012
159,500	1.8477	07/24/2012
159,500	1.8448	07/25/2012
478,500	1.7937	07/25/2012
319,000	1.7557	07/26/2012
159,500	1.7385	07/26/2012
319,000	1.7708	07/27/2012
159,500	1.7935	07/30/2012
63,800	1.7540	07/31/2012
95,700	1.7657	07/31/2012
159,750	1.6541	08/02/2012
159,750	1.6445	08/07/2012
639,000	1.6534	08/17/2012
159,750	1.5300	08/29/2012
193,167	1.5300	08/29/2012
413,883	1.5250	08/29/2012
383,400	1.5233	08/30/2012
447,300	1.5284	08/30/2012
477,750	1.5883	09/04/2012
775,484	1.5763	09/04/2012
1,188,000	1.8149	09/05/2012
67,500	1.8350	09/05/2012
249,750	1.8246	09/05/2012
249,750	1.8153	09/05/2012
135,000	1.8576	09/06/2012
33,750	1.9140	09/11/2012
9,450	1.8909	09/11/2012
13,500	1.8800	09/11/2012

197,504	2.1626	09/12/2012
364,703	2.2098	09/12/2012
226,193	2.2463	09/12/2012
253,639	2.2681	09/13/2012
47,206	2.4392	09/14/2012
168,750	2.4480	09/14/2012
40,500	2.4500	09/14/2012

STARBOARD VALUE AND OPPORTUNITY S LLC

35,750	1.9591	07/12/2012
35,750	1.9930	07/12/2012
52,587	2.0135	07/13/2012
54,663	1.9477	07/16/2012
40,798	1.9376	07/17/2012
26,898	1.9200	07/18/2012
71,500	2.0037	07/19/2012
71,500	1.9981	07/19/2012
39,554	1.9664	07/20/2012
143,000	1.9501	07/20/2012
83,884	1.8985	07/23/2012
23,366	1.8898	07/24/2012
35,750	1.8400	07/24/2012
35,750	1.8477	07/24/2012
35,750	1.8448	07/25/2012
107,250	1.7937	07/25/2012
71,500	1.7557	07/26/2012
35,750	1.7385	07/26/2012
71,500	1.7708	07/27/2012
35,750	1.7935	07/30/2012
14,300	1.7540	07/31/2012
21,450	1.7657	07/31/2012
35,250	1.6541	08/02/2012
35,250	1.6445	08/07/2012
141,000	1.6534	08/17/2012
35,250	1.5300	08/29/2012
42,624	1.5300	08/29/2012
91,326	1.5250	08/29/2012
84,600	1.5233	08/30/2012
98,700	1.5284	08/30/2012
105,750	1.5883	09/04/2012
171,653	1.5763	09/04/2012
264,000	1.8149	09/05/2012
15,000	1.8350	09/05/2012
55,500	1.8246	09/05/2012
55,500	1.8153	09/05/2012
30,000	1.8576	09/06/2012
7,500	1.9140	09/11/2012
2,100	1.8909	09/11/2012
3,000	1.8800	09/11/2012

43,890	2.1626	09/12/2012
81,045	2.2098	09/12/2012
50,265	2.2463	09/12/2012
56,364	2.2681	09/13/2012
10,490	2.4392	09/14/2012
37,500	2.4480	09/14/2012
9,000	2.4500	09/14/2012

STARBOARD VALUE LP
(Through the Starboard Value LP Accounts)

54,750	1.9591	07/12/2012
54,750	1.9930	07/12/2012
80,535	2.0135	07/13/2012
83,715	1.9477	07/16/2012
62,481	1.9376	07/17/2012
41,194	1.9200	07/18/2012
109,500	2.0037	07/19/2012
109,500	1.9981	07/19/2012
60,575	1.9664	07/20/2012
219,000	1.9501	07/20/2012
128,465	1.8985	07/23/2012
35,785	1.8898	07/24/2012
54,750	1.8400	07/24/2012
54,750	1.8477	07/24/2012
54,750	1.8448	07/25/2012
164,250	1.7937	07/25/2012
109,500	1.7557	07/26/2012
54,750	1.7385	07/26/2012
109,500	1.7708	07/27/2012
54,750	1.7935	07/30/2012
21,900	1.7540	07/31/2012
32,850	1.7657	07/31/2012
55,000	1.6541	08/02/2012
55,000	1.6445	08/07/2012
220,000	1.6534	08/17/2012
55,000	1.5300	08/29/2012
66,505	1.5300	08/29/2012
142,495	1.5250	08/29/2012
132,000	1.5233	08/30/2012
154,000	1.5284	08/30/2012
166,500	1.5883	09/04/2012
270,263	1.5763	09/04/2012
431,200	1.8149	09/05/2012
24,500	1.8350	09/05/2012
90,650	1.8246	09/05/2012
90,650	1.8153	09/05/2012
950,400	1.8149	09/05/2012
54,000	1.8350	09/05/2012
199,800	1.8246	09/05/2012

199,800	1.8153	09/05/2012
3,792,800	1.8149	09/05/2012
797,350	1.8246	09/05/2012
797,350	1.8153	09/05/2012
215,500	1.8350	09/05/2012
2,173,600	1.8149	09/05/2012
456,950	1.8246	09/05/2012
456,950	1.8153	09/05/2012
123,500	1.8350	09/05/2012
49,000	1.8576	09/06/2012
108,000	1.8576	09/06/2012
431,000	1.8576	09/06/2012
247,000	1.8576	09/06/2012
27,000	1.9140	09/11/2012
12,250	1.9140	09/11/2012
107,750	1.9140	09/11/2012
61,750	1.9140	09/11/2012
3,430	1.8909	09/11/2012
30,170	1.8909	09/11/2012
7,560	1.8909	09/11/2012
17,290	1.8909	09/11/2012
10,800	1.8800	09/11/2012
24,700	1.8800	09/11/2012
43,100	1.8800	09/11/2012
4,900	1.8800	09/11/2012
158,004	2.1626	09/12/2012
71,687	2.1626	09/12/2012
630,552	2.1626	09/12/2012
361,360	2.1626	09/12/2012
291,760	2.2098	09/12/2012
132,374	2.2098	09/12/2012
1,164,347	2.2098	09/12/2012
667,271	2.2098	09/12/2012
180,954	2.2463	09/12/2012
82,100	2.2463	09/12/2012
722,142	2.2463	09/12/2012
413,849	2.2463	09/12/2012
202,911	2.2681	09/13/2012
92,062	2.2681	09/13/2012
809,768	2.2681	09/13/2012
464,066	2.2681	09/13/2012
37,764	2.4392	09/14/2012
17,134	2.4392	09/14/2012
150,708	2.4392	09/14/2012
86,369	2.4392	09/14/2012
135,000	2.4480	09/14/2012
61,250	2.4480	09/14/2012
538,750	2.4480	09/14/2012
308,750	2.4480	09/14/2012
32,400	2.4500	09/14/2012
14,700	2.4500	09/14/2012
129,300	2.4500	09/14/2012
74,100	2.4500	09/14/2012

Exhibit 99.1

September 17, 2012

Neil Austrian
Chairman and CEO
Office Depot, Inc.
6600 North Military Trail
Boca Raton, FL 33496

cc: Board of Directors

Dear Neil,

We enjoyed meeting with you on September 5th and appreciated the opportunity to discuss your views on Office Depot, Inc. ("Office Depot" or the "Company"), the challenges it faces, and the future opportunities it hopes to capture.

Starboard Value LP, together with its affiliates ("Starboard"), currently owns approximately 13.3% of the outstanding common shares of Office Depot, making us the Company's largest common shareholder. Our substantial investment in Office Depot is based upon (i) our extensive due diligence on the Company and each of its business units, (ii) an analysis of its operating and financial performance, and (iii) a review of the competitive landscape in the office supply superstore (OSS) sector. Based upon our findings, we strongly believe that Office Depot's shares are deeply undervalued and that a substantial opportunity exists to improve the Company's performance and valuation based on actions that are within the control of Office Depot's management team and Board of Directors (the "Board").

By way of background, Starboard is an investment management firm that seeks to invest in undervalued and underperforming public companies. Our approach to each investment is to actively engage and work closely with management and the board of directors in a constructive manner to identify and execute on opportunities to unlock value for the benefit of all shareholders. Our principals and investment team have extensive experience and a successful track record of enhancing value at portfolio companies through a combination of strategic refocusing, improved operational execution, and more efficient capital allocation.

The purpose of this letter is to broadly outline our initial thoughts and perspectives on Office Depot for your benefit, as well as for the benefit of your management team, the Board, and our fellow shareholders. We look forward to continuing our dialog with you and your senior management team so we can further elaborate in greater detail on the points highlighted in this letter.

Historical Performance

Over the past several years, the OSS sector has been challenged by a confluence of factors that has resulted in sales deleveraging and margin compression across the peer group. While these factors are partially to blame for the deterioration in Office Depot's financial performance, a comparison to its closest peers demonstrates that the Company has not adequately adapted to new market realities and has not reduced spending levels sufficiently to offset declines in revenues. As shown in the table below, Office Depot generated operating margins of 0.7% over the last twelve months, well below the operating margins of both Staples, Inc. ("Staples") and OfficeMax Incorporated ("OfficeMax") of 6.4% and 1.9%, respectively.

Peer Comparison, LTM Financials (1) *($ in millions)*

	Office Depot	OfficeMax	Staples
Revenue	$11,187	$7,086	$24,633
Operating Income	$73	$138	$1,568
Operating Margin	0.7%	1.9%	6.4%
EBITDA	$282	$217	$2,064
EBITDA Margin	2.5%	3.1%	8.4%

Source: Company filings
(1) Operating income and EBITDA are adjusted to exclude non-recurring items.

While a portion of the relative underperformance versus Staples may be attributable to the difference in revenue scale, we do not believe there are any structural dissimilarities that should cause the dramatic underperformance of Office Depot's margins. Further, Office Depot's operating margins are also substantially below those of OfficeMax, despite Office Depot's significant scale advantage.

It appears that Office Depot's poor operating performance has also had a damaging impact on stock price performance on both a relative and absolute basis. Even despite the substantial increase in stock price over the last two weeks, Office Depot's shares have dramatically underperformed over almost any time period versus Staples and OfficeMax, its Proxy Peer Group, and the S&P500.

	Total Shareholder Return [1]		
	1 Year	3 Year	5 Year
S&P500 Index	26.1%	48.7%	10.3%
Proxy Peer Group [2]	27.5%	70.8%	47.1%
Staples, Inc.	-13.9%	-43.3%	-40.5%
OfficeMax Incorporated	40.6%	-33.8%	-73.3%
Office Depot, Inc.	**0.0%**	**-59.9%**	**-87.1%**
Underperformance vs. S&P500	-26.1%	-108.6%	-97.4%
Underperformance vs. Proxy Peer Group	-27.5%	-130.7%	-134.2%
Underperformance vs. Staples	13.9%	-16.6%	-46.6%
Underperformance vs. OfficeMax	-40.6%	-26.1%	-13.8%

(1) Total returns for all periods include dividends, and performance is measured as of September 14, 2012

(2) Peer Group sourced from ODP 2012 Proxy : AMZN, ARW, AVT, BBY, GME, GPS, GPC, JCP, KSS, LTD, M, OMX, RAD, SPLS, SBUX, TBCD, TJX, GWW and YUM

As shown in the table above, Office Depot underperformed its Proxy Peer Group by 27.5%, 130.7%, and 134.2% over the past one-, three-, and five-year periods, respectively. We believe such dramatic underperformance relative to its peer group and direct competitors can only be explained by company-specific issues.

Opportunities for Improved Operating Performance

We believe there are a variety of opportunities to dramatically improve operating and financial performance at Office Depot. We recognize and appreciate that management has taken some actions to reduce costs, drive efficiencies, improve the store format, and address low margin products in order to improve operating margins at the Company. While these initiatives represent a step in the right direction, they clearly have not been adequate enough, as is evidenced by the dramatic decline in profitability and underperformance compared to peers. We believe management must act now with a renewed sense of urgency and discipline to rationalize general and administrative expenses, significantly reduce advertising expenses, and execute on several other strategic initiatives to dramatically improve the operating performance of the Company.

General and Administrative ("G&A") and Advertising Expenses

We believe Office Depot can meaningfully reduce G&A and advertising expenses to drive significantly improved profitability. From 2007 to 2011, Office Depot's total store count declined from 1,370 to 1,262 and its total revenue declined from \$15.5 billion to \$11.5 billion; yet, total G&A expenses actually increased by \$43 million from \$646 million to \$689 million over this same time period. As a percentage of revenue, total G&A expenses increased from 4.2% in 2007 to 6.0% in 2011. G&A expenses per store increased from approximately \$471,000 in 2007 to \$546,000 in 2011.

G&A Expense Analysis *($ in millions)*

	2007	2011	Change
Stores	1,370	1,262	(108)
Revenue	$15,528	$11,490	($4,038)
Total G&A	$646	$689	$43
Metrics:			
Total G&A / Revenue	4.2%	6.0%	1.8%
Total G&A / Store ($000)	$471	$546	$74

Source: Company filings

We seriously question why the Company's G&A expenses increased by $43 million while the store count declined by 108 stores and revenue declined by $4.0 billion. By simply reducing G&A expense ratios back to 2007 levels, we believe Office Depot could improve profitability by approximately $94 million to $211 million.

G&A Expense Reduction Opportunity *($ in millions)*

Pro Forma 2011 Cost Reduction at 2007 G&A / Sales Ratio:	**$211**
Pro Forma 2011 Cost Reduction at 2007 G&A / Store Ratio:	**$94**

Source: Company filings

Additionally, Office Depot's advertising expenditures, which are reported separately from G&A expenses, are substantially higher as a percentage of revenue than they are for either Staples or OfficeMax. As indicated in the table below, in 2011, Office Depot spent $435 million, or 3.8% of revenue, on advertising expenses versus Staples, which spent $582 million, or 2.3% of revenue, and OfficeMax, which spent $225 million, or 3.2% of revenue. Given Office Depot's significantly larger scale than OfficeMax, we question why the Company is spending a higher percentage of revenue on advertising dollars.

Advertising Expense Analysis *($ in millions)*

	ODP	OMX	SPLS
Total 2011 Revenue	$11,490	$7,121	$25,022
Total 2011 Advertising Expenses	$435	$225	$582
% of Total Revenue	3.8%	3.2%	2.3%

Source: Company filings

Further heightening our concern, Office Depot's significantly higher advertising spend as a percentage of sales has not translated to higher revenue growth relative to peers. In fact, from 2007 to 2011, Office Depot's revenue declined by 26.0% compared to a decline of 21.6% for OfficeMax and approximately 8.6% for Staples[1], despite the fact that Office Depot spent more on advertising as a percentage of revenue.

[1] Estimated Staples revenue decline from 2007 to 2011 adjusts 2007 revenue by $8.0 billion to reflect the Corporate Express acquisition as per Staples transcript dated August 19, 2008.

As shown in the table below, we believe Office Depot could potentially reduce advertising expenses by between $72 million and $168 million, while remaining competitive in the industry. This would still imply spending between $267 million and $363 million on advertising each year. However, reducing advertising spending alone is not enough without also improving both the efficiency and return on advertising dollars invested.

Advertising Expense Reduction Opportunity	*($ in millions)*
Pro Forma 2011 Cost Reduction at SPLS Ratio:	**$168**
Pro Forma 2011 Cost Reduction at OMX Ratio:	**$72**

Source: Company filings

Based on our recommended reductions in G&A and advertising expenses alone, we estimate that Office Depot could improve profitability by approximately $166 million to $379 million. This compares to consensus analyst estimates for 2012 EBITDA of $286 million[2], an improvement of between 58% and 133%, without even addressing in-store expense reduction and other opportunities.

Additional Opportunities for Improvement

In addition to the opportunities highlighted above, we have identified several other areas for substantial margin improvement. First, we believe the Company can significantly increase the mix of higher-margin services, such as copy and print services, technology services, security solutions, and shipping services in its North American Retail Division. As an example, services account for approximately 9% of Staples' North American Retail revenue, substantially higher than at Office Depot. Services generally carry gross margins of 60% compared to Office Depot's average store gross margins of approximately 30%, as well as substantially higher operating margins. For every one percent increase in the mix of services revenue, we believe Office Depot could improve operating income by $7 million to $10 million in its North American Retail business.

Second, while Office Depot's current private label penetration is roughly in line with peers at approximately 25%, we believe there is a considerable opportunity to improve gross margins through direct sourcing. Currently, we believe direct sourced penetration at Office Depot is approximately 11-12%; however, we believe there is an opportunity to increase direct sourced penetration to approximately 20%. Industry analysts note that the margin benefit of direct sourced, private label stock-keeping units (SKUs) is approximately 400 to 600 basis points higher than private label products sourced through an agent, which is currently Office Depot's primary method of sourcing private label SKUs. By increasing direct sourced penetration from 11% to 20%, we believe Office Depot could increase operating income by $30 million to $45 million.

[2] Bloomberg consensus EBITDA estimates as of September 14, 2012.

Third, we believe there is a substantial opportunity to improve gross margins and reduce inventory by lowering the number of SKUs in order to obtain more scale in purchasing to reduce procurement expense. For example, Office Depot currently has approximately 9,000 SKUs per store versus Staples at approximately 7,000 SKUs per store.

Fourth, in its North American Retail business, we believe Office Depot has a compelling opportunity to dramatically improve the economics of its stores by downsizing to smaller store formats. Currently, Office Depot's average square footage per store of approximately 23,500 square feet is larger than Staples at approximately 21,500 square feet and OfficeMax at approximately 22,500 square feet.[3] According to the Company, the new 5,000 square foot format store, relative to its existing 24,000 square foot format, can retain up to 90% of total store sales, while at the same time significantly reducing occupancy costs, improving labor utility, and reducing inventory investment by 50%. Given these economics, we believe this new store format can substantially increase operating margins compared to the Company's current store format. Further, the leases of approximately 45% and 67% of the Company's domestic store fleet come up for renewal over the next three and five years, respectively.[4] While it may not be appropriate to downsize and remodel every store, there is nonetheless a significant opportunity to dramatically improve the store economics with the new 5,000 square foot format. In fact, based on our analysis below, we believe that the lower rent expense and higher mix of services in the 5,000 square foot stores, even when assuming the same operating expenses as the 24,000 square foot stores, will improve four-wall operating margins from approximately 5.8%[5] in the 24,000 square foot stores to well over 10% in the 5,000 square foot stores.

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[3] Square footage per store calculated from data provided in Office Depot, Staples, and OfficeMax filings.

[4] Store lease expiration data sourced from Office Depot's 2Q12 earnings call transcript on August 7, 2012.

[5] Four-wall operating margin analysis based on conversations with the Company and calculated as reported segment operating margin excluding estimated allocated of divisional G&A expense.

Illustrative North American Retail Four-Wall Margin Analysis *($ in millions)*

	24K sq ft Store Format	5K sq ft Store Format	Notes
Product Revenue	$3,760	$3,060	
Services Revenue	240	540	
Total Revenue	$4,000	$3,600	Assumes 5K store keeps 90% of sales
Product Cost of Goods Sold	($2,309)	($1,879)	
Services Cost of Goods Sold	(96)	(216)	
Rent Expense	(384)	(100)	
Total COGS	($2,789)	($2,195)	
Product Gross Profit	$1,451	$1,181	
Services Gross Profit	144	324	
Less: Rent Expense	(384)	(100)	
Total Gross Profit	$1,211	$1,405	
% Margin	30.3%	39.0%	
Operating Expenses	($979)	($979)	
Operating Income	$233	$427	
% Margin	**5.8%**	**11.9%**	

Drivers:

	24K sq ft Store Format	5K sq ft Store Format	Notes
Revenue Per Store [1]	$4,000	$3,600	Assumes 5K store keeps 90% of sales
Product Revenue as a % of Total Revenue [2]	94%	85%	Assumes services mix increases with higher square footage allocated to services
Services Revenue as a % of Total Revenue [2]	6%	15%	
Square footage per store	24,000	5,000	
Rent Expense Per Square Foot [3]	$16	$20	Assumes higher quality square footage
Total Rent Expense	$384	$100	
Product Gross Margins [2]	39%	39%	Estimated margins before rent expense
Services Gross Margins [2]	60%	60%	Estimated margins before rent expense

Analysis for illustrative purposes only.
Source: Company filings, discussions with management, and Starboard Value estimates.
(1) Illustrative example of an ODP store with $4 million of revenue. Actual revenue per store was $4.2 million in the last twelve months. Revenue decline of 10% in 5,000 square foot store per conversations with management.
(2) Based on Starboard Value estimates and conversations with management.
(3) Rent expense of $16 per square foot is based on 2011 total square footage and total rent expense. Increase in rent expense per square foot in 5,000 square foot store format based on Starboard Value estimates and conversations with management.

Based on the illustrative analysis above, assuming the Company downsizes between 250 and 375 stores to the new 5,000 square foot format, or 50% to 75% of stores which come up for lease renewal over the next three years, we believe operating income could be improved by approximately $50 million to $75 million.

Lastly, we believe there is substantial opportunity for improvement in Office Depot's North American Business Solutions Division (BSD), which sells products directly to business customers through catalogs and online through the Company's internet sites. In this business, we believe the Company could improve profitability by fully integrating its contract organization acquisitions to reduce redundancies, increasing the mix of private label products, consolidating the number of SKUs, increasing the use of direct sourcing of private label products, and increasing the mix of small-to-medium-sized business (SMB) customers. Currently, Office Depot's mix of SMBs is approximately only 35% of BSD revenue, compared to Staples's SMB mix of between 50% and 75%. SMBs offer margins more than 1,000 basis points higher than larger national accounts, which currently comprise the majority of Office Depot's BSD revenue. Rather than focusing on higher revenue but less profitable accounts, Office Depot should instead dramatically increase its penetration into lower revenue but significantly more profitable SMBs. In order to accomplish this, the Company must increase the mix of its sales force towards SMBs and away from large national accounts. Assuming the Company can improve its mix of SMBs from 35% to 45%, still substantially below Staples, we believe that operating income could improve by approximately $30 million to $40 million.

We understand and appreciate that you have identified some of the operational improvements discussed above. However, the Company needs to act on these initiatives with a greater sense of urgency and better execution, while also accomplishing the G&A and advertising expense efficiencies mentioned previously in this letter.

Non-Core Asset: Office Depot de Mexico

In addition to the substantial opportunities to improve the operating and financial performance of Office Depot as highlighted above, the Company also owns a non-core asset that we believe has substantial hidden value. Office Depot de Mexico, a 50/50 joint venture between Office Depot and Grupo Gigante, S.A.B. de C.V. (ticker: GIGANTE MM MXN), operates 252 retail stores and distribution facilities primarily in Mexico, as well as in Colombia, Costa Rica, El Salvador, Guatemala, Honduras, and Panama. We believe this highly profitable joint venture is unrecognized in Office Depot's enterprise value given that Office Depot de Mexico is not consolidated in the Company's financial statements and analysts value Office Depot primarily based on consolidated EBITDA (which does not include Office Depot de Mexico).

Office Depot de Mexico is a market leader in the attractive Mexican, Central American, and South American markets, which are characterized by faster growth, less competition, and far better profit margins than Office Depot's core US market. In fact, Office Depot de Mexico grew revenue at a 17.5% compounded annual rate from $826 million in 2009 to $1.14 billion in 2011, and EBITDA from $102 million in 2009 to $129 million in 2011. Office Depot's share of this EBITDA was approximately $65 million in 2011, versus consolidated EBITDA for Office Depot, excluding contribution from Office Depot de Mexico, of $303 million.

Mexico JV Financials *($ in millions)*

FYE Dec	**2009**	**2010**	**2011**
Total Revenue	$826	$962	$1,139
Revenue Growth	-13.3%	16.5%	18.4%
Total EBITDA	$102	$111	$129
EBITDA Margin	12.4%	11.5%	11.3%
ODP 50% Share of EBITDA	**$51**	**$55**	**$65**

Source: Company filings

We believe Office Depot’s 50% stake in the Office Depot de Mexico joint venture is extremely valuable. Grupo Gigante's 50% share of the Office Depot de Mexico joint venture accounted for approximately 54% of Grupo Gigante’s total revenue and 52% of its total EBITDA in 2011. Since Grupo Gigante’s remaining businesses, which include supermarkets, restaurants, and home improvement retail stores, generate a similar growth and margin profile to Office Depot de Mexico, we believe the market should ascribe a similar valuation multiple to Grupo Gigante’s 50% stake in Office Depot de Mexico as it does to Grupo Gigante’s remaining businesses. At Grupo Gigante’s current enterprise value of $1.8 billion, which represents 14.6x EV/EBITDA, this implies that the market is valuing Grupo Gigante’s 50% stake in Office Depot de Mexico at more than $900 million. This value is equivalent to approximately 76% of Office Depot’s entire enterprise value today of $1.2 billion.

Implied Value of Office Depot de Mexico Joint Venture *($ in millions)*

	Total Grupo Gigante (GG)	Less: GG's Non-ODP Mexico JV Businesses	Equals: 50% Interest in ODP Mexico JV
2011 Revenue	$1,062	$492	$570
2010-2011 Revenue Growth	17.9%	17.2%	18.4%
2011 EBITDA	$124	$59	$65
2011 EBITDA Margin	11.7%	12.1%	11.3%
Current Enterprise Value	$1,806		
EV / 2011 EBITDA	14.6x	14.6x	14.6x
Implied EV Assuming GG Multiple		$866	**$941**

Source: Company filings, Grupo Gigante filings (ticker: GIGANTE MM MXN) and Bloomberg

While we understand that Grupo Gigante’s controlling interest in Office Depot de Mexico may warrant a premium valuation, we believe there is significant value in Office Depot’s stake in the joint venture that is not being ascribed value in the public market. As further evidence, in July 2008, Grupo Gigante publicly offered $430 million, or an estimated 8x trailing EBITDA, to acquire Office Depot’s stake in Office Depot de Mexico. This 8x multiple, which is well below Grupo Gigante’s current multiple of 14.6x, implies a value of more than $500 million based on 2011 EBITDA.

Valuation

As discussed, we believe that Office Depot shares are deeply undervalued. We believe the current market price fails to reflect:

i) the substantial value of Office Depot’s core operating assets if operated with performance more in-line with the potential outlined in this letter, and

ii) the Company’s non-core 50% interest in the Office Depot de Mexico joint venture.

Assuming a value of $500 million to $700 million for the Company's stake in Office Depot de Mexico, ODP shares currently trade at only 1.9x to 2.6x LTM EBITDA. Further, assuming Office Depot successfully implements many of the recommendations we have discussed in this letter, we believe the Company could improve EBITDA from $282 million to between $558 million and $821 million. On a pro forma basis for these changes, and including $500 million to $700 million of value for the Company's stake in Office Depot de Mexico, ODP shares currently trade at only 0.7x to 1.3x pro forma EBITDA.

ODP Implied Valuation *($ in million)*

	Low	High
Stock Price (9/14/12)	$2.47	$2.47
Shares Outstanding	285.2	285.2
Market Capitalization	$704	$704
Less: Cash (1)	(515)	(515)
Plus: Debt	675	675
Plus: Convertible Preferred Stock (2)	379	379
Enterprise Value	$1,243	$1,243
Less: Value of Unconsolidated Office Depot de Mexico	(500)	(700)
Pro Forma Enterprise Value	$743	$543
Operating Profit Improvements:		
LTM EBITDA	$282	$282
Plus:		
G&A expense reduction (3)	94	211
Advertising expense reduction (4)	72	168
Service mix increase (5)	-	-
Direct sourcing opportunity (6)	30	45
SKU reduction (7)	-	-
5,000 square foot store opportunity (8)	50	75
SMB customer mix increase (9)	30	40
Total additional EBITDA improvement opportunity	$276	$539
Pro Forma LTM EBITDA	**$558**	**$821**
Pro Forma EV / Pro Forma LTM EBITDA	**1.3x**	**0.7x**

(1) Estimated average cash balance for 2012.
(2) Convertible preferred stock treated as debt for purposes of analysis. Conversion price is $5.00 per share.
(3) Assumes G&A expense reduction to 2007 G&A-to-revenue and G&A-to-store ratios.
(4) Assumes advertising expense reduction to OfficeMax and Staples advertising-to-revenue ratios.
(5) Not quantified at this time due to potential double counting with 5,000 square foot store opportunity.
(6) Assumes increased direct sourcing penetration from 11% to 20%
(7) SKU reduction opportunity of 2,000 SKUs compared to Staples not quantified at this time.
(8) Assumes ODP downsizes 250 to 375 stores over the next three years (50-75% of stores which come up for lease renewal).
(9) Assumes SMB mix increases from 35% to 45% of total North American Business Solutions Division revenue.

Conclusion

As mentioned above, we strongly believe that Office Depot is deeply undervalued and that there are opportunities to substantially improve operating performance and valuation based on actions within the control of management and the Board. ODP's stock price has underperformed over almost any time period, and we believe it is time for management and the Board to take immediate action to address this underperformance. We look forward to working with you, senior management, and the Board to address the challenges and opportunities facing the Company, and to ensure that Office Depot is run with the best interests of all shareholders as the primary objective.

Best Regards,

Jeffrey C. Smith
Starboard Value LP

Exhibit 99.2

JOINT FILING AGREEMENT

In accordance with Rule 13d-1(k)(1)(iii) under the Securities Exchange Act of 1934, as amended, the persons named below agree to the joint filing on behalf of each of them of a Statement on Schedule 13D (including additional amendments thereto) with respect to the shares of Common Stock, $0.01 par value, of Office Depot, Inc. This Joint Filing Agreement shall be filed as an Exhibit to such Statement.

Dated: September 17, 2012

STARBOARD VALUE AND OPPORTUNITY MASTER FUND LTD
By: Starboard Value LP,
its investment manager

STARBOARD VALUE AND OPPORTUNITY S LLC
By: Starboard Value LP,
its manager

STARBOARD VALUE LP
By: Starboard Value GP LLC,
its general partner

STARBOARD VALUE GP LLC
By: Starboard Principal Co LP,
its member

STARBOARD PRINCIPAL CO LP
By: Starboard Principal Co GP LLC,
its general partner

STARBOARD PRINCIPAL CO GP LLC

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

/s/ Jeffrey C. Smith
JEFFREY C. SMITH
Individually and as attorney-in-fact for Mark R. Mitchell, Peter A. Feld and David Siegel

T-S CAPITAL PARTNERS, LLC

By: /s/ David Siegel
Name: David Siegel
Title: Authorized Signatory

/s/ David Siegel
DAVID SIEGEL

/s/ Robert Telles
ROBERT TELLES

Exhibit 99.3

POWER OF ATTORNEY

The undersigned hereby appoints Jeffrey C. Smith, Mark Mitchell, Peter A. Feld and Kenneth R. Marlin, or any of them, his true and lawful attorney-in fact and agent to execute and file with the Securities and Exchange Commission any Schedule 13D, Schedule 13G, Form 3, Form 4, Form 5, any settlement agreement, any amendments to any of the foregoing and any related documentation which may be required to be filed in his individual capacity as a result of the undersigned's beneficial ownership of, or participation in a group with respect to, securities directly or indirectly beneficially owned by Starboard Value and Opportunity Master Fund Ltd, Starboard Value and Opportunity S LLC, Starboard Value LP, Starboard Value GP LLC, Starboard Principal Co LP and Starboard Principal Co GP LLC or any of their respective affiliates, and granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing which he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent may lawfully do or cause to be done by virtue hereof. The authority of Jeffrey C. Smith, Mark Mitchell, Peter A. Feld and Kenneth R. Marlin, or any of them, under this Power of Attorney shall continue with respect to the undersigned until revoked in writing.

Date: September 15, 2011

/s/ Jeffrey C. Smith
Jeffrey C. Smith

/s/ Mark Mitchell
Mark Mitchell

/s/ Peter A. Feld
Peter A. Feld

Exhibit 99.4

POWER OF ATTORNEY

The undersigned hereby appoints Jeffrey C. Smith and Peter A. Feld, or either of them, his true and lawful attorney-in fact and agent to execute and file with the Securities and Exchange Commission any Schedule 13D, Form 3, Form 4, Form 5, any settlement agreement, any amendments to any of the foregoing and any related documentation which may be required to be filed in his individual capacity as a result of the undersigned's beneficial ownership of, or participation in a group with respect to, securities of Office Depot, Inc. directly or indirectly beneficially owned by Starboard Value LP or any of its affiliates, and granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing which he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent may lawfully do or cause to be done by virtue hereof. The authority of Jeffrey C. Smith and Peter A. Feld, or either of them, under this Power of Attorney shall continue with respect to the undersigned until revoked in writing.

Date: September 14, 2012

T-S CAPITAL PARTNERS, LLC

By: /s/ David Siegel
Name: David Siegel
Title: Authorized Signatory

/s/ David Siegel
DAVID SIEGEL

/s/ Robert Telles
ROBERT TELLES