



# Shifting International Trade Lanes Workshop

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# Office Depot – Company Overview

- Office Depot is a leading global provider of office products and services
- 2009 sales of \$12.1 billion
  - Supplies: 66% of sales
  - Technology: 22% of sales
  - Furniture and Other: 12% of Sales
- Multi-channel – stores, catalog, Internet and contract serve business customers of any size, from small home office to Fortune 500 accounts
  - 58% of 2009 sales were not in North American Retail
  - One of the world’s largest e-commerce retailers – \$4.1 billion in sales in 2009

## North American Retail (42% of 2009 Sales)

- 1,150 stores\* in U.S. and Canada
- Largest concentration of stores in California, Texas and Florida

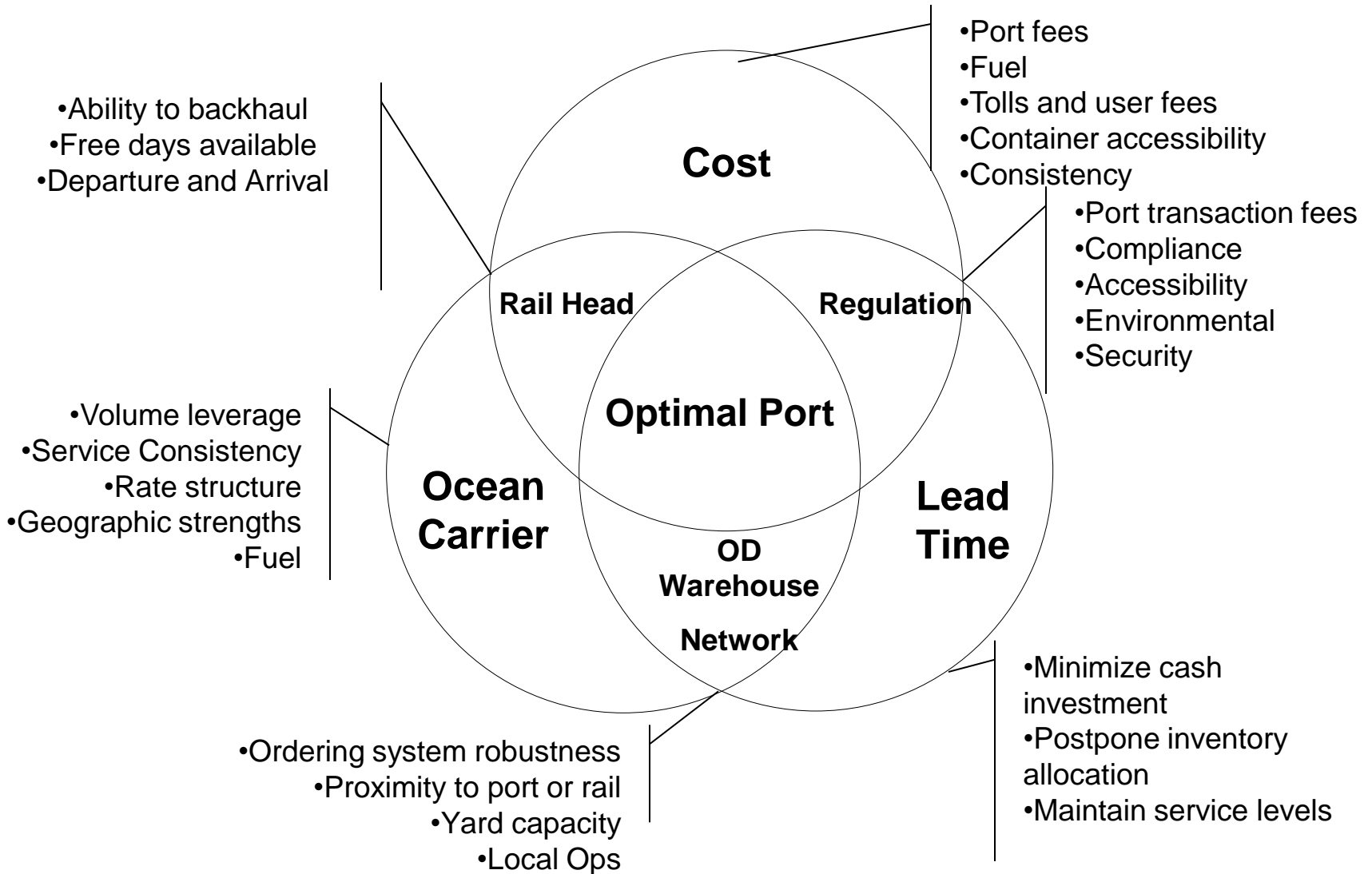
## North American BSD (29% of 2009 Sales)

- Catalog, contract and e-commerce
- Dedicated sales force works with medium sized to large customers
- Orders serviced through 16 distribution centers\*

## International (29% of 2009 Sales)

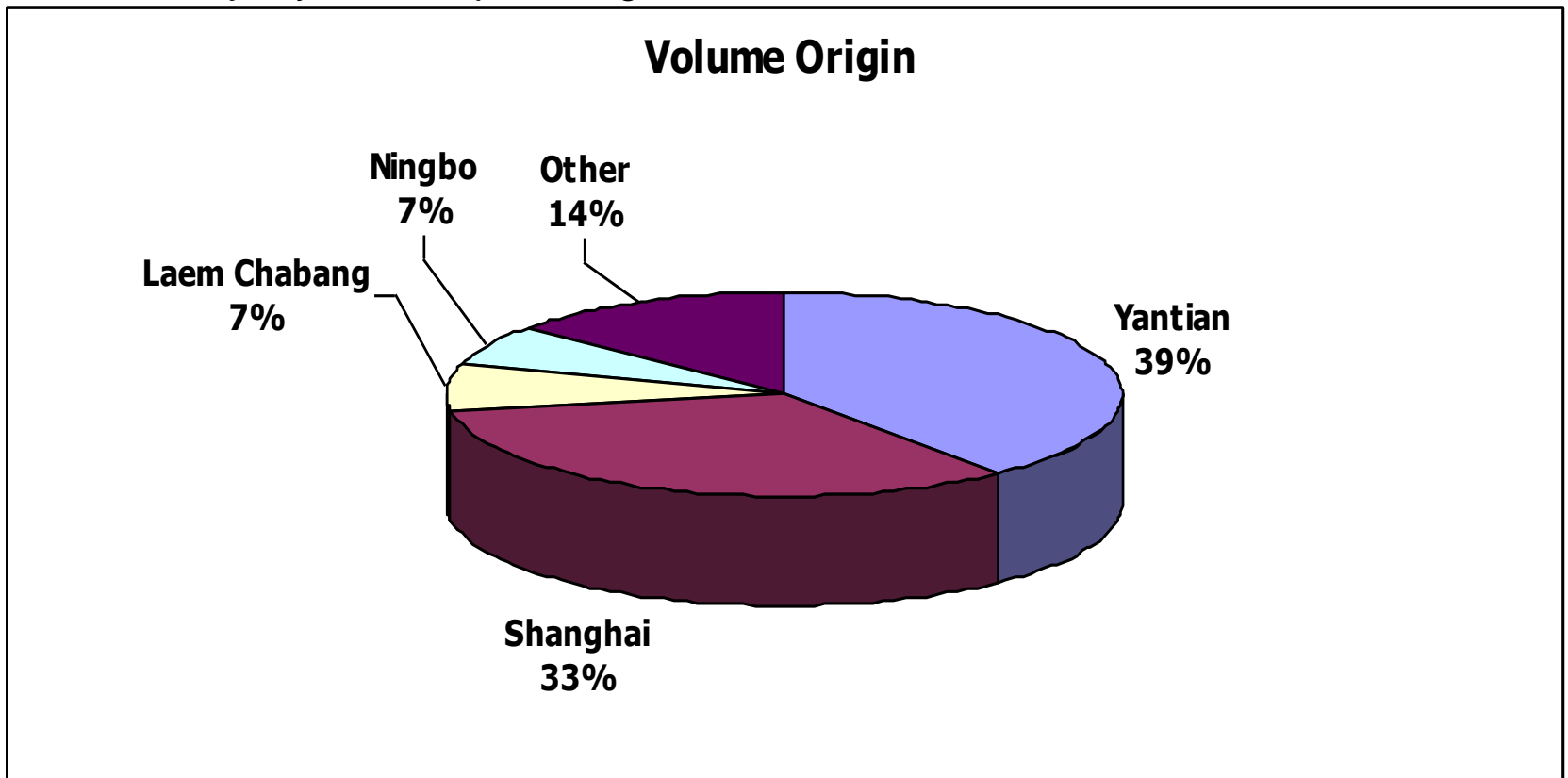
- Catalog, contract, e-commerce and retail
- Sell to customers directly and through affiliates in 51 countries\* outside of the U.S. and Canada
- 40+ websites and 400+ stores

# Port selection is dynamic, driven by multiple, ever-changing factors

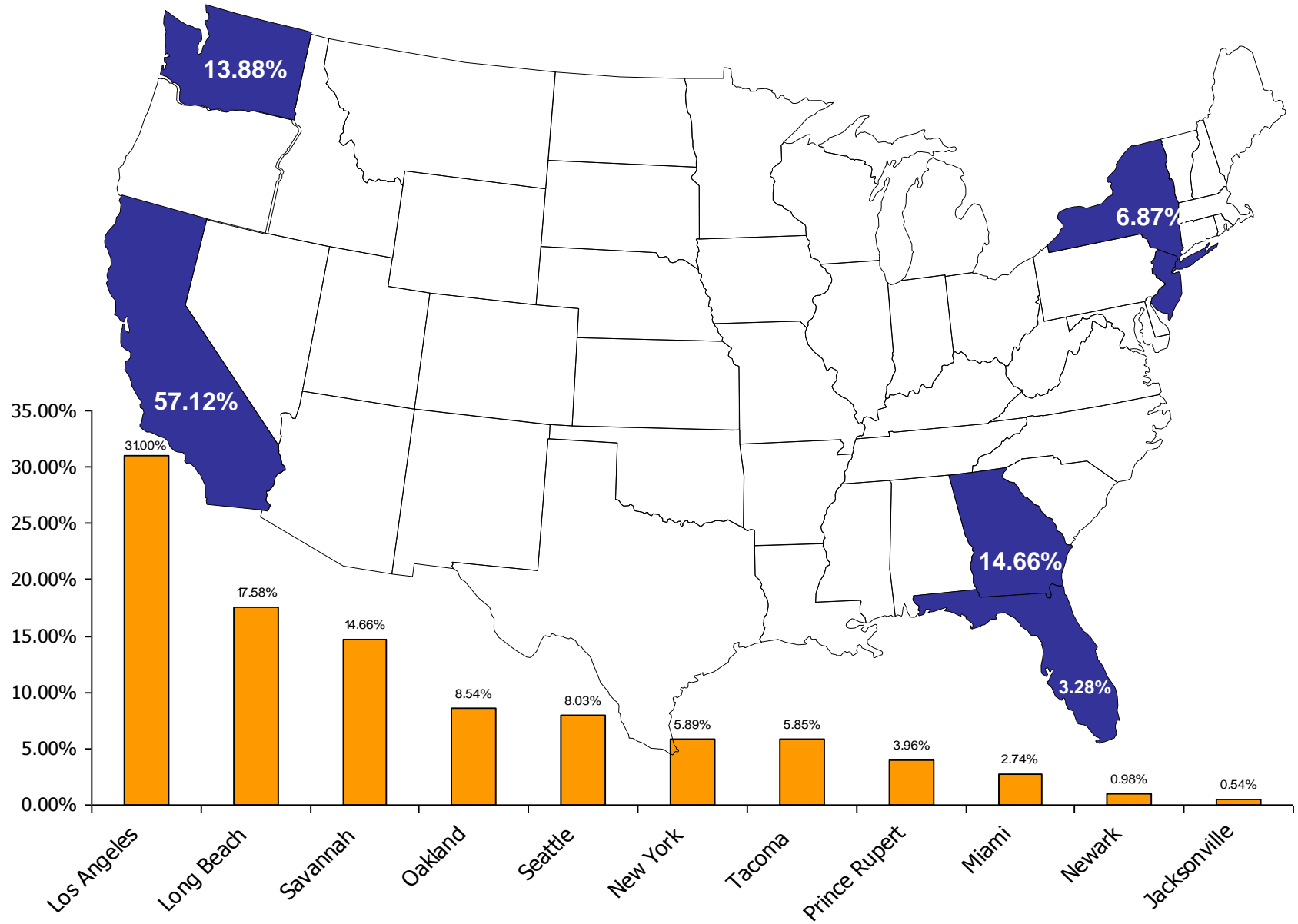


# Office Depot Sourcing Activity

- Consolidation overseas
  - 2 high volume origins (Yantian, Shanghai)
  - Direct to crossdock opportunity initiated through Asia Consolidation
  - Majority of DI shipments go the crossdock facilities.



# 2010 Container Port of US Entry



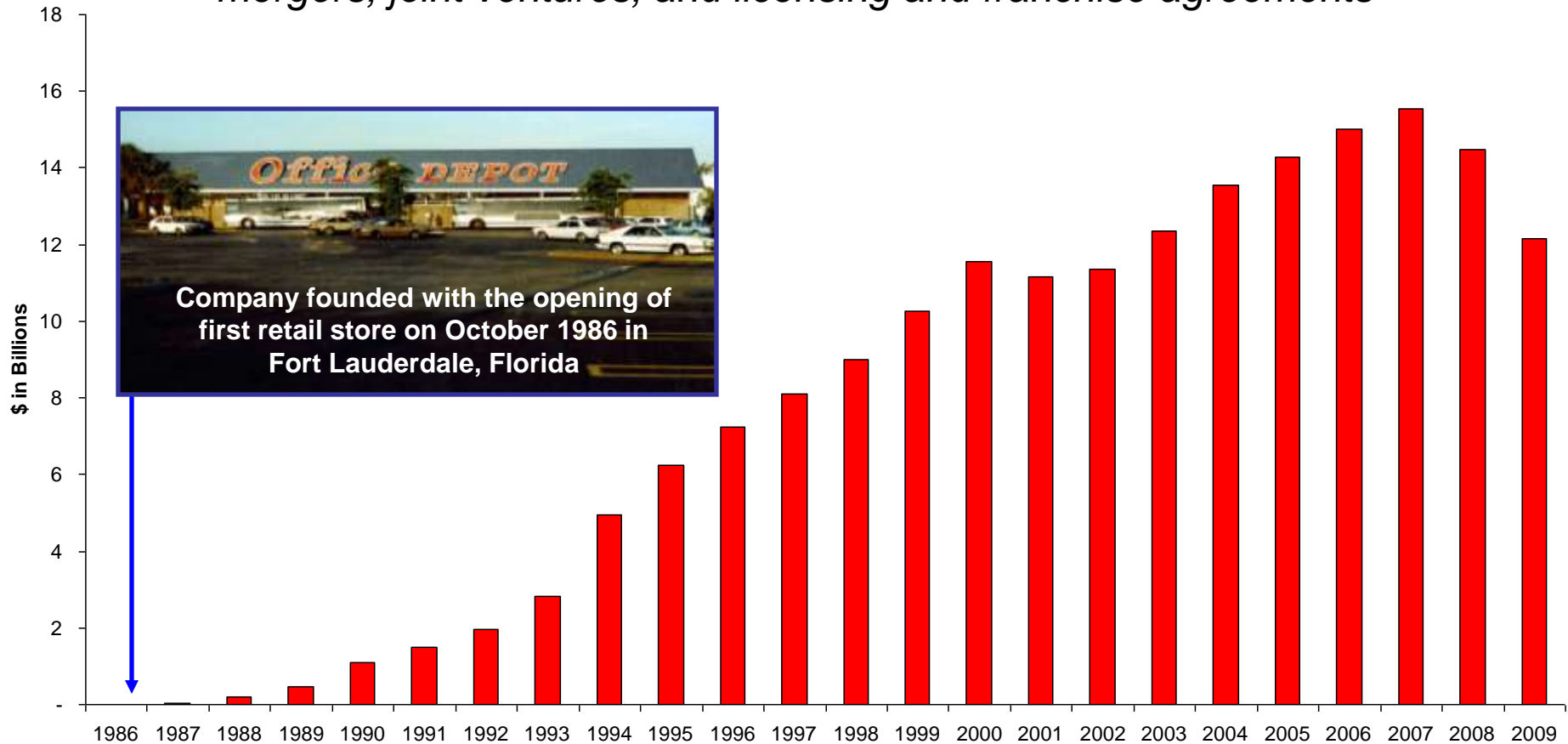
# Office Depot Supply Chain Network Overview

- 11 Crossdock facilities
- 13 Distribution Centers
  - 8 of the above are combined facilities



# Office Depot Sales Growth (1986 – 2009)

*Company grew organically and through almost 30 acquisitions, mergers, joint ventures, and licensing and franchise agreements*



# North American Retail



- Positioned business to take advantage of a U.S. economic recovery
- Closed 120 underperforming stores between late 2008 and early 2009 as part of the Company's restructuring
- Currently operate 1,150 retail stores\* in North America
- Highest concentration of stores in Sunbelt, particularly Florida, California and Texas
- Average store size\* of about 24,100 square feet
- Store replenishment handled through a combination of crossdock flow-through and distribution facilities



# Effects of Economic Downturn on Supply Chain

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Increased emphasis on Cash to Cash Cycle

Reduced warehouse footprint

Increased outsourcing of supply chain activities

Flexible options for ocean capacity and rates

**Integrated global approach  
to drive:**

**Sales**

**Margin**

**Cash flow**

**Speed to market**

**Quality**

**Consumer  
satisfaction**

# 2011 and Beyond

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Drive to SKU level optimization

Warehouse at source

Inventory postponement

Ship container, pallet, master pack, unit

Drive cash flow

Reduce lead time

Maintain and enhance Quality

Leverage global volume and processes

Iterative network planning and implementation

Comply to all security and trade requirements

Partner with vendors with sustainability strategies

# What does the European Supply Chain Network look like?

