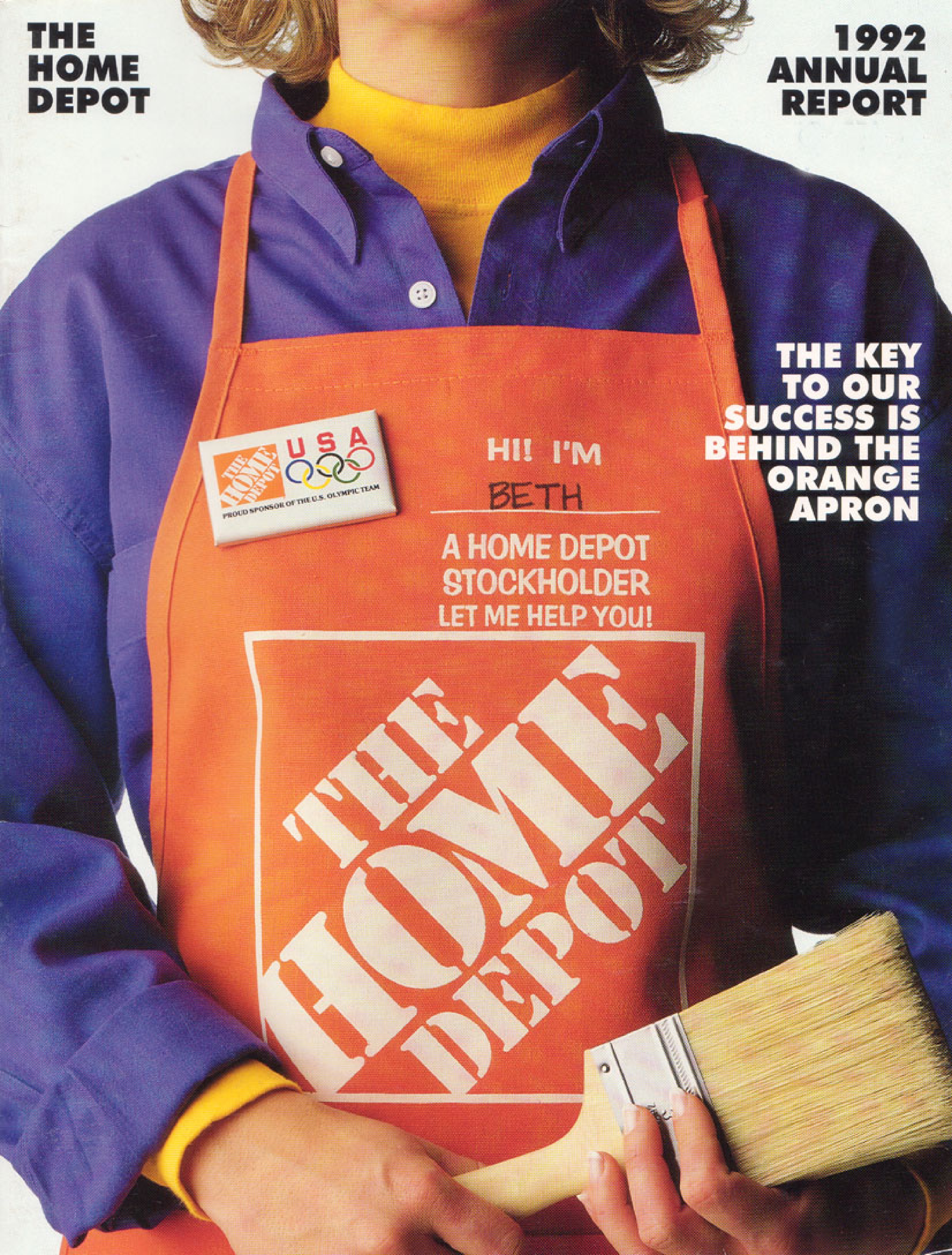
THE HOME DEPOT

1992 ANNUAL REPORT



THE KEY TO OUR SUCCESS IS BEHIND THE ORANGE APRON

Contents

Founded in 1978 in Atlanta, Georgia, The Home Depot® is America's largest home improvement retailer and, according to *Fortune* magazine, ranks among the nation's 30 largest retailers. At the close of fiscal 1992, the Company was operating 214 full-service, warehouse-style stores in 19 states.

The average Home Depot store is approximately 97,700 square feet, with an additional 10,000 to 28,000 square feet of outside selling and storage area. New stores average approximately 102,000 square feet with an additional 15,000 to 28,000 square feet of outside selling and storage area. The stores stock approximately 30,000 different kinds of building materials, home improvement supplies, and lawn and garden products.

Nearly half of the Company's stores now offer home improvement product installation services, a service that is planned to be extended to all of The Home Depot's stores during the next two years.

Retail industry analysts have credited The Home Depot with being a leading innovator in retailing by combining the economies of scale of warehouse-format stores with a high level of customer service. The Company has augmented that concept with a corporate culture that values decentralized management and decision-making, entrepreneurial innovation and risk-taking, and high levels of employee commitment and enthusiasm.

The Home Depot's primary customers are do-it-yourselfers, although home improvement contractors, building maintenance professionals and other professionals have also become increasingly important customers.

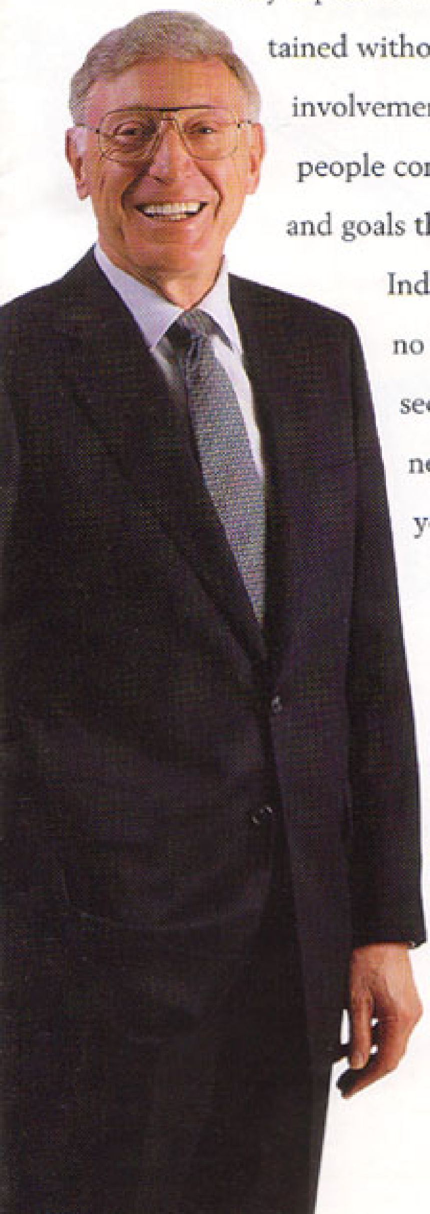
The Home Depot has been a publicly held company since 1981, with its stock trading on The New York Stock Exchange under the symbol, "HD," and included in the Standard & Poor's 500 Index.

MESSAGE TO OUR STOCKHOLDERS

"Bleeding Orange!"

That's an expression heard around our Company every day, from our store breakrooms to our corporate boardroom. Our customers praise us for our low prices, excellent product assortment and dedicated customer service. Management experts laud our leading-edge information systems and financial acumen. But the primary key to our success is our 39,000 employees who wear those orange aprons you see in our stores.

Few great achievements – in business or in any aspect of life – are reached and sustained without the support and involvement of large numbers of people committed to shared values and goals they deem worthy.



Indeed, one need look no further than the business section of the morning newspaper to read of how yet another "blue chip" American business, entrenched in and isolated by its own bureaucracy, has lost the support of its employees and customers.

This is tragic because, at heart, Americans are a hard-working, ambitious and generous people. They want more than a steady job and paycheck. They want their work to be meaningful and challenging. They want their efforts to contribute to a goal that is not just worthwhile to themselves and their families, but to their co-workers and the communities in which they live.

This is the essence of The Home Depot's philosophy of doing business and primarily accounts for our seven consecutive years of record earnings and sales. Accordingly, our annual report this year honors our 39,000 men and women – young and old, of all races and colors – all of whom bleed orange.

Bernard Marcus
Chairman and
Chief Executive Officer

Arthur M. Blank
President and
Chief Operating Officer

Frankly, the biggest difference between The Home Depot and our competitors is not the products on our shelves, it's our people and their ability to forge strong bonds of loyalty and trust with our customers. Why have we succeeded when others have failed?

Today's workers are not the organization men and women of the 1950s. They are more **individualistic and more diverse** than ever before. They often feel disenfranchised and question whether their employers really do care about their best interests. At work, they want a sense of ownership, not just financially but psychologically. And they want to balance their work lives with their personal lives.

Early in our corporate history, The Home Depot acknowledged these changes and made a fundamental commitment to respond to them.

We provide an atmosphere of **candid communications** among employees at all levels of the Company. We make our goals clear. We make sure our employees know what is expected of them and what they should expect – even demand – from their managers. We value free expression, individuality and self-reliance within the context of teamwork, experimentation and calculated risk-taking. Most of all, we abhor bureaucracy and turf politics.

We remind our employees that there are times to lead and times to follow. Depending on the challenge at hand, it's imperative to feel comfortable and secure shifting gears and roles in whatever ways will best achieve the goals we all share. Contrary to conventional management wisdom, those at the top of organizational charts are not the source of all wisdom. **Many of our best ideas** come from the people who work on the sales floor. We encourage our employees to challenge senior management's directives if they feel strongly enough about their dissenting opinions. To paraphrase one industry analyst, our store managers may make more mistakes per square foot than anyone else in retailing but they also tend to have more successes per square foot. We thrive on that philosophy because it is easier to correct a failed experiment than to develop and then propagate a creative idea that works.

(Below, left to right)
Phyllis Ward, *Human Resources;*
Theo McCaskill, *Store Manager;*
Chris Owens, *Distribution Center;* Stephanie Wray, *Interior Designer;*
Tony Toomer, *Advertising;* Ubi Rodriguez, *Paint Department Supervisor;*
Bibi Latiff, *Cashier Supervisor;* Sara Williams, *Accounting*
(Above, left to right)
Julie Wysinger, *Assistant Store Manager;* Karen Smith, *Salesperson;*
Mike Starr, *Information Services*

Our philosophy of decentralized management and decision-making enables us to stay nimble and responsive to customers and employees as we continue to grow.

One aspect of The Home Depot's success stems from our vigilance in resisting the natural tendency to form bureaucratic structures. We will lose our **entrepreneurial focus** if we evolve into a company of many thousands of people marching in lockstep, all with the same mentality, the same behaviors and the same politically correct attitudes. We want our people to be themselves and to be bold enough to apply their talents as individuals.

Certainly, people can often perceive great risk acting this way. Thus, we go to great pains to empower our employees to be mavericks, to express differences of opinion without fear of being fired or demoted. Companies are not entrepreneurial – individuals are. So we continually challenge ourselves to take ownership of our work, to tinker and experiment, and to share our mistakes as well as our successes. We do everything we can to make people feel challenged and inspired at work instead of being threatened and made to feel insecure. An organization can, after all, accomplish so much more when people work together instead of against each other.

Communications and training play a vital role in helping us preserve this kind of free-wheeling and **progressive corporate culture.** Our company does not manage by memo or edict. It's done primarily on a one-to-one basis. Training is not placed in the hands of specialists; it is a responsibility that each employee shares. To minimize dilution of messages and values through the corporate ranks, our chairman and president and other senior

officers train most new assistant store managers and store managers in informal classroom sessions. In addition, our **officers and senior managers don their orange aprons** and spend significant amounts of time in the stores, working alongside, teaching and learning from our store associates. To further ensure a responsive and properly focused office staff, many of our office employees begin their Home Depot careers working in our stores.

As the Company has grown, we have also made extensive use of our own television network, the programming highlight of which is our quarterly live broadcast, "Breakfast with Bernie & Arthur." During these hour-long broadcasts, the Company's founders speak directly to all employees, brief them on new developments and take call-in questions. On the program, Bernie and Arthur set an example of how different kinds of people can work synergistically, often poking fun at each other's personality differences and their respective strengths and weaknesses.

In terms of compensation, we believe that **the best way to create wealth is to share it.** Our philosophy is to pay people what they're worth. We have no set pay scales and no one makes minimum wage. Through our Employee Stock Ownership Plan, Employee Stock Purchase Plan, and Omnibus Stock Option Plan, all our employees are able to become owners of the Company. These plans have enabled them to attain a level of financial well-being uncommon for such a large employee base. Our benefits and compensation package is considered one of the best in retailing. All full-time employees, who comprise approximately 95% of our work force, are eligible to participate in the Company's medical and life insurance plans. We also provide an employee assistance program offering access to a wide variety of intervention services for employees facing personal, family, financial, legal or other problems. Employees can take up to six months of unpaid leave to take care of pressing family problems. Most recently, we began an adoption assistance program. We view our associates as a kind of extended family and try to make a positive difference in their lives and in the lives of their families and communities.

We believe in the strength that comes from diversity and continue to make **progress in the hiring and promotion** of women and minorities. In an industry that has traditionally been male-dominated, we have managed to develop an employee base that is reasonably representative of the communities where we do business.

We have expanded our recruiting at historically African-American colleges and developed a promotional tracking program to ensure that within every store, women and minorities are in line for advancement. We also conduct diversity training programs so that all our employees understand clearly the positive

aspects of a diverse work force. In addition, we conduct ethics workshops on a variety of workplace issues for senior and middle management employees.

At The Home Depot, we believe that a business enterprise is, first and foremost, a social organization. It is not a collection of real estate, merchandise inventories and computer networks. It is a highly diverse group of people who each need to be respected for the unique and honorable roles they can contribute to a broad and worthwhile corporate mission.

When employees believe in the **ethical correctness** of their workplace arrangements, their employer gains their support and loyalty. When that occurs, a corporation is empowered to help employees and stockholders realize their own most cherished goals and to accomplish society's goals as well.

(Above) Nancy Dube, ***Cashier Supervisor;*** Mohammed Khan, ***Store Manager***
(Below, left to right) Nancy Baysic, ***Salesperson;*** John Richardson, ***Salesperson;***
Francis Cole, ***Service Desk Supervisor;*** Ed Simms, ***Truck Driver;***
Don Calvin, ***Salesperson;*** Jo Jo Barnes, ***Vendor Returns;*** Fred Romano, ***Salesperson***

A corporation's responsibility to society should be broader than providing value to customers and stockholders. It ranges over many issues including, but not limited to, philanthropy, community relations, environmental performance, employment practices, relationships with trading partners, and representation of women and minorities within companies.

Since fiscal 1989, when we established a formal philanthropy and community investment program, our annual contributions budget has increased from $1.3 million to a projected $5.5 million during fiscal 1993. We have continued to focus approximately 40% of our budget on the rehabilitation and development of affordable housing and 20% on programs serving youth at-risk. In addition, 10% goes to United Way programs in the communities where we operate stores, 15% is discretionary in nature to allow for quick responses to emerging community needs, and 10% funds our employee matching gift program. This past year, for the first time, we earmarked 5% of the budget for environmental organizations.

In keeping with our philosophy of decentralized decision-making, much of **our grant-making is also decentralized.** District managers are trained in grant-making and community affairs and allotted budget dollars. Approximately 70% of our budget dollars are spent in communities outside of Atlanta, our headquarters city.

Our employee matching gift program operates in a similar way. We encourage our employees to make their own decisions about causes that are personally important to them. If they make a financial commitment, we will match their contribution dollar for dollar.

Under our **"Team Depot"** volunteer program banner, our employees also help build low-income housing for organizations like Habitat for Humanity. Through programs like Christmas in April * USA, we repair the homes of the elderly, the disabled and the poor. In addition, our employees mentor, tutor and otherwise help nurture children who need guidance to live positive lives.

In terms of environmental performance, we have become recognized as a leader in the retail industry. We were the first major retailer in the United States to arrange for third-party independent evaluation of environmental claims on product labels. We aggressively recycle waste from our stores and offices. To help our Atlanta customers recycle, we opened **"The Recycling Depot"** prototype, which purchases recyclable materials.

Although the level of our imported products is low compared to other retailers, we have insisted

(This page, left to right)
Charleszetta Stroud, *Human Resources;*
James Higgins, *Interior Designer;*
Sandy Woodward, *Special Services*

that all our foreign trading partners not use child or prison labor, nor engage in business practices that are unacceptable to us. While it is difficult to fully monitor all potentially objectionable conduct on the part of foreign suppliers, we are committed to dealing only with ethical trading partners.

This past summer, The Home Depot was **involved in providing relief** to the victims of Hurricane Andrew and was widely praised for its swift and decisive customer and employee assistance efforts. Despite rapidly escalating wholesale costs in building materials, for several weeks we instituted a no-profit policy on key building materials and imposed purchase quantity limits to deter profiteering. This was, in our view, the right thing to do.

Later this year we will publish our first annual corporate social responsibility report, which can be ordered by writing our Community Affairs Department.

(This page, left to right)
John Palomino, ***Lotperson;*** Dan Kneip, ***District Manager;*** Miki Otsuki, ***Merchandising;*** Mary McCormick, ***Service Desk;*** Ed Snyder, ***Salesperson;*** Beth Johnson, ***Store Manager***

We are pleased to report that during fiscal 1992, The Home Depot achieved its seventh consecutive year of record sales and earnings, and continued to widen its lead as America's largest and most successful home improvement retailer.

Compared to the previous fiscal year, net earnings rose 46%, sales rose 39%, weighted average weekly store sales rose 14% and comparable store-for-store sales rose 15%. Inventory turnover also improved, from 6.1 to 6.3.

In addition, customer transactions increased 30%, the average customer sale rose 7%, sales per square foot increased 11% and the overall amount of store selling space increased by 27%. For a more detailed review of key statistics, please refer to the Ten Year Selected Financial and Operating Highlights section on pages 12-15 of this report.

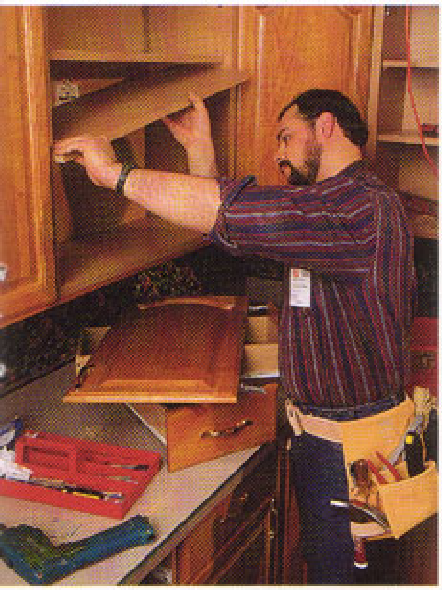
Now Operating 214 Stores in 19 States

During fiscal 1992, we opened 40 new stores, reopened one store which had been closed for approximately eight months for repairs, and relocated five others to larger, more convenient facilities. At the end of the fiscal year, we were operating a total of 214 stores in 19 states, compared to 174 stores in 15 states at the close of fiscal 1991. We successfully entered eight new markets during fiscal 1992 – Charlotte, NC; San Antonio, TX; Pensacola, FL; Warwick, RI; Boston, MA; metro Philadelphia, PA; Las Vegas, NV; and Seattle/Tacoma, WA. During fiscal 1992, we increased our market presence in the northeastern United States, adding 14 stores for a total of 36. Our stores there continue to rank among our busiest and our long-term goal is to operate approximately 150 stores in that region. We also opened 11 stores in the western states for a total of 74 stores there. In the southern states, we now operate 104 stores, an increase of 15 stores from the previous fiscal year-end.

Receiving operations conducted after our stores close are one of several key elements of our Store Productivity Improvement (SPI) program. Nighttime receiving and re-stocking ensure our stores are replenished by morning and allow our employees to more fully focus on customers during the day.

Of the 40 new stores opened during fiscal 1992, 26 were located to deliberately cannibalize exceptionally busy Home Depot stores nearby. Our cannibalization efforts have enabled us to maintain our lead in providing the best customer service in home improvement retailing and further increase our customer base within existing markets by providing more customers with convenient shopping locations. Cannibalization reflects our conviction that, in order to grow successfully over the long term, we must solidify our leadership in existing markets before entering new ones. Indeed, approximately 75% of our stores are still in only five states: Georgia, Florida, Texas, California, and Arizona.

Going forward, we may not have to cannibalize stores as quickly as a result of the ongoing implementation of our Store Productivity



By extending to our installed sales customers the same high levels of service and value they have come to expect from our stores, we believe we can further drive product sales and answer a long-standing consumer need.

Improvement (SPI) program. In broad terms, our SPI program enables our stores to substantially streamline merchandise and customer throughput by innovations in operations, human resources and store design. The SPI program allows our stores to operate more effectively at higher volumes while providing a more favorable ratio of store associates to customers. At the close of fiscal 1992, approximately 70% of our stores were operating with SPI elements, and all new stores incorporate many of its innovations.

In the coming fiscal year, our goal is to open a total of approximately 50 new stores and relocate approximately seven others, which would give us a year-end total of 264 stores in 23 states. We plan to add approximately 22 stores in the Northeast, 16 stores in the West and 12 stores in the South. During fiscal 1993, we plan to enter a number of new markets including eastern Pennsylvania; metro Washington, D.C.; Portland, OR; Reno, NV; Greensboro, NC; Charleston, SC; Tallahassee, FL; Augusta, GA; Oklahoma City, OK; and Central Valley, CA.

The Home Depot clearly has significant long-term opportunities for continued growth in terms of sales and market presence. The Home Depot may be America's largest home improvement retailer, but compared to the $106 billion domestic market for home improvement products, the Company still has less than a 7% market share. Unlike more mature retail segments where a few companies have dominant market shares, the retail home improvement industry remains extremely fragmented. While an industry consolidation has been underway for nearly a decade, the six largest home improvement retailers together still represent only approximately 18% of the overall market. Industry analysts foresee continued market share gains for larger, more efficient operators, with The Home Depot's growth possibilities considered by most to be the brightest.

Industry Sales Estimated to Reach $142 Billion

Our growth, however, is not just being fueled by the consumer's preference for shopping at The Home Depot. Broader demographic and economic forces make the long-term forecast for the home improvement products market bright. Members of the huge baby-boom generation, who have given rise to the so-called baby boomlet, are either now buying their first homes or trading up to larger, more luxurious dwellings as their need for living space increases. The Home Improvement Research Institute (HIRI) forecasts an average annual home improvement products market growth rate of 6.0% through 1997 when sales are expected to reach $142 billion. HIRI also forecasts that over the next five years our market will continue to grow faster than total retail sales and the U.S. gross domestic product.

We are confident that the potential number of Home Depot stores in the United States is well in excess of 1,000. During the mid-1990s, we also expect to begin operating stores outside the United States.

New Programs Fuel Long-term Growth

Innovation continues to play a strategic role in our growth. During fiscal 1992, The Home Depot tested, implemented or expanded a number of merchandising programs which we think will have a favorable long-term impact on the Company's prospects.

Key among them is the Company's strengthened commitment to becoming the supplier of first choice to an assortment of professional customers, primarily small-scale remodelers, carpenters, plumbers, electricians and building maintenance professionals. One of our key SPI innovations – streamlined lumber and building materials shopping areas with separate check-outs and loading areas – has enabled our growing base of professional customers to shop more quickly and conveniently. We have also emphasized our commercial credit program and delivery services for these customers. In addition, our increasing strength as a high-volume sales channel for home improvement products has enabled us to introduce merchandising programs for numerous brands preferred by professionals.

We have begun a company-wide rollout of our 28,000 square foot garden center prototype that features 6,000 to 8,000 square feet of greenhouse or covered selling space. The prototype provides year-round selling opportunities and expanded garden merchandising programs.

The Company has also begun a company-wide rollout of an enlarged garden center prototype which was successfully tested last year. These centers, more expansive than our conventional 10,000 to 20,000 square foot garden centers, feature 6,000 to 8,000 square foot greenhouses or covered selling areas. They provide, for the first time, year-round selling opportunities as well as a significantly expanded product assortment in this segment of our business. By the end of fiscal 1992, 10 new and existing stores had incorporated the prototype. By the end of fiscal 1993, the prototype is planned to be in place in approximately 100 stores overall. Both new and older stores will incorporate the expanded centers where space is available.

During fiscal 1992, we made significant strides with our installed sales business. The program, now available in 122 stores in 10 markets, aims to provide comprehensive installation services for most of our products and is planned to be in all our stores over the next two years.

Our Expo™ "laboratory" store in San Diego, which opened in late 1991, is enabling our Western Division merchants to test a variety of upscale merchandising programs, services and display techniques. Some of these initiatives are now moving into our other stores. To give our Southeast Division a similar "laboratory" store, we plan to open a second Expo store in our Atlanta market in early 1994.

During the third quarter of fiscal 1992, we announced our national sponsorship of the 1994 and 1996 U.S. Olympic Teams and the Winter and Summer Olympics. A select number of our key suppliers are providing significant financial support for the sponsorship. Many of The Home Depot's most cherished cultural values – teamwork, individual initiative, dedication and service to others, to name a few – are identical to the highest ideals of the Olympic Movement. We believe our sponsorship will enable us to further strengthen our franchise with America's home improvement customers, create sales opportunities, further differentiate us from our competitors, maintain our progressive corporate culture, and support our key business partners and the communities where we operate. In many respects, The Home Depot is also in training for the summer of 1996. By the time the Olympics come to our hometown of Atlanta, we expect to have approximately 500 stores in 35 states and nearly 90,000 employees.

During fiscal 1992 we developed our own comprehensive line of professional mechanics' tools and toolboxes, under the brand name, Husky Tools.™ They are made in America, come with lifetime warranties and are available in all our stores.

Strong Financial Condition Enables Future Expansion

We are well-positioned financially to take advantage of the growth opportunities before us. At the end of fiscal 1992, stockholders' equity was $2,304,081,000, an increase of 36% over fiscal 1991 year-end. Our ratio of long-term debt to equity was 37% at fiscal year-end. Our $1.1 billion in cash and investments, coupled with projected retained earnings growth and reduced financing requirements, partially due to increased inventory turnover, should give us sufficient capital to continue our expansion for at least the next several years.

We have maintained our commitment to implementing and operating leading-edge information systems to support our growth, reduce and control costs, and enable better decision-making. That commitment was reflected by an 80% increase in expenditures for information services during fiscal 1992 as well as a planned 40% increase for fiscal 1993. The key projects underway include expanded electronic data interchange, improved labor and store management systems, and new merchandise systems.

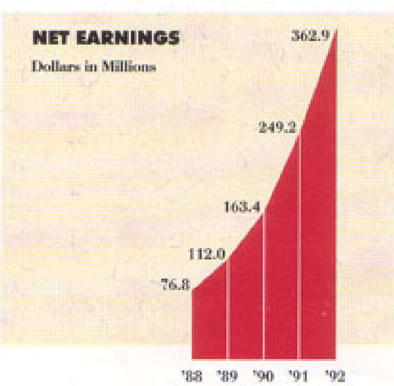
In summary, backed by our 39,000 "orange-blooded" associates, The Home Depot has enjoyed another record year and is well positioned for continued growth.

TEN YEAR SELECTED FINANCIAL AND OPERATING HIGHLIGHTS

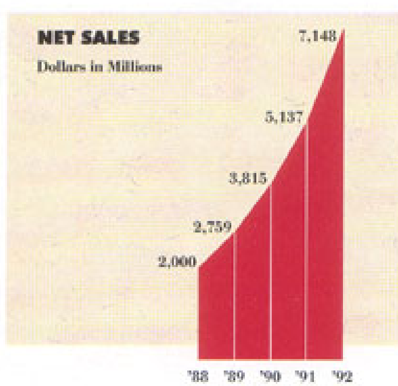
THE HOME DEPOT, INC. AND SUBSIDIARIES
Amounts in thousands, except where noted

	5 Year Annual Compound Growth Rate	10 Year Annual Compound Growth Rate	1992	1991
STATEMENT OF EARNINGS DATA				
Net sales	37.5%	50.8%	$7,148,436	$5,136,674
Net sales increase – %	–	–	39.2	34.6
Earnings before taxes	43.2	50.2	575,973	396,120
Net earnings	46.3	52.6	362,863	249,150
Net earnings increase – %	–	–	45.6	52.5
Net earnings per share ($)[2]	37.0	39.2	.82	.60
Net earnings per share increase – %	–	–	36.7	33.3
Weighted average number of shares[2]	6.6	7.1	444,989	415,997
Gross margin – % to sales	–	–	27.6	28.1
Store selling and operating – % to sales	–	–	17.4	18.1
Pre-opening – % to sales	–	–	.4	.3
General and administrative – % to sales	–	–	2.1	2.3
Net interest income (expense) – % to sales	–	–	.4	.3
Earnings before taxes – % to sales	–	–	8.1	7.7
Net earnings – % to sales	–	–	5.1	4.8
BALANCE SHEET DATA AND FINANCIAL RATIOS				
Total assets	49.4%	61.3%	$3,931,790	$2,510,292
Working capital	48.8	51.2	807,028	623,937
Merchandise inventories	34.8	48.9	939,824	662,257
Net property and equipment	45.8	75.0	1,607,984	1,254,774
Long-term debt	74.4	126.6	843,672	270,575
Stockholders' equity	48.4	62.1	2,304,081	1,691,212
Book value per share ($)[2]	39.9	41.6	5.20	4.01
Long-term debt to equity – %	–	–	36.6	16.0
Current ratio	–	–	2.07:1	2.17:1
Inventory turnover	–	–	6.3x	6.1x
Return on average equity – %	–	–	18.1	18.5

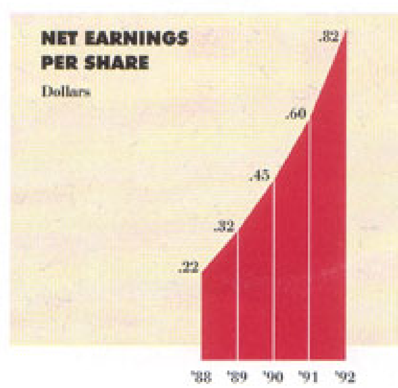
See footnotes on page 14.



This is the seventh consecutive year of record earnings.

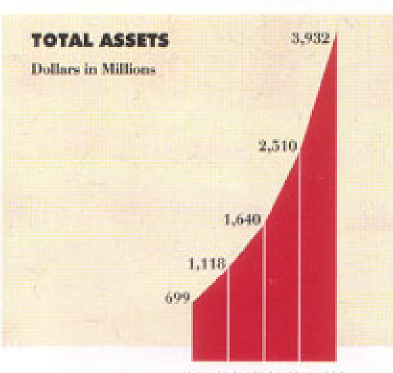


Sales rose to a new high, up 39% to $7.1 billion.

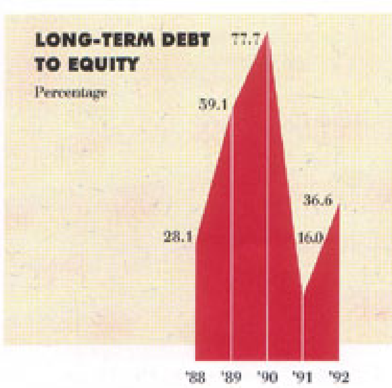


Earnings per share was $.82 on 7% more shares outstanding.

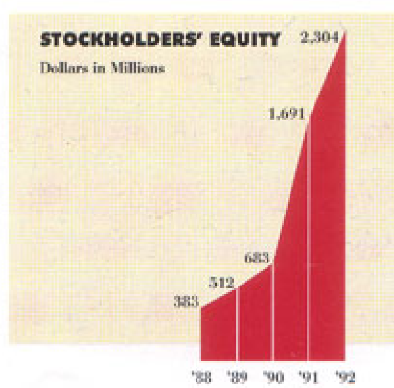
1990[1]	1989	1988	1987	1986	1985	1984[1]	1983
$3,815,356	$2,758,535	$1,999,514	$1,453,657	$1,011,462	$700,729	$432,779	$256,184
38.3	38.0	37.6	43.7	44.3	61.9	68.9	117.8
259,828	182,015	125,833	95,586	47,073	11,619	26,252	18,986
163,428	111,954	76,753	54,086	23,873	8,219	14,122	10,261
46.0	45.9	41.9	126.6	190.5	(41.8)	37.6	93.1
.45	.32	.22	.17	.09	.03	.06	.04
40.6	45.5	29.4	88.9	200.0	(50.0)	50.0	60.0
362,505	355,409	345,976	323,961	269,124	255,633	256,185	251,448
27.9	27.8	27.0	27.8	27.5	25.9	26.4	27.3
18.2	18.3	17.8	18.1	18.7	19.2	17.2	17.0
.4	.3	.4	.3	.3	1.1	.4	.9
2.4	2.5	2.4	2.6	2.7	2.9	3.0	2.9
(.1)	(.1)	(.1)	(.2)	(1.1)	(1.2)	.3	.9
6.8	6.6	6.3	6.6	4.7	1.7	6.1	7.4
4.3	4.1	3.8	3.7	2.4	1.2	3.3	4.0
$1,639,503	$1,117,534	$ 699,179	$ 528,270	$ 394,741	$380,193	$249,364	$105,230
300,867	273,851	142,806	110,621	91,076	106,451	100,110	49,318
509,022	381,452	294,274	211,421	167,115	152,700	84,046	58,712
878,730	514,440	332,416	244,503	168,981	160,816	73,577	21,129
530,774	302,901	107,508	52,298	116,907	199,943	117,942	4,384
683,402	512,129	382,938	320,559	163,042	89,092	80,214	65,278
1.93	1.49	1.13	.97	.56	.35	.32	.26
77.7	59.1	28.1	16.3	71.7	224.0	147.0	6.7
1.73:1	1.94:1	1.74:1	1.75:1	1.85:1	2.27:1	3.22:1	2.43:1
6.0x	5.9x	5.8x	5.4x	4.6x	4.1x	4.2x	4.9x
27.6	25.2	21.6	21.1	20.3	9.7	19.3	24.5



Ongoing expansion resulted in total assets of nearly $4 billion.



Our debt to equity ratio continued to be within our guidelines.



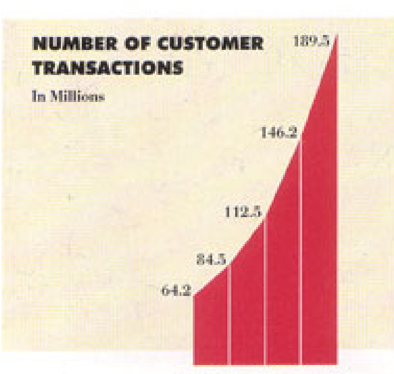
Our financial position has never been stronger with stockholders' equity at $2.3 billion.

TEN YEAR SELECTED FINANCIAL AND OPERATING HIGHLIGHTS (continued)

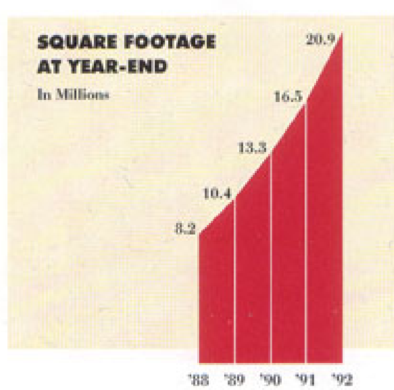
THE HOME DEPOT, INC. AND SUBSIDIARIES
Amounts in thousands, except where noted

	5 Year Annual Compound Growth Rate	10 Year Annual Compound Growth Rate	1992	1991
STATEMENT OF CASH FLOWS DATA				
Depreciation and amortization	45.6%	68.0%	$ 69,536	$ 52,283
Capital expenditures	37.4	65.2	437,278	432,198
Cash dividends per share ($)[2]	–	–	.08	.05
CUSTOMER AND STORE DATA				
Number of states	18.9%	25.3%	19	15
Number of stores	23.3	35.8	214	174
Square footage at year-end	27.7	40.5	20,897	16,480
Change in square footage – %	–	–	26.8	24.1
Average square footage per store	–	–	98	95
Number of customer transactions	31.6	46.5	189,493	146,221
Average sale per transaction ($)	4.5	2.9	37.72	35.13
Number of employees	33.7	42.8	38,900	28,000
OTHER DATA				
Average total company weekly sales	37.5%	50.8%	$137,470	$ 98,782
Weighted average weekly sales per operating store	11.6	9.9	724	633
Comparable store sales increase – %[3]	–	–	15	11
Weighted average sales per square foot ($)[3]	7.9	6.3	387	348
Advertising expense – % to sales	–	–	.5	.7

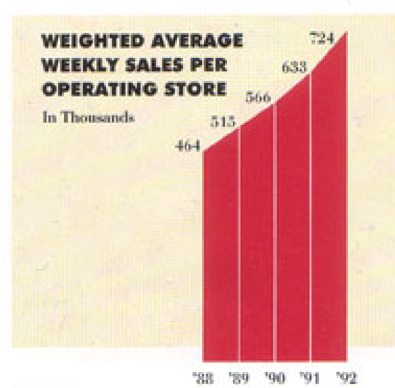
(1) Fiscal years 1990 and 1984 consisted of 53 weeks, all other years reported consisted of 52 weeks.
(2) All per share and share data have been adjusted for three-for-two and four-for-three stock split-ups effected in the form of stock dividends in July 1992 and April 1993, respectively.
(3) Adjusted to reflect the first 52 weeks of the 53-week fiscal year in 1990.



Customer transactions increased 30% while the average customer sale rose 7%.

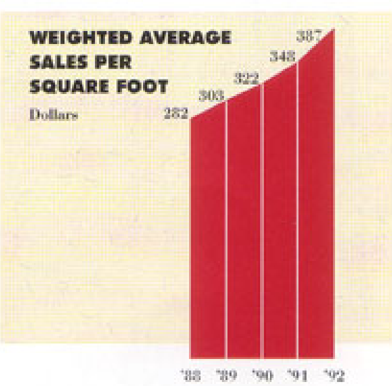


The average Home Depot store is getting bigger, adding more inside and outside selling area.

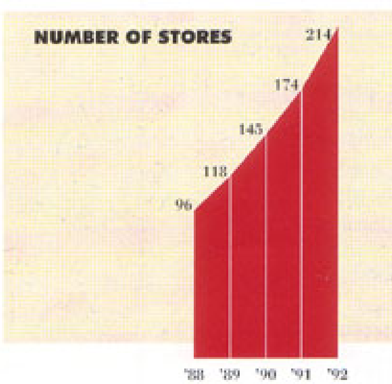


Weekly sales continued to climb, posting a 14% gain in fiscal 1992.

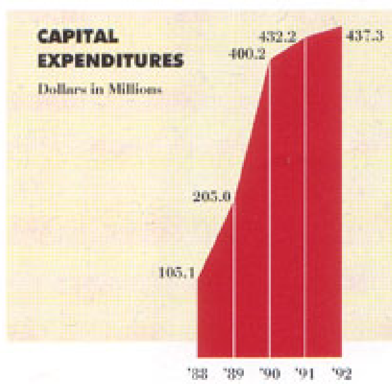
1990[1]	1989	1988	1987	1986	1985	1984[1]	1983
$ 34,358	$ 21,107	$ 14,673	$10,646	$ 8,697	$ 5,193	$ 2,368	$ 903
400,205	204,972	105,123	89,235	52,363	99,767	50,769	16,081
.04	.02	.02	.01	–	–	–	–
12	12	10	8	7	7	6	4
145	118	96	75	60	50	31	19
13,278	10,424	8,216	6,161	4,828	4,001	2,381	1,449
27.4	26.9	33.4	27.6	20.6	68.0	64.3	108.2
92	88	86	82	80	80	77	76
112,464	84,494	64,227	48,073	34,020	23,324	14,256	8,479
33.92	32.65	31.13	30.24	29.73	30.04	30.36	30.21
21,500	17,500	13,000	9,100	6,600	5,400	4,000	2,400
$ 71,988	$ 53,049	$ 38,452	$27,955	$19,451	$13,476	$ 8,166	$ 4,927
566	515	464	418	355	343	366	360
10	13	13	18	7	2	14	31
322	303	282	265	230	223	247	245
.9	1.1	1.5	2.0	2.4	3.2	2.5	2.9



Sales per square foot increased 11%, even as new, larger stores opened.

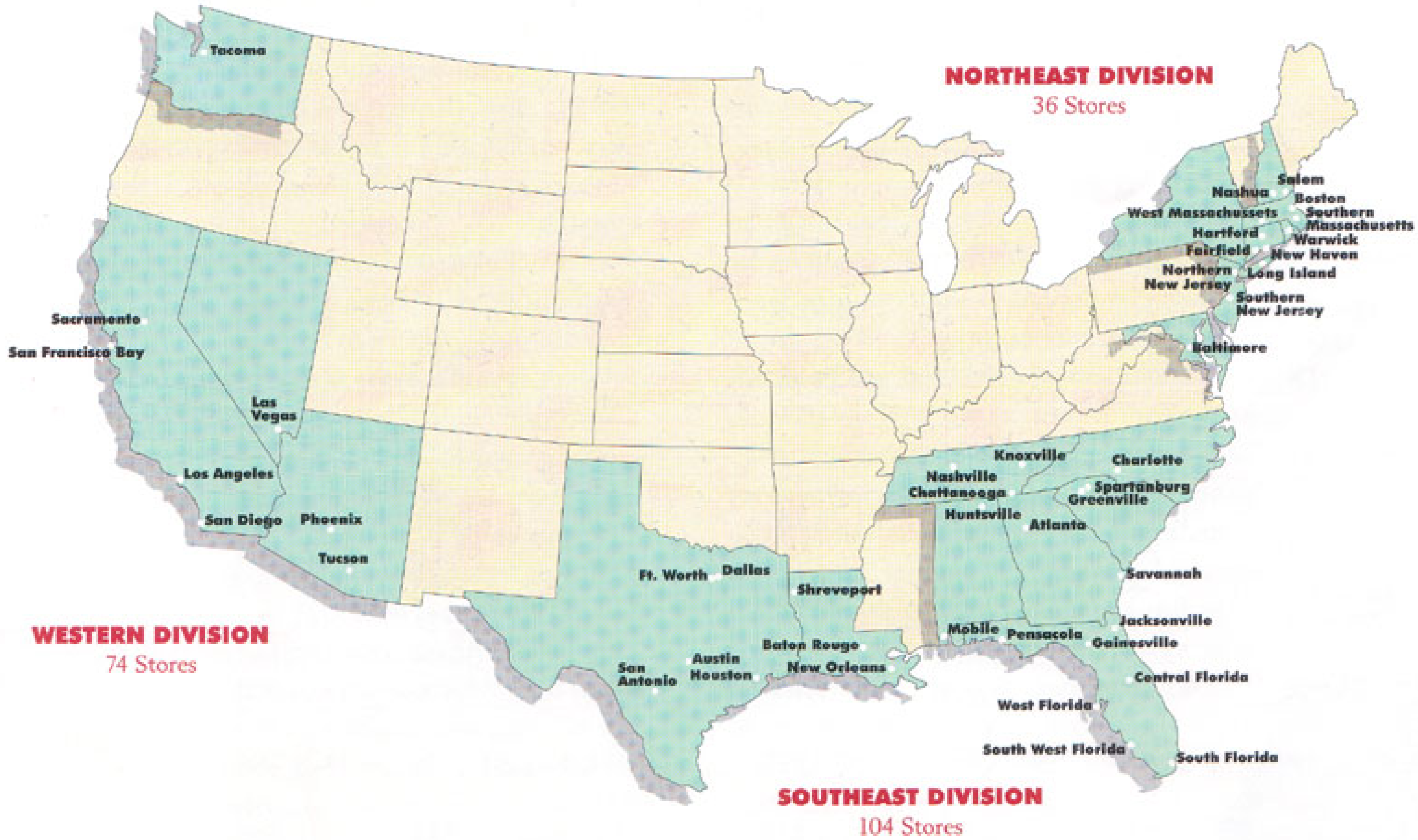


In fiscal 1992 we opened 40 new stores and expanded into eight new markets.



Capital spending included continuing investment in stores and information services.

STORE LOCATIONS



WESTERN DIVISION

Location	Number of Stores
Arizona	11
Phoenix	9
Tucson	2
California	60
Los Angeles	31
Sacramento	3
San Francisco Bay	15
San Diego	11
Nevada	2
Las Vegas	2
Washington	1
Tacoma	1

SOUTHEAST DIVISION

Location	Number of Stores
Alabama	2
Mobile	1
Huntsville	1
Florida	48
South Florida	20
Jacksonville	4
Central Florida	7
West Florida	10
Southwest Florida	5
Gainesville	1
Pensacola	1
Georgia	15
Atlanta	14
Savannah	1
Louisiana	6
New Orleans	4
Shreveport	1
Baton Rouge	1
North Carolina	1
Charlotte	1
South Carolina	2
Greenville	1
Spartanburg	1
Tennessee	6
Knoxville	2
Chattanooga	1
Nashville	3
Texas	24
Dallas/Ft. Worth	13
Houston	7
Austin	2
San Antonio	2

NORTHEAST DIVISION

Location	Number of Stores
Connecticut	6
Hartford	3
Fairfield	1
New Haven	2
Maryland	4
Baltimore	4
Massachusetts	6
West Massachusetts	1
Southern Massachusetts	2
Boston	3
New Hampshire	2
Nashua	1
Salem	1
New Jersey	9
Northern New Jersey	8
Southern New Jersey	1
New York	8
Long Island	8
Rhode Island	1
Warwick	1

Contents

Results of Operations

For an understanding of the significant factors that influenced the Company's performance during the past three fiscal years, the following discussion should be read in conjunction with the consolidated financial statements appearing elsewhere in this annual report.

Fiscal Year Ended January 31, 1993 Compared to February 2, 1992

Sales for fiscal year 1992 increased 39.2% from $5,136,674,000 in fiscal 1991 to $7,148,436,000. This increase was attributable to, among other things, 40 new store openings, five store relocations, a 15% comparable store-for-store sales increase and full year sales from the 30 store openings during fiscal 1991. The percentage increase in comparable store sales would have been 14% after excluding all sales from the eight stores in Southern Florida that were significantly affected by Hurricane Andrew.

Gross profit as a percent of sales was 27.6% for fiscal 1992 compared to 28.1% for fiscal 1991. This lower gross profit percentage resulted primarily from more aggressive pricing and a higher penetration of sales from lower margin categories such as lumber and building materials.

Operating expenses as a percent of sales decreased to 19.9% in fiscal 1992 from 20.7% in fiscal 1991. This decrease was attributable to, among other things, lower net advertising expenses, lower occupancy costs, lower payroll costs and lower general and administrative expenses as a percent of sales, due to economies of scale from increased volumes and cost control measures. These reductions as a percent of sales were partially offset by higher pre-opening expenses during fiscal 1992 associated with 40 store openings and five relocations compared to 30 store openings and four relocations during fiscal 1991.

Interest income as a percent of sales increased to 1.0% in fiscal 1992 compared to 0.5% during fiscal 1991. This increase was attributable to investing proceeds from the $805,000,000, 4½% Convertible Subordinated Notes due 1997 (4½% Convertible Notes) issued on February 3, 1992. Interest expense as a percent of sales increased to 0.6% in fiscal 1992 from 0.2% in fiscal 1991 due to the issue of the 4½% Convertible Notes, partially offset by the call for redemption and conversion to equity of substantially all the Company's 6% Convertible Subordinated Notes in June, 1992.

The Company's combined Federal and state effective income tax rate was 37.0% for fiscal 1992 compared to 37.1% for fiscal 1991. This decrease was attributable to an increase in income from tax-advantaged investments.

Net earnings as a percent of sales was 5.1% for fiscal 1992 compared to 4.8% for fiscal 1991, reflecting lower operating expenses, higher net interest income and a lower effective income tax rate, partially offset by lower gross profits, as described above. Earnings per share was $.82 for fiscal 1992 compared to $.60 for fiscal 1991 on 7% more weighted average shares outstanding in fiscal 1992.

Fiscal Year Ended February 2, 1992 Compared to February 3, 1991

Sales for fiscal year 1991 increased 34.6% from $3,815,356,000 in fiscal 1990 to $5,136,674,000. Fiscal year 1991 consisted of 52 weeks compared to 53 weeks during the previous fiscal year. The increase in sales was attributable to, among other things, 30 new store openings, four store relocations, an 11% comparable store-for-store sales increase (after adjusting fiscal year ended February 3, 1991 to 52 weeks) and full year sales from the 27 stores opened during fiscal 1990.

Gross profit as a percent of sales was 28.1% for fiscal 1991 compared to 27.9% for fiscal 1990. The higher gross profit percentage was attributable to higher vendor volume rebates, changes in merchandise mix and an increasing percentage of sales in the Northeast where margins were generally higher.

Results of Operations

For an understanding of the significant factors that influenced the Company's performance during the past three fiscal years, the following discussion should be read in conjunction with the consolidated financial statements appearing elsewhere in this annual report.

Fiscal Year Ended January 31, 1993 Compared to February 2, 1992

Sales for fiscal year 1992 increased 39.2% from $5,136,674,000 in fiscal 1991 to $7,148,436,000. This increase was attributable to, among other things, 40 new store openings, five store relocations, a 15% comparable store-for-store sales increase and full year sales from the 30 store openings during fiscal 1991. The percentage increase in comparable store sales would have been 14% after excluding all sales from the eight stores in Southern Florida that were significantly affected by Hurricane Andrew.

Gross profit as a percent of sales was 27.6% for fiscal 1992 compared to 28.1% for fiscal 1991. This lower gross profit percentage resulted primarily from more aggressive pricing and a higher penetration of sales from lower margin categories such as lumber and building materials.

Operating expenses as a percent of sales decreased to 19.9% in fiscal 1992 from 20.7% in fiscal 1991. This decrease was attributable to, among other things, lower net advertising expenses, lower occupancy costs, lower payroll costs and lower general and administrative expenses as a percent of sales, due to economies of scale from increased volumes and cost control measures. These reductions as a percent of sales were partially offset by higher pre-opening expenses during fiscal 1992 associated with 40 store openings and five relocations compared to 30 store openings and four relocations during fiscal 1991.

Interest income as a percent of sales increased to 1.0% in fiscal 1992 compared to 0.5% during fiscal 1991. This increase was attributable to investing proceeds from the $805,000,000, 4½% Convertible Subordinated Notes due 1997 (4½% Convertible Notes) issued on February 3, 1992. Interest expense as a percent of sales increased to 0.6% in fiscal 1992 from 0.2% in fiscal 1991 due to the issue of the 4½% Convertible Notes, partially offset by the call for redemption and conversion to equity of substantially all the Company's 6% Convertible Subordinated Notes in June, 1992.

The Company's combined Federal and state effective income tax rate was 37.0% for fiscal 1992 compared to 37.1% for fiscal 1991. This decrease was attributable to an increase in income from tax-advantaged investments.

Net earnings as a percent of sales was 5.1% for fiscal 1992 compared to 4.8% for fiscal 1991, reflecting lower operating expenses, higher net interest income and a lower effective income tax rate, partially offset by lower gross profits, as described above. Earnings per share was $.82 for fiscal 1992 compared to $.60 for fiscal 1991 on 7% more weighted average shares outstanding in fiscal 1992.

Fiscal Year Ended February 2, 1992 Compared to February 3, 1991

Sales for fiscal year 1991 increased 34.6% from $3,815,356,000 in fiscal 1990 to $5,136,674,000. Fiscal year 1991 consisted of 52 weeks compared to 53 weeks during the previous fiscal year. The increase in sales was attributable to, among other things, 30 new store openings, four store relocations, an 11% comparable store-for-store sales increase (after adjusting fiscal year ended February 3, 1991 to 52 weeks) and full year sales from the 27 stores opened during fiscal 1990.

Gross profit as a percent of sales was 28.1% for fiscal 1991 compared to 27.9% for fiscal 1990. The higher gross profit percentage was attributable to higher vendor volume rebates, changes in merchandise mix and an increasing percentage of sales in the Northeast where margins were generally higher.

Operating expenses as a percent of sales decreased to 20.7% in fiscal 1991 from 21.0% in fiscal 1990. This decrease was attributable to, among other things, lower net advertising expenses, lower occupancy costs and lower general and administrative expenses as a percentage of sales, due to cost controls and economies of scale from increased volumes. These reductions as a percent of sales were partially offset by higher self-funded insurance costs and higher expenses associated with increased private label and third party credit card sales.

Interest expense as a percent of sales decreased to 0.2% in fiscal 1991 from 0.6% in fiscal 1990. This decrease was due to the call for redemption and conversion to equity of all of the Company's 6¾% Convertible Subordinated Debentures in May, 1991. Interest income as a percent of sales was 0.5% for both fiscal 1991 and fiscal 1990.

The Company's combined Federal and state effective income tax rate was 37.1% for both fiscal 1991 and fiscal 1990.

Net earnings as a percent of sales was 4.8% for fiscal 1991 compared to 4.3% for fiscal 1990, reflecting higher gross profits, reduced operating expenses and lower interest expense, as described above. Earnings per share was $.60 for fiscal 1991 compared to $.45 for fiscal 1990 on 14.8% more weighted average shares outstanding.

Liquidity and Capital Resources

Cash flow generated from store operations provides the Company with a significant source of liquidity. Additionally, a significant portion of the Company's inventory is financed under vendor credit terms. As a result of continued emphasis on inventory management, inventory turnover increased to 6.3 times in fiscal 1992 compared to 6.1 times in fiscal 1991 and 6.0 times in fiscal 1990.

The Company plans to open approximately 50 new stores and relocate seven existing stores during fiscal 1993. Of these 57 locations, it is anticipated that approximately 80% will be owned and the balance will be leased. The Company also plans to open approximately 73 stores, including relocations, in fiscal 1994. Although some of these locations will be leased directly, it is expected that many may be obtained during fiscal 1993 through the purchase of pre-existing leasehold interests, the acquisition of land parcels and the construction or purchase of buildings. While the cost of new stores to be constructed and owned by the Company varies widely, principally due to land costs, new store costs are currently estimated to average approximately $11,000,000 per location. In addition, the Company may purchase leasehold interests at varying amounts depending on the value of such properties. The cost to remodel and fixture stores to be leased is expected to average approximately $3,000,000 per store. In addition, each new store will require approximately $2,400,000 to finance inventories, net of vendor financing.

As of January 31, 1993, the Company had $414,195,000 in cash and cash equivalents and short-term investments as well as $694,276,000 in long-term investments. Management believes that its current cash position, the proceeds from short-term and long-term investments, internally generated funds, and/or the ability to obtain alternate sources of financing should enable the Company to complete its capital expenditure programs, including store expansion and renovation, through the next several fiscal years.

Impact of Inflation and Changing Prices

Although the Company cannot accurately determine the precise effect of inflation on its operations, it does not believe inflation has had a material effect on sales or results of operations.

CONSOLIDATED STATEMENTS OF EARNINGS

THE HOME DEPOT, INC. AND SUBSIDIARIES
Amounts in thousands, except per share data

	Fiscal Year Ended		
	January 31, 1993 (52 weeks)	February 2, 1992 (52 weeks)	February 3, 1991 (53 weeks)
NET SALES	$7,148,436	$5,136,674	$3,815,356
COST OF MERCHANDISE SOLD	5,179,368	3,692,337	2,751,085
GROSS PROFIT	1,969,068	1,444,337	1,064,271
OPERATING EXPENSES:			
Selling and Store Operating	1,245,608	928,928	693,657
Pre-Opening	26,959	17,668	13,315
General and Administrative	147,080	116,063	91,664
TOTAL OPERATING EXPENSES	1,419,647	1,062,659	798,636
OPERATING INCOME	549,421	381,678	265,635
INTEREST INCOME (EXPENSE):			
Interest Income	67,562	26,790	17,579
Interest Expense (note 2)	(41,010)	(12,348)	(23,386)
INTEREST, NET	26,552	14,442	(5,807)
EARNINGS BEFORE INCOME TAXES	575,973	396,120	259,828
INCOME TAXES (note 3)	213,110	146,970	96,400
NET EARNINGS	$ 362,863	$ 249,150	$ 163,428
EARNINGS PER COMMON AND COMMON EQUIVALENT SHARE	$ .82	$ .60	$ .45
WEIGHTED AVERAGE NUMBER OF COMMON AND COMMON EQUIVALENT SHARES (note 4)	444,989	415,997	362,505

See accompanying notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

THE HOME DEPOT, INC. AND SUBSIDIARIES
Amounts in thousands, except share data

	January 31, 1993	February 2, 1992
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	$ 121,744	$ 218,549
Short-term Investments, including current maturities of long-term investments (note 7)	292,451	176,650
Accounts Receivable, Net	177,502	79,472
Merchandise Inventories	939,824	662,257
Other Current Assets	30,452	21,320
Total Current Assets	1,561,973	1,158,248
PROPERTY AND EQUIPMENT, at cost:		
Land	514,468	386,453
Buildings	619,909	444,249
Furniture, Fixtures and Equipment	344,139	253,831
Leasehold Improvements	212,196	178,460
Construction in Progress	101,064	120,390
	1,791,776	1,383,383
Less Accumulated Depreciation and Amortization	183,792	128,609
Net Property and Equipment	1,607,984	1,254,774
LONG-TERM INVESTMENTS (note 7)	694,276	64,268
COST IN EXCESS OF THE FAIR VALUE OF NET ASSETS ACQUIRED, net of accumulated amortization of $5,155 at January 31, 1993 and $4,523 at February 2, 1992	20,136	20,768
OTHER	47,421	12,234
	$3,931,790	$2,510,292

See accompanying notes to consolidated financial statements.

	January 31, 1993	February 2, 1992
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts Payable	$ 420,318	$ 293,958
Accrued Salaries and Related Expenses	127,133	92,531
Sales Taxes Payable	46,320	34,387
Other Accrued Expenses	135,478	89,305
Income Taxes Payable	23,868	22,288
Current Installments of Long-term Debt (note 2)	1,828	1,842
Total Current Liabilities	754,945	534,311
LONG-TERM DEBT, excluding current installments (notes 2 and 6)	843,672	270,575
OTHER LONG-TERM LIABILITIES	12,968	7,126
DEFERRED INCOME TAXES (note 3)	16,124	7,068
STOCKHOLDERS' EQUITY (notes 2 and 4):		
Common stock, par value $.05. Authorized: 1,000,000,000 shares; issued and outstanding – 443,585,000 shares at January 31, 1993 and 422,224,000 shares at February 2, 1992	22,179	21,111
Paid-in Capital	1,339,821	1,022,043
Retained Earnings	993,517	666,471
	2,355,517	1,709,625
Less Notes Receivable From ESOP (note 6)	51,436	18,413
Total Stockholders' Equity	2,304,081	1,691,212
COMMITMENTS AND CONTINGENCIES (notes 5 and 8)		
	$3,931,790	$2,510,292

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

THE HOME DEPOT, INC. AND SUBSIDIARIES
Fiscal years ended January 31, 1993, February 2, 1992 and February 3, 1991
Amounts in thousands, except per share data

	Common Stock		Paid-in	Retained	Notes Receivable	Total Stockholders'
	Shares	Amount	Capital	Earnings	from ESOP	Equity
BALANCE, JANUARY 28, 1990	345,528	$17,276	$ 220,021	$289,177	$(14,345)	$ 512,129
Shares Sold Under Employee Stock Purchase and Option Plans, Net of Retirements (note 4)	8,656	433	22,680	–	–	23,113
Additional Notes Receivable from ESOP, Net of Repayments of $7,428 (note 6)	–	–	–	–	(12,227)	(12,227)
Conversion of 6¾% Convertible Subordinated Debentures, Net	13	1	100	–	–	101
Tax Effect of Sale of Option Shares by Employees	–	–	9,693	–	–	9,693
Net Earnings	–	–	–	163,428	–	163,428
Cash Dividends ($.04 per share)	–	–	–	(12,835)	–	(12,835)
BALANCE, FEBRUARY 3, 1991	354,197	$17,710	$ 252,494	$439,770	$(26,572)	$ 683,402
Conversion of 6¾% Convertible Subordinated Debentures, Net	35,627	1,781	253,769	–	–	255,550
Sale of Common Stock in a Public Stock Offering, Net of Expenses of Sale	25,876	1,294	467,495	–	–	468,789
Shares Sold Under Employee Stock Purchase and Option Plans, Net of Retirements (note 4)	6,511	325	33,500	–	–	33,825
Tax Effect of Sale of Option Shares by Employees	–	–	14,575	–	–	14,575
Repayments of Notes Receivable from ESOP (note 6)	–	–	–	–	8,159	8,159
Conversion of 6% Convertible Subordinated Notes, Net (note 2)	13	1	210	–	–	211
Net Earnings	–	–	–	249,150	–	249,150
Cash Dividends ($.05 per share)	–	–	–	(22,449)	–	(22,449)
BALANCE, FEBRUARY 2, 1992	422,224	$21,111	$1,022,043	$666,471	$(18,413)	$1,691,212
Shares Sold Under Employee Stock Purchase and Option Plans, Net of Retirements (note 4)	7,053	353	57,971	–	–	58,324
Tax Effect of Sale of Option Shares by Employees	–	–	32,451	–	–	32,451
Additional Notes Receivable from ESOP, Net of Repayments of $8,419 (note 6)	–	–	–	–	(33,023)	(33,023)
Conversion of 6% Convertible Subordinated Notes, Net (note 2)	14,308	715	227,346	–	–	228,061
Conversion of 4½% Convertible Subordinated Notes, Net (note 2)	–	–	10	–	–	10
Net Earnings	–	–	–	362,863	–	362,863
Cash Dividends ($.08 per share)	–	–	–	(35,817)	–	(35,817)
BALANCE, JANUARY 31, 1993	443,585	$22,179	$1,339,821	$993,517	$(51,436)	$2,304,081

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

THE HOME DEPOT, INC. AND SUBSIDIARIES
Amounts in thousands

	Fiscal Year Ended		
	January 31, 1993	February 2, 1992	February 3, 1991
CASH PROVIDED FROM OPERATIONS:			
Net Earnings	$ 362,863	$ 249,150	$ 163,428
Reconciliation of Net Earnings to Net Cash Provided by Operations:			
Depreciation and Amortization	69,536	52,283	34,358
Deferred Income Tax Expense (Benefit)	5,465	(2,082)	688
Increase in Receivables, Net	(68,593)	(30,147)	(10,392)
Increase in Merchandise Inventories	(277,567)	(153,235)	(127,570)
Increase in Accounts Payable and Accrued Expenses	219,046	108,180	111,059
Increase in Income Taxes Payable	34,031	28,063	16,496
Other	(6,639)	14,405	(7,371)
Total	(24,721)	17,467	17,268
Net Cash Provided by Operations	338,142	266,617	180,696
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital Expenditures, Net of $4,765, $538 and $2,100 of non-cash capital expenditures in 1992, 1991 and 1990, respectively	(432,513)	(431,660)	(398,105)
Proceeds from Sale of Property and Equipment	5,046	831	229
(Purchase) Sale of Short-term Investments, Net	(62,008)	(132,124)	36,455
Purchase of Long-term Investments	(2,029,214)	(85,844)	–
Proceeds from Maturities/Sales of Long-term Investments	1,345,413	6,451	–
Advances Secured by Real Estate, Net	(54,022)	–	(7,389)
Net Cash Used in Investing Activities	(1,227,298)	(642,346)	(368,810)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from Long-term Borrowings	805,000	5,200	230,000
Cash Loaned to ESOP	(41,442)	–	(19,655)
Repayments of Notes Receivable from ESOP	8,419	8,159	7,428
Principal Repayments of Long-term Debt	(2,133)	(7,141)	(1,567)
Proceeds from Sale of Common Stock, Net	58,324	502,614	23,113
Cash Dividends Paid to Stockholders	(35,817)	(22,449)	(12,835)
Net Cash Provided by Financing Activities	792,351	486,383	226,484
(Decrease) Increase in Cash and Cash Equivalents	(96,805)	110,654	38,370
Cash and Cash Equivalents at Beginning of Year	218,549	107,895	69,525
Cash and Cash Equivalents at End of Year	$ 121,744	$ 218,549	$ 107,895
SUPPLEMENTAL DISCLOSURE OF CASH PAYMENTS MADE FOR:			
Interest (net of interest capitalized)	$ 26,182	$ 16,366	$ 21,138
Income Taxes	$ 169,617	$ 119,901	$ 78,427

See accompanying notes to consolidated financial statements.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiscal Year

The Company's fiscal year is a 52- or 53-week period ending on the Sunday nearest to January 31. Fiscal years 1992 and 1991, which ended January 31, 1993 and February 2, 1992, respectively, consisted of 52 weeks. Fiscal year 1990, which ended February 3, 1991, consisted of 53 weeks.

Basis of Presentation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

Stockholders' equity, share and per share amounts for all periods presented have been adjusted for a four-for-three stock split declared in February 1993 to be effected in the form of a stock dividend in April 1993 and three-for-two stock splits effected in July 1992 and June 1991 in the form of stock dividends.

Cash Equivalents

The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. The Company's cash and cash equivalents are primarily cash equivalents carried at cost, which approximates market value, and consist of preferred stocks, commercial paper, money market funds, promissory notes and U.S. government agency securities.

Investments

The Company's short-term investments, consisting primarily of debt securities, are valued at amortized cost which approximates market. Certain long-term investments have been designated as being held available for sale, and are recorded at the lower of amortized cost or market. The Company has the intent and ability to hold its remaining long-term investments until maturity. Accordingly, these long-term investments are valued at amortized cost. The cost of investments sold is determined on the specific identification method. The Company's intent to hold long-term investments until maturity is based upon an evaluation of anticipated future events. Should the actual events differ substantially from the Company's forecast, the intent to hold long-term investments until maturity may change.

Merchandise Inventories

Inventories are stated at the lower of cost (first-in, first-out) or market, as determined by the retail inventory method.

Income Taxes

The Company provides for Federal and state income taxes currently payable as well as for those deferred because of timing differences between reporting income and expenses for financial statement purposes and income and expenses for tax purposes. Targeted jobs tax credits are recorded as a reduction of income taxes in the year realized.

In February 1992, the Financial Accounting Standards Board issued Statement 109, "Accounting for Income Taxes" (SFAS 109), which superseded Statement 96, "Accounting for Income Taxes" (SFAS 96), which had not been adopted by the Company. SFAS 109 is effective for fiscal years beginning after December 15, 1992 and requires an asset and liability approach in accounting and reporting for income taxes and will, therefore, require a change from the deferred method the Company currently uses. The Company plans to adopt SFAS 109 by recognizing the cumulative effect of the change in accounting principle in the first quarter of fiscal 1993. The Company has estimated the effect on the financial statements of adopting SFAS 109, assuming no change in the statutory tax rates, to be insignificant.

Depreciation and Amortization
The Company's buildings, furniture, fixtures and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. Improvements to leased premises are amortized on the straight-line method over the life of the lease or the useful life of the improvement, whichever is shorter. The Company's property and equipment is depreciated using the following estimated useful lives:

	Life
Buildings	20-45 years
Furniture, fixtures and equipment	5-20 years
Leasehold improvements	8-25 years

The cost in excess of the fair value of net assets acquired is being amortized on a straight-line basis over 40 years. The cost of purchased software and associated consulting fees is amortized on a straight-line basis over periods ranging from three to five years.

Store Pre-Opening Costs
Non-capital expenditures associated with opening new stores are charged to expense as incurred.

Store Closing Costs
When a store is relocated or closed, estimated unrecoverable costs are charged to expense. Such costs include the book value of abandoned fixtures, equipment, leasehold improvements and a provision for the present value of future lease obligations, less estimated sub-rental income.

Earnings Per Common and Common Equivalent Share
Earnings per common and common equivalent share are based on the weighted average number of shares and equivalent shares outstanding. Common equivalent shares used in the calculation of earnings per share represent options to purchase shares granted under the Company's employee stock option and stock purchase plans.

The Company's 4½% Convertible Subordinated Notes due 1997, issued in 1992, are common stock equivalents. The Company's 6% Convertible Subordinated Notes, issued in 1990, were common stock equivalents prior to their conversion in 1992. Because shares issuable upon conversion of each of these debt issues would be anti-dilutive, they are not included in the earnings per share computations. The Company's 6¾% Convertible Subordinated Debentures were not common stock equivalents and, therefore, shares issued upon their conversion were included only in the computation of fully diluted earnings per share up to conversion date. The difference between primary and fully diluted earnings per share was not significant in any year presented.

Recent Accounting Pronouncements

In December 1990, Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Post-Retirement Benefits Other than Pensions" (SFAS 106), was issued. Under SFAS 106, the cost of post-retirement benefits other than pensions must be recognized on an accrual basis as employees perform services to earn the benefits. The Company has no such post-retirement benefit plans and, therefore, SFAS 106 will not have an impact on the Company's financial statements.

In November 1992, Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Post-Employment Benefits" (SFAS 112), was issued. SFAS 112 requires employers who provide benefits to former or inactive employees after employment but before retirement to recognize the obligation in the financial statements. SFAS 112 will not have an impact on the Company's financial statements because the Company does not provide post-employment benefits to former or inactive employees.

2 LONG-TERM DEBT

The Company's long-term debt consists of the following (in thousands):

	January 31, 1993	February 2, 1992
4½% Convertible Subordinated Notes, due February 15, 1997, convertible into shares of common stock of the Company at a conversion price of $38.75 per share. The Notes are redeemable by the Company at a premium, plus accrued interest, beginning March 3, 1995.	$804,990	$ –
6% Convertible Subordinated Notes, converted into shares of common stock of the Company at $16.06 per share during 1992.	–	229,789
7.95% Unsecured Note, payable on September 1, 1995, incurred in connection with the establishment of a leveraged Employee Stock Ownership Plan and Trust (see note 6); interest is payable semi-annually.	20,000	20,000
Variable Rate Industrial Revenue Bonds, secured by letters of credit or land, interest rates averaging 3.45% during fiscal 1992, payable in varying installments through 1999 and $5,200 payable on September 1, 2011.	11,133	11,366
Installment Notes Payable of $12,102 and $14,591 in 1992 and 1991, respectively, interest imputed at rates between 10.5% and 11.5%, payable in varying installments through 2000.	8,862	10,349
Other	515	913
Total long-term debt	845,500	272,417
Less current installments	1,828	1,842
Long-term debt, excluding current installments	$843,672	$270,575

Maturities of long-term debt are $1,828,000 for fiscal 1993, $1,580,000 for fiscal 1994, $21,854,000 for fiscal 1995, $1,240,000 for fiscal 1996 and $806,129,000 for fiscal 1997.

On February 3, 1992, the Company issued, through a public offering, $805,000,000 of its 4½% Convertible Subordinated Notes at par, maturing February 15, 1997. The Notes are convertible into shares of common stock at any time prior to maturity, unless previously redeemed, at a conversion price of $38.75 per share, subject to adjustment under certain conditions. The Notes may be redeemed in whole or in part during the period beginning March 3, 1995 and ending on February 14, 1996 at 101.125% of their principal amount and thereafter at 100% of their principal amount. The Notes are not subject to sinking fund provisions.

The 7.95% Unsecured Note related to the ESOP requires, among other things, that debt shall not exceed 66.67% of consolidated assets net of goodwill and current liabilities. The Company was in compliance with all restrictive covenants as of January 31, 1993. The restrictive covenants related to letter of credit agreements securing the industrial revenue bonds are no more restrictive than those referenced or described above.

During 1992, holders of the Company's 6% Convertible Subordinated Notes converted a total principal amount of $229,774,000 into 14,308,000 shares of the Company's common stock. As a result of this transaction, the total principal amount converted was credited to common stock at par and additional paid-in capital, net of unamortized expenses of the original debt issue of $1,981,000 and offset by $268,000 of interest accrued from the last interest payment date to the conversion date. The remaining $15,000 of principal was redeemed for cash by holders of the Notes.

Interest expense in the accompanying consolidated statements of earnings is net of interest capitalized of $7,549,000 in fiscal 1992, $11,676,000 in fiscal 1991 and $7,731,000 in fiscal 1990.

Based on discounted cash flows of future payment streams, assuming rates equivalent to the average yield on investment securities that would be sold to retire existing debt, the fair value of the 7.95% unsecured ESOP Note, the Variable Rate Industrial Revenue Bonds, the Installment Notes and other notes payable as of January 31, 1993 is $42,528,000. The fair value of the 4½% Convertible Subordinated Notes as of January 31, 1993, based on the quoted market price on the last business day of the fiscal year, is $1,131,011,000.

3 INCOME TAXES

The provision for income taxes consists of the following (in thousands):

	Fiscal Year Ended		
	January 31, 1993	February 2, 1992	February 3, 1991
Current:			
Federal	$181,727	$133,139	$83,036
State	25,918	15,913	12,676
	207,645	149,052	95,712
Deferred:			
Federal	4,413	(1,676)	619
State	1,052	(406)	69
	5,465	(2,082)	688
Total	$213,110	$146,970	$96,400

The effective tax rates for fiscal years 1992, 1991 and 1990 were 37.0%, 37.1% and 37.1%, respectively. A reconciliation of income tax expense at the Federal statutory rate of 34% to actual tax expense for the applicable fiscal years follows (in thousands):

	Fiscal Year Ended		
	January 31, 1993	February 2, 1992	February 3, 1991
Income taxes at Federal statutory rate	$195,831	$134,681	$88,342
State income taxes, net of Federal income tax benefit	17,800	10,235	8,412
Other, net	(521)	2,054	(354)
Total	$213,110	$146,970	$96,400

Deferred income taxes result from differences in the timing of reporting income and expenses for financial statement and income tax purposes. The sources of these differences and the tax effect of each are as follows (in thousands):

	Fiscal Year Ended		
	January 31, 1993	February 2, 1992	February 3, 1991
Accelerated depreciation	$12,245	$ 7,708	$ 6,262
Accrued self-insurance liabilities	(9,132)	(5,463)	(2,648)
Other accrued liabilities	(574)	(5,316)	(2,625)
Other, net	2,926	989	(301)
Total	$ 5,465	$ (2,082)	$ 688

4 EMPLOYEE STOCK PLANS

The Company has stock option plans that provide for the granting of incentive and non-qualified options to purchase the Company's common stock to selected key employees, officers and directors.

Under the Employee Incentive Stock Option Plan of 1981, options for 43,548,078 shares, net of cancellations (of which 34,732,855 had been exercised), have been granted at $.16 to $18.83 per share as of January 31, 1993. Such options may be exercised at the rate of 25% per year commencing with the first anniversary date of the grant and expire after five years. The Plan expired on June 1, 1991 and the shares available for grant were carried over to the 1991 Omnibus Stock Option Plan.

Under the Non-Qualified Stock Option Plan of 1984, options for 679,124 shares, net of cancellations (of which 529,232 had been exercised), have been granted at $1.53 to $9.86 per share as of January 31, 1993. Such options may be exercised at varying rates commencing on the first anniversary date of the grant and expire on the tenth anniversary date of the grant. The Plan expired on June 1, 1991 and the shares available for grant were carried over to the 1991 Omnibus Stock Option Plan.

The provisions of the 1991 Omnibus Stock Option Plan, which became effective June 1, 1991, authorize a maximum number of shares available for grant equal to the cumulative number of shares available the previous year plus 1% of the number of shares of common stock issued and outstanding at the beginning of each fiscal year the plan is in effect. Under the 1991 Omnibus Stock Option Plan, options for 3,490,537 shares, net of cancellations (of which 1,000 had been exercised), have been granted at $24.50 to $48.94 per share. As of January 31, 1993, the maximum shares available under this plan for future grants were 24,653,499.

The following table summarizes shares outstanding under the plans at January 31, 1993, February 2, 1992 and February 3, 1991 and changes during the fiscal years then ended (in thousands of shares):

	Fiscal Year Ended		
	January 31, 1993	February 2, 1992	February 3, 1991
Number of option shares			
At beginning of year			
Outstanding	**14,750**	16,640	19,478
Exercisable	**4,576**	3,936	4,782
During the year			
Issued	**3,549**	3,042	4,862
Cancelled	**415**	506	920
Became exercisable	**5,381**	5,066	5,934
Exercised	**5,429**	4,426	6,780
At end of year			
Outstanding	**12,455**	14,750	16,640
Exercisable	**4,528**	4,576	3,936
Average price per share			
Outstanding at the end of year	**$14.89**	$7.33	$4.91
Exercised during the year	**$ 4.99**	$3.77	$2.00

In addition, the Company had 5,320,997 shares available for future grants under the Employee Stock Purchase Plan at January 31, 1993. This plan enables the Company to grant substantially all full-time employees options to purchase up to 17,137,500 shares of common stock, of which 11,816,503 shares have been exercised from inception of the plan, at a price equal to 85% of the stock's fair market value at the date of grant. Shares purchased may not exceed the lesser of 20% of the employee's annual compensation, as defined, or $25,000 of common stock at its fair market value (determined at the time such option is granted) for any one calendar year. Employees pay for the shares ratably over a period of one year (the purchase period) through payroll deductions, and cannot exercise their option to purchase any of the shares until the conclusion of the purchase period. In the event an employee elects not to exercise such options, the full amount withheld is refundable. During fiscal 1992, options for 1,681,984 shares were exercised at an average price of $19.86 per share. At January 31, 1993, 941,503 options were outstanding, net of cancellations, at an average price of $29.24 per share.

5 LEASES

The Company leases certain retail locations, office space, warehouse and distribution space, equipment and vehicles under operating leases. As leases expire, it can be expected that in the normal course of business, they will be renewed or replaced. Total rent expense, net of minor sublease income, for the fiscal years ended January 31, 1993, February 2, 1992 and February 3, 1991 amounted to $110,577,000, $87,750,000 and $68,691,000, respectively. Real estate taxes, insurance, maintenance and operating expenses applicable to the leased property are obligations of the Company under the building leases. Certain of the store leases provide for contingent rentals based on percentages of sales in excess of specified minimums. Contingent rentals for fiscal years ended January 31, 1993, February 2, 1992 and February 3, 1991 were approximately $6,855,000, $4,381,000 and $3,328,000, respectively.

The approximate future minimum lease payments under operating leases at January 31, 1993 are as follows (in thousands):

Fiscal year	
1993	$ 123,418
1994	129,664
1995	122,438
1996	115,472
1997	109,497
Thereafter	1,405,558
	$2,006,047

6 EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

During fiscal 1988, the Company established a leveraged Employee Stock Ownership Plan and Trust (ESOP) covering substantially all full-time employees. At January 31, 1993, the ESOP held a total of 8,090,668 shares of the Company's common stock in trust for plan participants. The ESOP purchased the shares in the open market with the proceeds of loans obtained from the Company during fiscal 1992, 1990 and 1989 totaling $81,442,000. Of that amount, the Company borrowed $20,000,000 during 1988 in a private placement (see note 2), which in turn was loaned to the ESOP for the purpose of purchasing the shares. The additional $61,442,000 loaned to the ESOP was funded by cash from operations of the Company. The private placement loan and remaining $61,442,000 of Company loans to the ESOP have similar terms. Maturities are $40,000,000 in August 1995 and $41,442,000 in August 2001.

The Company's Board of Directors authorized loans to the ESOP up to $90,000,000. The Company may advance funds to the ESOP so that the ESOP may purchase up to an additional $8,558,000 of the Company's stock in the open market at prices the ESOP deems desirable.

The Company's common stock purchased by the ESOP is held in a "suspense account" as collateral for amounts loaned by the Company. Each year the Company makes contributions to the ESOP which the plan trustee is required to use to make loan interest and principal payments to the Company. When the Company commits to make contributions to the ESOP, a portion of the common stock is released from the "suspense account" and allocated to participating employees. Any dividends on unallocated shares are used to service the ESOP's debt, to pay expenses of the ESOP, to purchase additional shares of the Company or to purchase other investments. The unpaid portion of the ESOP's obligation to the Company is recorded as a reduction of stockholders' equity. The Company's contributions to the ESOP were $8,200,000, $8,000,000 and $7,000,000 for the fiscal years 1992, 1991 and 1990, respectively.

7 INVESTMENTS

The Company's investments, including aggregate estimated market values by balance sheet classification, consisted of the following at January 31, 1993 and February 2, 1992 (in thousands):

	January 31, 1993			February 2, 1992	
	Short-term, including current maturities of long-term	Long-term held available for sale	Long-term held to maturity	Short-term, including current maturities of long-term	Long-term held to maturity
Tax exempt notes and bonds	$ 47,134	$185,662	$ –	$146,373	$ –
U.S. Treasury securities	103,697	182,968	–	–	–
U.S. government agency securities	21,625	4,990	–	–	–
Commercial paper	–	–	–	7,151	–
Certificate of deposits	8,013	–	–	8,001	–
Corporate bonds	–	218,110	–	–	–
Preferred stock	5,000	–	40,832	–	–
Promissory notes	24,517	–	–	–	–
Asset-backed securities	82,465	61,529	–	15,125	64,268
Other	–	–	185	–	–
Total	$292,451	$653,259	$41,017	$176,650	$64,268
Estimated market value	$293,518	$662,775	$41,195	$176,720	$64,941

Estimated market values of investments are based on quoted market prices on the last business day of the fiscal year. The Company's long-term investments held available for sale and held to maturity, totaling $694,276,000 at January 31, 1993, are included in long-term investments in the accompanying balance sheet.

8 COMMITMENTS AND CONTINGENCIES

At January 31, 1993, the Company was contingently liable for approximately $62,459,000 under outstanding letters of credit issued in connection with purchase commitments.

The Company has litigation arising from the normal course of business. In management's opinion this litigation will not materially affect the Company's consolidated results of operations.

9 QUARTERLY FINANCIAL DATA (UNAUDITED)

The following is a summary of the unaudited quarterly results of operations for the fiscal years ended January 31, 1993 and February 2, 1992 (in thousands, except per share data):

	Net sales	Percent increase in comparable store sales	Gross profit	Net earnings	Net earnings per common and common equivalent share
Fiscal year ended January 31, 1993:					
First Quarter	$1,639,575	15%	$ 446,000	$ 79,496	$.18
Second Quarter	1,856,380	14%	502,420	101,867	.23
Third Quarter	1,834,006	16%	495,093	84,360	.19
Fourth Quarter	1,818,475	15%	525,555	97,140	.21
	$7,148,436	15%	$1,969,068	$362,863	$.82
Fiscal year ended February 2, 1992:					
First Quarter	$1,186,890	10%	$ 325,618	$ 51,288	$.14
Second Quarter	1,352,792	11%	369,083	71,828	.17
Third Quarter	1,298,277	10%	365,378	58,385	.13
Fourth Quarter	1,298,715	12%	384,258	67,649	.16
	$5,136,674	11%	$1,444,337	$249,150	$.60

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
The Home Depot, Inc.:

KPMG Peat Marwick

We have audited the accompanying consolidated balance sheets of The Home Depot, Inc. and subsidiaries as of January 31, 1993 and February 2, 1992, and the related consolidated statements of earnings, stockholders' equity, and cash flows for each of the years in the three-year period ended January 31, 1993. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Home Depot, Inc. and subsidiaries as of January 31, 1993 and February 2, 1992, and the results of their operations and their cash flows for each of the years in the three-year period ended January 31, 1993 in conformity with generally accepted accounting principles.

KPMG Peat Marwick

Atlanta, Georgia
March 12, 1993

DIRECTORS AND OFFICERS

THE HOME DEPOT, INC. AND SUBSIDIARIES

DIRECTORS

Bernard Marcus*
Chairman of the Board
The Home Depot, Inc.

Arthur M. Blank*
President
The Home Depot, Inc.

Ronald M. Brill
Executive Vice President
The Home Depot, Inc.

Frank Borman**+
Retired Chairman of the Board
and Chief Executive Officer
Eastern Airlines, Inc. and
Chairman of the Board
Patlex Corporation

Berry R. Cox**
Private Investor

Frederick DeMatteis**
Chairman of the Board
The DeMatteis Organization

Peter S. Gold
Retired Chairman and
Chief Executive Officer
Price Pfister, Inc.

Milledge A. Hart, III**+
Chairman of the Board
The Hart Group

Donald R. Keough
President and Chief Operating Officer
The Coca-Cola Company

Kenneth G. Langone*+
Chairman of the Board
and President
Invemed Associates, Inc.

M. Faye Wilson**
Executive Vice President
Bank of America

* *Member of the Executive Committee*
** *Member of the Audit Committee*
\+ *Member of the Compensation Committee*

OFFICERS

Corporate
Bernard Marcus[1]
Chairman of the Board
Chief Executive Officer
Secretary

Arthur M. Blank[1]
President and
Chief Operating Officer

James W. Inglis[1]
Executive Vice President –
Merchandising

Ronald M. Brill[1]
Executive Vice President
Chief Financial Officer
Treasurer

William E. Harris
Sr. Vice President –
Corporate Development

W. Andrew McKenna
Sr. Vice President –
Information Services

Dennis Ryan
Sr. Vice President –
Merchandising

Richard A. Hammill
Sr. Vice President –
Marketing and Advertising

Marshall L. Day[1]
Sr. Vice President –
Finance

Alan Barnaby
Vice President – Store Systems
and Operations Support

Peter E. Cleaveland
Vice President – Distribution

Bryan J. Fields
Vice President – Real Estate

Kerrie R. Flanagan
Vice President – Merchandise Payables

Ted Kaczmarowski
Vice President – Construction

Preston R. Kirby
Vice President – Controller

Donald P. McKenna
Vice President – Human Resources

Lawrence A. Smith
Vice President – Legal

Richard L. Sullivan
Vice President – Advertising

Edward A. Wolfe
Vice President – Loss Prevention

Northeast Division
Larry Mercer[1]
President

Barry Silverman
Vice President – Merchandising

Ken Ubertino
Vice President – Merchandising

Ken Dardas
Vice President – Store Operations

Vern Joslyn
Vice President – Store Operations

Southeast Division
Bruce Berg[1]
President

Jesse Behnke
Vice President –
Merchandising/Mid-South

Bryant Scott
Vice President –
Merchandising/Southern

Larry Bucksbarg
Vice President – Store Operations
Mid-South

Lynn Martineau
Vice President – Store Operations
Southern

Western Division
Bill Hamlin[1]
President

Bill Hogan
Vice President – Merchandising

Harry Pierce
Vice President – Merchandising

Mike McCabe
Vice President – Store Operations

Paul Rodriguez
Vice President – Store Operations

[1] *Executive officer and officer subject to the reporting requirements of Section 16 of the Securities Exchange Act of 1934.*

CORPORATE INFORMATION

Corporate Headquarters
The Home Depot, Inc.
2727 Paces Ferry Road
Atlanta, Georgia 30339
Telephone: 404/433-8211

Transfer Agent and Registrar
Wachovia Bank of North Carolina, N.A.
P.O. Box 3001
Winston-Salem, N.C. 27102

Information contact:
Ed L. Hartgrove
1-800-633-4236

Independent Auditors
KPMG Peat Marwick
Suite 2000
303 Peachtree Street, NE
Atlanta, Georgia 30308

Stock Exchange Listing
New York Stock Exchange

Trading Symbol – HD

Annual Meeting
The Annual Meeting of Stockholders will be held at 10:00 a.m. Wednesday, June 2, 1993, at Holiday Inn Crowne Plaza-Ravinia, 4355 Ashford-Dunwoody Road, Atlanta, Georgia 30346

Number of Stockholders
As of March 12, 1993, there were approximately 46,300 stockholders of record. This number excludes individual stockholders holding stock under nominee security position listings.

Dividends Per Common Share

Fiscal 1992:	
First Quarter	**$.0150**
Second Quarter	**.0225**
Third Quarter	**.0225**
Fourth Quarter	**.0225**
Fiscal 1991:	
First Quarter	$.0100
Second Quarter	.0150
Third Quarter	.0150
Fourth Quarter	.0150

As adjusted for stock splits.

Dividend Reinvestment/Stock Purchase Plan
Stockholders of record may acquire additional shares of The Home Depot's common stock through its Dividend Reinvestment/Stock Purchase Plan. Quarterly cash dividends, as well as cash contributions from $10 up to $4,000 monthly, may be invested through this plan. For all communication regarding this service, contact:

Wachovia Bank of North Carolina, N.A.
Dividend Reinvestment Section
P.O. Box 3001
Winston-Salem, North Carolina 27102

Information contact:
Larry Watkins
1-800-633-4236

Form 10-K
A copy of the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1993, as filed with the Securities and Exchange Commission, will be sent to any stockholder upon request in writing to:

Ronald M. Brill
Executive Vice President
and Chief Financial Officer
The Home Depot, Inc.
2727 Paces Ferry Road
Atlanta, Georgia 30339

Quarterly Stock Price Range

	High	Low
Fiscal 1992:		
First Quarter	**34¼**	**29¾**
Second Quarter	**38**	**30⅞**
Third Quarter	**43¾**	**36¾**
Fourth Quarter	**51½**	**42¾**
Fiscal 1991:		
First Quarter	20⅛	14¼
Second Quarter	24¾	18⅜
Third Quarter	29½	22½
Fourth Quarter	36	27¾

As adjusted for stock splits.

Portions of this annual report are printed on recycled paper.

EXECUTIVE OFFICES
THE HOME DEPOT
2727 PACES FERRY ROAD
ATLANTA, GA 30339
404-433-8211