

BARNES & NOBLE, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
(In thousands, except per share data)

	<u>13 weeks ended</u> <u>July 31, 2010</u>	<u>13 weeks ended</u> <u>August 1, 2009</u>
Sales	\$ 1,396,570	\$ 1,155,681
Cost of sales and occupancy	1,044,870	799,826
Gross profit	<u>351,700</u>	<u>355,855</u>
Selling and administrative expenses	382,381	288,651
Depreciation and amortization	56,905	44,854
Pre-opening expenses	27	1,698
Operating (loss) profit	<u>(87,613)</u>	<u>20,652</u>
Interest expense, net	13,263	304
(Loss) income before taxes	<u>(100,876)</u>	<u>20,348</u>
Income taxes	<u>(38,333)</u>	<u>8,110</u>
Net (loss) income	<u>(62,543)</u>	<u>12,238</u>
Net loss attributable to noncontrolling interests	25	29
Net income attributable to Barnes & Noble, Inc.	<u>\$ (62,518)</u>	<u>\$ 12,267</u>
Basic (loss) income per common share:		
(Loss) income attributable to Barnes & Noble, Inc.	\$ (1.12)	\$ 0.22
Diluted (loss) income per common share:		
(Loss) income attributable to Barnes & Noble, Inc.	\$ (1.12)	\$ 0.21
Weighted average common shares outstanding		
Basic	55,770	55,186
Diluted	55,770	56,221
Dividends declared per common share	\$ 0.25	\$ 0.25
Percentage of sales:		
Sales	100.0%	100.0%
Cost of sales and occupancy	74.8%	69.2%
Gross profit	<u>25.2%</u>	<u>30.8%</u>
Selling and administrative expenses	27.4%	25.0%
Depreciation and amortization	4.1%	3.9%
Pre-opening expenses	0.0%	0.1%
Operating (loss) profit	<u>-6.3%</u>	<u>1.8%</u>
Interest expense, net	0.9%	0.0%
(Loss) income before taxes	<u>-7.2%</u>	<u>1.8%</u>
Income taxes	<u>-2.7%</u>	<u>0.7%</u>
Net (loss) income	<u>-4.5%</u>	<u>1.1%</u>