

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

	<u>13 weeks ended July 30, 2011</u>	<u>13 weeks ended July 31, 2010</u>
Sales	\$ 1,418,404	1,395,842
Cost of sales and occupancy	1,030,846	1,044,142
Gross profit	<u>387,558</u>	<u>351,700</u>
Selling and administrative expenses	411,118	382,408
Depreciation and amortization	55,671	56,905
Operating loss	<u>(79,231)</u>	<u>(87,613)</u>
Interest expense, net	9,442	13,263
Loss before taxes	<u>(88,673)</u>	<u>(100,876)</u>
Income taxes	(32,067)	(38,333)
Net loss	<u>(56,606)</u>	<u>(62,543)</u>
Net loss attributable to noncontrolling interests	-	25
Net loss attributable to Barnes & Noble, Inc.	<u>\$ (56,606)</u>	<u>(62,518)</u>
Basic loss per common share:		
Loss attributable to Barnes & Noble, Inc.	\$ (0.99)	(1.12)
Diluted loss per common share:		
Loss attributable to Barnes & Noble, Inc.	\$ (0.99)	(1.12)
Weighted average common shares outstanding		
Basic	57,153	55,770
Diluted	57,153	55,770
Dividends declared per common share	\$ -	0.25
Percentage of sales:		
Sales	100.0%	100.0%
Cost of sales and occupancy	<u>72.7%</u>	<u>74.8%</u>
Gross profit	<u>27.3%</u>	<u>25.2%</u>
Selling and administrative expenses	29.0%	27.4%
Depreciation and amortization	<u>3.9%</u>	<u>4.1%</u>
Operating loss	<u>-5.6%</u>	<u>-6.3%</u>
Interest expense, net	0.7%	1.0%
Loss before taxes	<u>-6.3%</u>	<u>-7.2%</u>
Income taxes	-2.3%	-2.7%
Net loss	<u>-4.0%</u>	<u>-4.5%</u>