

BARNES & NOBLE, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
Pro Forma as if the Company Owned 100% of Barnes & Noble.com at the Beginning of Fiscal 2003
(thousands of dollars, except per share data)

	13 weeks ended		52 weeks ended	
	January 29, 2005	January 31, 2004	January 29, 2005	January 31, 2004
Sales	\$ 1,672,772	1,606,011	4,873,595	4,649,000
Cost of sales and occupancy(a)(b)	1,126,963	1,091,404	3,386,619	3,276,713
Gross profit	545,809	514,607	1,486,976	1,372,287
Selling and administrative expenses	295,630	277,269	1,052,345	989,155
Depreciation and amortization(a)	44,601	44,806	181,553	185,293
Pre-opening expenses(b)	1,868	1,460	8,862	8,668
Operating profit	203,710	191,072	244,216	189,171
Interest expense, net	(670)	(5,486)	(11,028)	(20,817)
Debt redemption charge	-	-	(14,582)	-
Income before taxes and minority interest	203,040	185,586	218,606	168,354
Income taxes	87,667	76,359	94,001	69,001
Income before minority interest	115,373	109,227	124,605	99,353
Minority interest	(3,076)	(2,391)	(1,230)	(537)
Income from continuing operations	112,297	106,836	123,375	98,816
Income from discontinued operations (net of income tax)	3,331	25,343	20,001	40,571
Net income	<u>\$ 115,628</u>	<u>132,179</u>	<u>143,376</u>	<u>139,387</u>
Basic income per common share:				
Income from continuing operations	\$ 1.60	1.58	1.79	1.50
Income from discontinued operations	0.05	0.38	0.29	0.61
Net income	<u>\$ 1.65</u>	<u>1.96</u>	<u>2.08</u>	<u>2.11</u>
Diluted income per common share:				
Income from continuing operations	\$ 1.52	1.38	1.68	1.41
Income from discontinued operations	0.04	0.30	0.25	0.50
Net income	<u>\$ 1.56</u>	<u>1.68</u>	<u>1.93</u>	<u>1.91</u>
Weighted average common shares outstanding				
Basic	69,894,000	67,575,000	69,018,000	65,989,000
Diluted	73,960,000	79,514,000	75,696,000	77,105,000
Percentage of sales:				
Sales	100.0%	100.0%	100.0%	100.0%
Cost of sales and occupancy	67.4%	68.0%	69.5%	70.5%
Gross profit	32.6%	32.0%	30.5%	29.5%
Selling and administrative expenses	17.7%	17.3%	21.6%	21.3%
Depreciation and amortization	2.7%	2.8%	3.7%	4.0%
Pre-opening expenses	0.1%	0.1%	0.2%	0.2%
Operating profit	12.2%	11.9%	5.0%	4.1%
Interest expense, net	0.0%	-0.3%	-0.2%	-0.4%
Debt redemption charge	0.0%	0.0%	-0.3%	0.0%
Income before taxes and minority interest	12.1%	11.6%	4.5%	3.6%
Income taxes	5.2%	4.8%	1.9%	1.5%
Income before minority interest	6.9%	6.8%	2.6%	2.1%
Minority interest	-0.2%	-0.1%	0.0%	0.0%
Income from continuing operations	<u>6.7%</u>	<u>6.7%</u>	<u>2.5%</u>	<u>2.1%</u>

(a) Reflects the reclassification of tenant allowances from a reduction in depreciation expense to a reduction in occupancy expense for all periods.

(b) Reflects the reclassification and restatement of rent holiday (store build-out period) to reduce occupancy expense and increase pre-opening expense for all periods.