

BARNES & NOBLE, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(In thousands, except per share data)

	<u>July 30, 2005</u>	<u>July 31, 2004</u> Restated (a)(b)	<u>January 29, 2005</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 21,315	22,860	535,652
Receivables, net	112,114	84,530	91,501
Merchandise inventories	1,336,174	1,311,745	1,274,578
Prepaid expenses and other current assets	102,443	112,059	85,140
Current assets of discontinued operations	-	372,616	-
Total current assets	<u>1,572,046</u>	<u>1,903,810</u>	<u>1,986,871</u>
Property and equipment:			
Land and land improvements	3,247	3,247	3,247
Buildings and leasehold improvements	976,579	883,650	940,616
Fixtures and equipment	1,121,202	1,041,931	1,081,966
	<u>2,101,028</u>	<u>1,928,828</u>	<u>2,025,829</u>
Less accumulated depreciation and amortization	1,293,732	1,146,274	1,221,169
Net property and equipment	<u>807,296</u>	<u>782,554</u>	<u>804,660</u>
Goodwill	265,901	262,067	268,379
Intangible assets, net	95,351	100,663	97,538
Deferred taxes	124,152	138,917	123,231
Other noncurrent assets	36,861	14,839	37,710
Noncurrent assets of discontinued operations	-	478,320	-
Total assets	<u>\$ 2,901,607</u>	<u>3,681,170</u>	<u>3,318,389</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 760,806	647,909	745,073
Accrued liabilities	475,987	413,571	580,509
Current liabilities of discontinued operations	-	216,435	-
Total current liabilities	<u>1,236,793</u>	<u>1,277,915</u>	<u>1,325,582</u>
Long-term debt	9,000	257,400	245,000
Deferred income taxes	193,743	170,458	193,743
Other long-term liabilities	379,134	382,529	379,180
Noncurrent liabilities of discontinued operations	-	291,899	-
Minority interest	6,442	3,594	8,942
Shareholders' equity:			
Common stock; \$.001 par value; 300,000 shares authorized; 81,337, 78,302 and 79,276 shares issued, respectively	81	78	79
Additional paid-in capital	1,037,321	958,627	985,609
Accumulated other comprehensive loss	(10,347)	(8,872)	(9,857)
Retained earnings	409,507	543,565	386,134
Treasury stock, at cost, 13,503, 9,008 and 9,008 shares, respectively	(360,067)	(196,023)	(196,023)
Total shareholders' equity	<u>1,076,495</u>	<u>1,297,375</u>	<u>1,165,942</u>
Commitments and contingencies	-	-	-
Total liabilities and shareholders' equity	<u>\$ 2,901,607</u>	<u>3,681,170</u>	<u>3,318,389</u>

(a) Restated to reflect certain adjustments relating to lease accounting.

(b) Reflects the change in the reporting period used to consolidate the results of Barnes & Noble.com.