

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

	<u>October 29, 2005</u>	<u>October 30, 2004 Restated (a)</u>	<u>January 29, 2005</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 23,038	89,309	535,652
Receivables, net	115,823	134,471	91,501
Merchandise inventories	1,563,502	1,518,140	1,274,578
Prepaid expenses and other current assets	126,714	81,517	85,140
Current assets of discontinued operations	-	360,235	-
Total current assets	<u>1,829,077</u>	<u>2,183,672</u>	<u>1,986,871</u>
Property and equipment:			
Land and land improvements	3,247	3,247	3,247
Buildings and leasehold improvements	993,536	901,464	940,616
Fixtures and equipment	1,143,168	1,061,829	1,081,966
	<u>2,139,951</u>	<u>1,966,540</u>	<u>2,025,829</u>
Less accumulated depreciation and amortization	1,331,551	1,184,800	1,221,169
Net property and equipment	<u>808,400</u>	<u>781,740</u>	<u>804,660</u>
Goodwill	264,826	264,118	268,379
Intangible assets, net	94,548	98,783	97,538
Deferred taxes	124,603	138,969	123,231
Other noncurrent assets	24,072	38,941	37,710
Noncurrent assets of discontinued operations	-	470,204	-
Total assets	<u>\$ 3,145,526</u>	<u>3,976,427</u>	<u>3,318,389</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 1,009,006	876,531	745,073
Accrued liabilities	536,191	426,367	580,509
Current liabilities of discontinued operations	-	291,667	-
Total current liabilities	<u>1,545,197</u>	<u>1,594,565</u>	<u>1,325,582</u>
Long-term debt	62,000	245,000	245,000
Deferred income taxes	193,743	161,756	193,743
Other long-term liabilities	369,038	372,386	379,180
Noncurrent liabilities of discontinued operations	-	297,962	-
Minority interest	5,349	2,782	8,942
Shareholders' equity:			
Common stock; \$.001 par value; 300,000 shares authorized; 81,659, 78,672 and 79,276 shares issued, respectively	82	79	79
Additional paid-in capital	1,045,852	969,976	985,609
Accumulated other comprehensive loss	(10,271)	(8,484)	(9,857)
Retained earnings	399,553	536,428	386,134
Treasury stock, at cost, 16,315, 9,008 and 9,008 shares, respectively	(465,017)	(196,023)	(196,023)
Total shareholders' equity	<u>970,199</u>	<u>1,301,976</u>	<u>1,165,942</u>
Commitments and contingencies	-	-	-
Total liabilities and shareholders' equity	<u>\$ 3,145,526</u>	<u>3,976,427</u>	<u>3,318,389</u>

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