

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

	13 weeks ended		39 weeks ended	
	October 30, 2004		October 30, 2004	
	October 29, 2005	Restated (a)	October 29, 2005	Restated (a)
Sales	\$ 1,081,785	1,042,277	3,349,755	3,200,823
Cost of sales and occupancy	761,367	733,523	2,357,587	2,259,656
Gross profit	320,418	308,754	992,168	941,167
Selling and administrative expenses	272,721	259,661	815,251	756,715
Depreciation and amortization	43,892	46,215	130,401	136,952
Pre-opening expenses	4,161	2,099	9,270	6,994
Operating profit (loss)	(356)	779	37,246	40,506
Interest expense, net	(917)	(2,155)	(1,911)	(10,358)
Debt redemption charge	-	-	-	(14,582)
Income (loss) before taxes and minority interest	(1,273)	(1,376)	35,335	15,566
Income taxes	(519)	(561)	14,399	6,334
Income (loss) before minority interest	(754)	(815)	20,936	9,232
Minority interest	1,081	812	2,764	1,846
Income (loss) from continuing operations	327	(3)	23,700	11,078
Income from discontinued operations (net of income tax)	-	7,572	-	16,670
Net income	<u>\$ 327</u>	<u>7,569</u>	<u>23,700</u>	<u>27,748</u>
Basic income per common share:				
Income from continuing operations	\$ -	-	0.35	0.16
Income from discontinued operations	-	0.11	-	0.24
Net income	<u>\$ -</u>	<u>0.11</u>	<u>0.35</u>	<u>0.40</u>
Diluted income per common share:				
Income from continuing operations	\$ -	-	0.33	0.16
Income from discontinued operations	-	0.10	-	0.22
Net income	<u>\$ -</u>	<u>0.10</u>	<u>0.33</u>	<u>0.38</u>
Weighted average common shares outstanding				
Basic	66,819	69,443	68,288	68,727
Diluted	71,257	72,049	72,915	71,273
Percentage of sales:				
Sales	100.0%	100.0%	100.0%	100.0%
Cost of sales and occupancy	70.4%	70.4%	70.4%	70.6%
Gross profit	29.6%	29.6%	29.6%	29.4%
Selling and administrative expenses	25.2%	24.9%	24.3%	23.6%
Depreciation and amortization	4.1%	4.4%	3.9%	4.3%
Pre-opening expenses	0.4%	0.2%	0.3%	0.2%
Operating profit	0.0%	0.1%	1.1%	1.3%
Interest expense, net	-0.1%	-0.2%	-0.1%	-0.3%
Debt redemption charge	0.0%	0.0%	0.0%	-0.5%
Income (loss) before taxes and minority interest	-0.1%	-0.1%	1.1%	0.5%
Income taxes	0.0%	-0.1%	0.4%	0.2%
Income (loss) before minority interest	-0.1%	-0.1%	0.6%	0.3%
Minority interest	0.1%	0.1%	0.1%	0.1%
Income from continuing operations	<u>0.0%</u>	<u>0.0%</u>	<u>0.7%</u>	<u>0.3%</u>

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