

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

	13 weeks ended		52 weeks ended	
	January 28, 2006	January 29, 2005	January 28, 2006	January 29, 2005
Sales	\$ 1,753,249	1,672,772	5,103,004	4,873,595
Cost of sales and occupancy	1,175,422	1,126,963	3,533,009	3,386,619
Gross profit	577,827	545,809	1,569,995	1,486,976
Selling and administrative expenses	319,025	295,630	1,134,276	1,052,345
Depreciation and amortization	42,556	44,601	172,957	181,553
Pre-opening expenses	1,668	1,868	10,938	8,862
Operating profit	214,578	203,710	251,824	244,216
Interest expense, net	496	(670)	(1,415)	(11,028)
Debt redemption charge	-	-	-	(14,582)
Income before taxes and minority interest	215,074	203,040	250,409	218,606
Income taxes	87,643	87,667	102,042	94,001
Income before minority interest	127,431	115,373	148,367	124,605
Minority interest	(4,450)	(3,076)	(1,686)	(1,230)
Income from continuing operations	122,981	112,297	146,681	123,375
Income from discontinued operations (net of income tax)	-	3,331	-	20,001
Net income	<u>\$ 122,981</u>	<u>115,628</u>	<u>146,681</u>	<u>143,376</u>
Basic income per common share:				
Income from continuing operations	\$ 1.88	1.60	2.17	1.79
Income from discontinued operations	-	0.05	-	0.29
Net income	<u>\$ 1.88</u>	<u>1.65</u>	<u>2.17</u>	<u>2.08</u>
Diluted income per common share:				
Income from continuing operations	\$ 1.76	1.52	2.03	1.68
Income from discontinued operations	-	0.04	-	0.25
Net income	<u>\$ 1.76</u>	<u>1.56</u>	<u>2.03</u>	<u>1.93</u>
Weighted average common shares outstanding				
Basic	65,374	69,894	67,560	69,018
Diluted	69,855	73,960	72,150	75,696
Percentage of sales:				
Sales	100.0%	100.0%	100.0%	100.0%
Cost of sales and occupancy	67.0%	67.4%	69.2%	69.5%
Gross profit	33.0%	32.6%	30.8%	30.5%
Selling and administrative expenses	18.2%	17.7%	22.2%	21.6%
Depreciation and amortization	2.4%	2.7%	3.4%	3.7%
Pre-opening expenses	0.1%	0.1%	0.2%	0.2%
Operating profit	12.2%	12.2%	4.9%	5.0%
Interest expense, net	0.0%	0.0%	0.0%	-0.2%
Debt redemption charge	0.0%	0.0%	0.0%	-0.3%
Income before taxes and minority interest	12.3%	12.1%	4.9%	4.5%
Income taxes	5.0%	5.2%	2.0%	1.9%
Income before minority interest	7.3%	6.9%	2.9%	2.6%
Minority interest	-0.3%	-0.2%	0.0%	0.0%
Income from continuing operations	<u>7.0%</u>	<u>6.7%</u>	<u>2.9%</u>	<u>2.5%</u>