

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

	<u>13 weeks ended</u>	<u>13 weeks ended</u>
	<u>May 5, 2007</u>	<u>April 29, 2006</u>
Sales	\$ 1,145,395	1,114,735
Cost of sales and occupancy	811,364	775,985
Gross profit	<u>334,031</u>	<u>338,750</u>
Selling and administrative expenses	295,208	281,142
Depreciation and amortization	45,508	40,555
Pre-opening expenses	<u>1,034</u>	<u>3,280</u>
Operating profit (loss)	(7,719)	13,773
Interest income, net	<u>3,138</u>	<u>1,510</u>
Income (loss) before taxes and minority interest	(4,581)	15,283
Income taxes	<u>(1,832)</u>	<u>6,228</u>
Income (loss) before minority interest	(2,749)	9,055
Minority interest	<u>1,078</u>	<u>936</u>
Net income (loss)	<u>\$ (1,671)</u>	<u>9,991</u>
Income (loss) per common share:		
Basic	\$ (0.03)	0.15
Diluted	\$ (0.03)	0.14
Weighted average common shares outstanding		
Basic	65,209	65,745
Diluted	65,209	70,100
Percentage of sales:		
Sales	100.0%	100.0%
Cost of sales and occupancy	70.8%	69.6%
Gross profit	<u>29.2%</u>	<u>30.4%</u>
Selling and administrative expenses	25.8%	25.2%
Depreciation and amortization	4.0%	3.6%
Pre-opening expenses	<u>0.1%</u>	<u>0.3%</u>
Operating profit (loss)	-0.7%	1.2%
Interest income, net	<u>0.3%</u>	<u>0.1%</u>
Income (loss) before taxes and minority interest	-0.4%	1.4%
Income taxes	<u>-0.2%</u>	<u>0.6%</u>
Income (loss) before minority interest	-0.2%	0.8%
Minority interest	<u>0.1%</u>	<u>0.1%</u>
Net income (loss)	<u>-0.1%</u>	<u>0.9%</u>