

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 3, 2008</u>	<u>May 5, 2007</u>
Sales	\$ 1,158,139	1,145,395
Cost of sales and occupancy	810,530	811,364
Gross profit	<u>347,609</u>	<u>334,031</u>
Selling and administrative expenses	307,268	295,208
Depreciation and amortization	42,177	45,508
Pre-opening expenses	<u>4,537</u>	<u>1,034</u>
Operating loss	(6,373)	(7,719)
Interest income, net	<u>833</u>	<u>3,138</u>
Loss before taxes and minority interest	(5,540)	(4,581)
Income taxes	<u>(2,214)</u>	<u>(1,832)</u>
Loss before minority interest	(3,326)	(2,749)
Minority interest	<u>1,102</u>	<u>1,078</u>
Net loss	<u>\$ (2,224)</u>	<u>(1,671)</u>
Loss per common share:		
Basic	\$ (0.04)	(0.03)
Diluted	\$ (0.04)	(0.03)
Weighted average common shares outstanding		
Basic	57,614	65,209
Diluted	57,614	65,209
Percentage of sales:		
Sales	100.0%	100.0%
Cost of sales and occupancy	70.0%	70.8%
Gross profit	<u>30.0%</u>	<u>29.2%</u>
Selling and administrative expenses	26.5%	25.8%
Depreciation and amortization	3.6%	4.0%
Pre-opening expenses	<u>0.4%</u>	<u>0.1%</u>
Operating loss	-0.6%	-0.7%
Interest income, net	<u>0.1%</u>	<u>0.3%</u>
Loss before taxes and minority interest	-0.5%	-0.4%
Income taxes	<u>-0.2%</u>	<u>-0.2%</u>
Loss before minority interest	-0.3%	-0.2%
Minority interest	<u>0.1%</u>	<u>0.1%</u>
Net loss	<u>-0.2%</u>	<u>-0.1%</u>