

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

	<u>January 29, 2005</u>	<u>January 31, 2004</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 535,652	282,295
Receivables, net	74,640	50,966
Barnes & Noble.com receivable	-	-
Merchandise inventories	1,274,578	1,289,807
Prepaid expenses and other current assets	88,379	103,929
Current assets of discontinued operations	-	459,996
Total current assets	<u>1,973,249</u>	<u>2,186,993</u>
Property and equipment:		
Land and land improvements	3,247	3,247
Buildings and leasehold improvements(a)	940,616	873,706
Fixtures and equipment	1,081,966	1,001,557
	<u>2,025,829</u>	<u>1,878,510</u>
Less accumulated depreciation and amortization	1,221,169	1,070,934
Net property and equipment	<u>804,660</u>	<u>807,576</u>
Goodwill	268,379	175,776
Intangible assets, net	97,538	94,574
Deferred taxes	169,585	126,230
Other noncurrent assets	37,710	22,023
Noncurrent assets of discontinued operations	-	438,815
Total assets	<u>\$ 3,351,121</u>	<u>3,851,987</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 745,073	639,939
Accrued liabilities	584,493	524,116
Current liabilities of discontinued operations	-	271,292
Total current liabilities	<u>1,329,566</u>	<u>1,435,347</u>
Long-term debt	245,000	300,000
Deferred income taxes	239,352	265,402
Other long-term liabilities(a)	362,319	361,931
Noncurrent liabilities of discontinued operations	-	228,418
Minority interest	8,942	19,815
Shareholders' equity:		
Common stock; \$.001 par value; 300,000,000 shares authorized; 79,276,057 and 76,854,856 shares issued, respectively	79	77
Additional paid-in capital	983,837	914,319
Accumulated other comprehensive loss	(9,857)	(8,579)
Retained earnings	387,906	524,918
Treasury stock, at cost, 9,007,700 and 8,807,700 shares, respectively	(196,023)	(189,661)
Total shareholders' equity	<u>1,165,942</u>	<u>1,241,074</u>
Commitments and contingencies	-	-
Total liabilities and shareholders' equity	<u>\$ 3,351,121</u>	<u>3,851,987</u>

(a) Reflects the reclassification of tenant allowances for all periods.