

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

	<u>July 29, 2006</u>	<u>July 30, 2005</u>	<u>January 28, 2006</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 21,776	21,315	372,586
Receivables, net	131,371	112,114	99,117
Merchandise inventories	1,375,900	1,336,174	1,313,997
Prepaid expenses and other current assets	85,400	102,443	74,476
Total current assets	<u>1,614,447</u>	<u>1,572,046</u>	<u>1,860,176</u>
Property and equipment:			
Land and land improvements	3,247	3,247	3,247
Buildings and leasehold improvements	973,391	976,579	984,535
Fixtures and equipment	1,245,443	1,121,202	1,174,973
	<u>2,222,081</u>	<u>2,101,028</u>	<u>2,162,755</u>
Less accumulated depreciation and amortization	1,428,320	1,293,732	1,356,379
Net property and equipment	<u>793,761</u>	<u>807,296</u>	<u>806,376</u>
Goodwill	261,678	265,901	263,731
Intangible assets, net	92,470	95,351	93,834
Deferred taxes	114,949	124,152	114,046
Other noncurrent assets	25,478	36,861	25,969
Total assets	<u>\$ 2,902,783</u>	<u>2,901,607</u>	<u>3,164,132</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 755,500	760,806	828,852
Accrued liabilities	524,463	475,987	683,816
Total current liabilities	<u>1,279,963</u>	<u>1,236,793</u>	<u>1,512,668</u>
Long-term debt	41,000	9,000	-
Deferred income taxes	158,035	193,743	158,035
Other long-term liabilities	378,195	379,134	367,531
Minority interest	7,094	6,442	10,057
Shareholders' equity:			
Common stock; \$.001 par value; 300,000 shares authorized; 84,335, 81,377 and 83,370 shares issued, respectively	84	81	83
Additional paid-in capital	1,125,715	1,037,321	1,091,018
Accumulated other comprehensive loss	(8,826)	(10,347)	(9,085)
Retained earnings	519,211	409,507	512,594
Treasury stock, at cost, 19,520, 13,503 and 16,690 shares, respectively	<u>(597,688)</u>	<u>(360,067)</u>	<u>(478,769)</u>
Total shareholders' equity	<u>1,038,496</u>	<u>1,076,495</u>	<u>1,115,841</u>
Commitments and contingencies	-	-	-
Total liabilities and shareholders' equity	<u>\$ 2,902,783</u>	<u>2,901,607</u>	<u>3,164,132</u>