

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

	13 weeks ended		26 weeks ended	
	July 29, 2006	July 30, 2005	July 29, 2006	July 30, 2005
Sales	\$ 1,156,159	1,170,800	2,270,894	2,267,970
Cost of sales and occupancy	806,637	827,490	1,582,622	1,597,309
Gross profit	349,522	343,310	688,272	670,661
Selling and administrative expenses	278,679	275,382	559,821	541,441
Depreciation and amortization	41,217	43,198	81,772	86,509
Pre-opening expenses	2,705	2,662	5,985	5,109
Operating profit	26,921	22,068	40,694	37,602
Interest income (expense), net	(724)	(665)	786	(994)
Income before taxes and minority interest	26,197	21,403	41,480	36,608
Income taxes	10,675	8,722	16,903	14,918
Income before minority interest	15,522	12,681	24,577	21,690
Minority interest	1,054	786	1,990	1,683
Net income	\$ 16,576	13,467	26,567	23,373
Income per common share:				
Basic	\$ 0.25	0.20	0.41	0.34
Diluted	\$ 0.24	0.18	0.38	0.32
Weighted average common shares outstanding				
Basic	65,070	68,323	65,408	69,023
Diluted	68,895	73,087	69,499	73,743
Percentage of sales:				
Sales	100.0%	100.0%	100.0%	100.0%
Cost of sales and occupancy	69.8%	70.7%	69.7%	70.4%
Gross profit	30.2%	29.3%	30.3%	29.6%
Selling and administrative expenses	24.1%	23.5%	24.7%	23.9%
Depreciation and amortization	3.6%	3.7%	3.6%	3.8%
Pre-opening expenses	0.2%	0.2%	0.3%	0.2%
Operating profit	2.3%	1.9%	1.8%	1.7%
Interest expense, net	-0.1%	-0.1%	0.0%	0.0%
Income before taxes and minority interest	2.3%	1.8%	1.8%	1.6%
Income taxes	0.9%	0.7%	0.7%	0.7%
Income before minority interest	1.3%	1.1%	1.1%	1.0%
Minority interest	0.1%	0.1%	0.1%	0.1%
Net income	1.4%	1.2%	1.2%	1.0%