

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

	<u>October 28, 2006</u>	<u>October 29, 2005</u>	<u>January 28, 2006</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 19,888	23,038	372,586
Receivables, net	129,053	115,823	99,117
Merchandise inventories	1,639,013	1,563,502	1,313,997
Prepaid expenses and other current assets	80,363	126,714	74,476
Total current assets	<u>1,868,317</u>	<u>1,829,077</u>	<u>1,860,176</u>
Property and equipment:			
Land and land improvements	3,247	3,247	3,247
Buildings and leasehold improvements	982,849	993,536	984,535
Fixtures and equipment	1,284,023	1,143,168	1,174,973
	<u>2,270,119</u>	<u>2,139,951</u>	<u>2,162,755</u>
Less accumulated depreciation and amortization	1,464,750	1,331,551	1,356,379
Net property and equipment	<u>805,369</u>	<u>808,400</u>	<u>806,376</u>
Goodwill	260,637	264,826	263,731
Intangible assets, net	91,814	94,548	93,834
Deferred taxes	115,400	124,603	114,046
Other noncurrent assets	11,943	24,072	25,969
Total assets	<u>\$ 3,153,480</u>	<u>3,145,526</u>	<u>3,164,132</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current liabilities:			
Accounts payable	\$ 1,016,564	1,009,006	828,852
Accrued liabilities	530,453	536,191	683,816
Total current liabilities	<u>1,547,017</u>	<u>1,545,197</u>	<u>1,512,668</u>
Long-term debt	34,100	62,000	-
Deferred taxes	158,035	193,743	158,035
Other long-term liabilities	374,035	369,038	367,531
Minority interest	5,829	5,349	10,057
Shareholders' equity:			
Common stock; \$.001 par value; 300,000 shares authorized; 84,528, 81,659 and 83,370 shares issued, respectively	85	82	83
Additional paid-in capital	1,134,306	1,045,852	1,091,018
Accumulated other comprehensive loss	(8,713)	(10,271)	(9,085)
Retained earnings	506,474	399,553	512,594
Treasury stock, at cost, 19,520, 16,315 and 16,690 shares, respectively	(597,688)	(465,017)	(478,769)
Total shareholders' equity	<u>1,034,464</u>	<u>970,199</u>	<u>1,115,841</u>
Commitments and contingencies	-	-	-
Total liabilities and shareholders' equity	<u>\$ 3,153,480</u>	<u>3,145,526</u>	<u>3,164,132</u>