

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

	<u>February 3, 2007</u>	<u>January 28, 2006</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 348,767	372,586
Receivables, net	100,467	99,117
Merchandise inventories	1,354,580	1,313,997
Prepaid expenses and other current assets	132,781	74,476
Total current assets	<u>1,936,595</u>	<u>1,860,176</u>
Property and equipment:		
Land and land improvements	3,247	3,247
Buildings and leasehold improvements	990,058	984,535
Fixtures and equipment	1,310,026	1,174,973
	<u>2,303,331</u>	<u>2,162,755</u>
Less accumulated depreciation and amortization	1,497,275	1,356,379
Net property and equipment	<u>806,056</u>	<u>806,376</u>
Goodwill	259,683	263,731
Intangible assets, net	91,176	93,834
Deferred taxes	140,318	114,046
Other noncurrent assets	13,342	25,969
Total assets	<u>\$ 3,247,170</u>	<u>3,164,132</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 792,977	828,852
Accrued liabilities	728,393	683,816
Total current liabilities	<u>1,521,370</u>	<u>1,512,668</u>
Long-term debt	-	-
Deferred taxes	192,050	158,035
Other long-term liabilities	364,002	367,531
Minority interest	10,660	10,057
Shareholders' equity:		
Common stock; \$.001 par value; 300,000 shares authorized; 84,608 and 83,370 shares issued, respectively	85	83
Additional paid-in capital	1,140,337	1,091,018
Accumulated other comprehensive loss	(7,086)	(9,085)
Retained earnings	623,457	512,594
Treasury stock, at cost, 19,520 and 16,690 shares, respectively	<u>(597,705)</u>	<u>(478,769)</u>

Total shareholders' equity	<u>1,159,088</u>	<u>1,115,841</u>
Commitments and contingencies	<u>-</u>	<u>-</u>
Total liabilities and shareholders' equity	<u>\$ 3,247,170</u>	<u>3,164,132</u>

