

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

	<u>14 weeks ended</u>	<u>13 weeks ended</u>	<u>53 weeks ended</u>	<u>52 weeks ended</u>
	<u>February 3, 2007</u>	<u>January 28, 2006</u>	<u>February 3, 2007</u>	<u>January 28, 2006</u>
Sales	\$ 1,878,402	1,753,249	5,261,254	5,103,004
Cost of sales and occupancy	1,259,407	1,176,720	3,622,962	3,535,837
Gross profit	<u>618,995</u>	<u>576,529</u>	<u>1,638,292</u>	<u>1,567,167</u>
Selling and administrative expenses	351,049	317,727	1,201,261	1,131,448
Depreciation and amortization	46,872	42,556	170,338	172,957
Pre-opening expenses	<u>2,411</u>	<u>1,668</u>	<u>12,897</u>	<u>10,938</u>
Operating profit	218,663	214,578	253,796	251,824
Interest (income) expense, net	<u>1,645</u>	<u>496</u>	<u>1,537</u>	<u>(1,415)</u>
Income before taxes and minority interest	220,308	215,074	255,333	250,409
Income taxes	<u>88,499</u>	<u>87,643</u>	<u>102,772</u>	<u>102,042</u>
Income before minority interest	131,809	127,431	152,561	148,367
Minority interest	<u>(4,831)</u>	<u>(4,450)</u>	<u>(1,788)</u>	<u>(1,686)</u>
Net income	<u>\$ 126,978</u>	<u>122,981</u>	<u>150,773</u>	<u>146,681</u>
Income per common share:				
Basic	\$ 1.95	1.88	2.31	2.17
Diluted	\$ 1.84	1.76	2.18	2.03
Weighted average common shares outstanding				
Basic	65,095	65,374	65,212	67,560
Diluted	69,131	69,855	69,226	72,150
Percentage of sales:				
Sales	100.0%	100.0%	100.0%	100.0%
Cost of sales and occupancy	<u>67.0%</u>	<u>67.1%</u>	<u>68.9%</u>	<u>69.3%</u>

Gross profit	<u>33.0%</u>	<u>32.9%</u>	<u>31.1%</u>	<u>30.7%</u>
Selling and administrative expenses	18.7%	18.1%	22.8%	22.2%
Depreciation and amortization	2.5%	2.4%	3.2%	3.4%
Pre-opening expenses	0.1%	0.1%	0.2%	0.2%
Operating profit	<u>11.6%</u>	<u>12.2%</u>	<u>4.8%</u>	<u>4.9%</u>
Interest (income) expense, net	0.1%	0.0%	0.0%	0.0%
Income before taxes and minority interest	<u>11.7%</u>	<u>12.3%</u>	<u>4.9%</u>	<u>4.9%</u>
Income taxes	4.7%	5.0%	2.0%	2.0%
Income before minority interest	<u>7.0%</u>	<u>7.3%</u>	<u>2.9%</u>	<u>2.9%</u>
Minority interest	-0.3%	-0.3%	0.0%	0.0%
Net income	<u><u>6.8%</u></u>	<u><u>7.0%</u></u>	<u><u>2.9%</u></u>	<u><u>2.9%</u></u>