

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

	13 weeks ended		39 weeks ended	
	November 1, 2008	November 3, 2007	November 1, 2008	November 3, 2007
Sales	\$ 1,123,368	1,175,521	3,505,277	3,565,134
Cost of sales and occupancy	787,142	820,567	2,447,074	2,514,412
Gross profit	336,226	354,954	1,058,203	1,050,722
Selling and administrative expenses	318,878	303,125	929,211	902,342
Depreciation and amortization	45,032	41,870	130,574	128,808
Pre-opening expenses	3,310	5,657	11,013	9,293
Operating profit (loss)	(30,994)	4,302	(12,595)	10,279
Interest income (expense), net	(1,500)	848	(1,676)	5,543
Income (loss) before taxes and minority interest	(32,494)	5,150	(14,271)	15,822
Income taxes	(12,981)	2,060	(5,667)	(1,671)
Income (loss) before minority interest	(19,513)	3,090	(8,604)	17,493
Minority interest	1,096	1,287	3,372	3,265
Net income (loss)	\$ (18,417)	4,377	(5,232)	20,758
Income (loss) per common share:				
Basic	\$ (0.34)	0.07	(0.09)	0.32
Diluted	\$ (0.34)	0.07	(0.09)	0.31
Weighted average common shares outstanding				
Basic	54,410	63,006	55,409	64,529
Diluted	54,410	66,131	55,409	68,037
Percentage of sales:				
Sales	100.0%	100.0%	100.0%	100.0%
Cost of sales and occupancy	70.1%	69.8%	69.8%	70.5%
Gross profit	29.9%	30.2%	30.2%	29.5%
Selling and administrative expenses	28.4%	25.8%	26.5%	25.3%
Depreciation and amortization	4.0%	3.6%	3.7%	3.6%
Pre-opening expenses	0.3%	0.5%	0.3%	0.3%
Operating profit (loss)	-2.8%	0.4%	-0.4%	0.3%
Interest income (expense), net	-0.1%	0.1%	0.0%	0.2%
Income (loss) before taxes and minority interest	-2.9%	0.4%	-0.4%	0.4%
Income taxes	-1.2%	0.2%	-0.2%	0.0%
Income (loss) before minority interest	-1.7%	0.3%	-0.2%	0.5%
Minority interest	0.1%	0.1%	0.1%	0.1%
Net income (loss)	-1.6%	0.4%	-0.1%	0.6%