

BARNES & NOBLE, INC. AND SUBSIDIARIES
Segment Information
(In thousands)
(Unaudited)

| | <u>13 weeks ended</u> <u>July 30, 2016</u> | <u>13 weeks ended</u> <u>August 1, 2015</u> |
|--|---|--|
| Sales | | |
| Retail | \$ 881,713 | \$ 938,998 |
| NOOK | 41,048 | 54,335 |
| Elimination | (8,879) | (14,774) |
| Total | <u>\$ 913,882</u> | <u>\$ 978,559</u> |
| Gross Profit | | |
| Retail | \$ 258,287 | \$ 281,784 |
| NOOK | 19,252 | 18,314 |
| Total | <u>\$ 277,539</u> | <u>\$ 300,098</u> |
| Selling and Administrative Expenses | | |
| Retail | \$ 240,692 | \$ 236,480 |
| NOOK | 27,199 | 35,650 |
| Total | <u>\$ 267,891</u> | <u>\$ 272,130</u> |
| EBITDA | | |
| Retail | \$ 17,595 | \$ 45,304 |
| NOOK | (7,947) | (17,336) |
| Total | <u>\$ 9,648</u> | <u>\$ 27,968</u> |
| Depreciation and Amortization | | |
| Retail | \$ (24,962) | \$ (24,780) |
| NOOK | (6,075) | (8,873) |
| Total | <u>\$ (31,037)</u> | <u>\$ (33,653)</u> |
| Operating Income (Loss) | | |
| Retail | \$ (7,367) | \$ 20,524 |
| NOOK | (14,022) | (26,209) |
| Total | <u>\$ (21,389)</u> | <u>\$ (5,685)</u> |
| Net Loss | | |
| Operating loss | \$ (21,389) | \$ (5,685) |
| Interest expense, net | (1,629) | (2,919) |
| Income taxes | 8,602 | 853 |
| Loss from discontinued operations | - | (27,123) |
| Total | <u>\$ (14,416)</u> | <u>\$ (34,874)</u> |

Percentage of sales:

| | | |
|--|--------------|--------------|
| Gross Margin | | |
| Retail | 29.3% | 30.0% |
| NOOK | 59.8% | 46.3% |
| Total | <u>30.4%</u> | <u>30.7%</u> |
| Selling and Administrative Expenses | | |
| Retail | 27.3% | 25.2% |
| NOOK | 84.6% | 90.1% |
| Total | <u>29.3%</u> | <u>27.8%</u> |
| EBITDA | | |
| Retail | 2.0% | 4.8% |
| NOOK | -24.7% | -43.8% |
| Total | <u>1.1%</u> | <u>2.9%</u> |
| Depreciation and Amortization | | |
| Retail | -2.8% | -2.6% |
| NOOK | -18.9% | -22.4% |
| Total | <u>-3.4%</u> | <u>-3.4%</u> |
| Operating Income (Loss) | | |
| Retail | -0.8% | 2.2% |
| NOOK | -43.6% | -66.2% |
| Total | <u>-2.3%</u> | <u>-0.6%</u> |