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## Barnes & Noble Q4 2005 Earnings Conference Call Transcript (BKS)

### Earnings Call Excerpt

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Barnes & Noble (BKS)  
Q4 2005 Earnings Conference Call  
March 16, 2006, 11:00 AM

#### Executives

Joseph Lombardi, Chief Financial Officer  
Steve Riggio, Chief Executive Officer

#### Analysts

Mark Rowen, Prudential  
David Sheek, Stifel Nicholas  
Matthew Kessler, Goldman Sachs  
David McGee, SunTrust Roberts and Company

#### Presentation:

##### Joseph Lombardi, Chief Financial Officer

Thank you. Good morning and welcome to Barnes & Noble's 4th Quarter and 2005 Fiscal Year-End Conference Call. Joining us today are Steve Riggio, Mitchell Klipper, Marie Toulantis, Alan Kahn, and other members of the senior management team. Before I begin, I would like to remind you that this call is covered by the Safe Harbor disclosure contained in our public documents and is the property of Barnes & Noble. It is not for rebroadcast or use by any other party without the prior written consent of Barnes and Noble.

This morning before the market opened, we released our results for the 4th quarter and full year ended January 28, 2006. Consolidated sales for Barnes & Noble increased 5% to \$5.1 billion dollars for the full year. Sales at Barnes & Noble stores are up 6% to \$4.4 billion. Comparable store sales increased 2.9% for the full year, at the high end of guidance for an increase in the 2-3% range. Comparable store sales in the 4th Quarter increased 3.3%. On January 5, we reported that our comparable store sales for the nine-week holiday sales period through December 31 were 2.3%; our full 4th quarter comparable store sales improved to 3.3% as a result of strong January sales.

In the 4th quarter, we opened two Barnes & Noble stores and closed four for a quarter end total store count of 681. For the full year we opened 27 stores and closed 12 for a net Barnes & Noble store count increase of 15. We are especially pleased to report that our Maderay, Louisiana store which

was damaged during Hurricane Katrina re-opened on Tuesday this week. Sales at B. Dalton which now account for less than 3% of sales were down 20% for the year due to store closings. Comparable store sales at B. Dalton increased .9% for the year and increased 3.8% for the 4th quarter.

For the full year, store closing costs reduced earnings about \$0.06 per share and is incorporated in the reported results. We have closed 23 more B. Dalton stores the Quarter, resulting in a total B. Dalton store count of 118. A total of 36 B. Dalton stores were closed during 2005.

Good morning, we entered the 4th quarter well aware that no blockbuster book titles were going to emerge. Instead it was a season characterized by a solid list of new releases across many categories. Top non-fiction titles included Doris Kearns Goodwin's Team of Rivals, Jimmy Carter's Our Endangered Values, John Grogan's Delightful Marley and Me, and Thomas Freidman's The World is Flat. It was a season marked by a number of great gift books with the stand out being Silver Spoon, ?The Bible of Italian Cooking

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