

Edgar Filing: BARNES & NOBLE INC - Form 424B3

BARNES & NOBLE INC  
Form 424B3  
September 09, 2002

Filed Pursuant to Rule 424(b) (3)  
Registration No. 333-62210

PROSPECTUS SUPPLEMENT  
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(To Prospectus dated July 18, 2001)

BARNES & NOBLE, INC.

\$300,000,000  
5.25% Convertible Subordinated Notes Due 2009

9,227,363 Shares of Common Stock Issuable Upon Conversion of the Notes

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This prospectus supplement relates to the resale of (i) up to \$300,000,000 aggregate principal amount of our 5.25% Convertible Subordinated Notes Due 2009 and (ii) up to 9,227,363 shares of our common stock which are initially issuable upon conversion of the notes by any holders thereof. The notes and the underlying common stock may be offered from time to time for the accounts of the selling securityholders named herein, in the prospectus dated July 18, 2001, or in additional supplements to the prospectus. This prospectus supplement reflects the purchase of notes by various selling securityholders since the date of the prospectus.

The notes are convertible, in whole or in part, at the option of the selling securityholder at any time prior to the close of business on the business day immediately preceding March 15, 2009, unless previously redeemed or repurchased, into shares of common stock, at a conversion price of \$32.512 per share (equivalent to a conversion rate of 30.7578 shares per \$1,000 principal amount of notes), subject to adjustment in certain circumstances. Our common stock is traded on The New York Stock Exchange under the symbol "BKS." On September 4, 2002, the last sale price for our common stock as reported on The New York Stock Exchange was \$22.64 per share.

We will not receive any of the proceeds from the sale of the notes or the underlying common stock being offered by the selling securityholders. The notes and the underlying common stock may be offered in negotiated transactions or otherwise, at market prices prevailing at the time of sale or at negotiated prices. In addition, the shares of common stock may be offered from time to time through ordinary brokerage transactions on The New York Stock Exchange. See "Plan of Distribution" in the prospectus. The selling securityholders and any brokers, dealers or agents that participate with the selling securityholders in the distribution of the notes or the underlying common stock may be deemed to be "Underwriters" within the meaning of the Securities Act, in which case any commissions received by such brokers-dealers, agents or underwriters and any profit on the resale of the notes or the underlying common stock purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS SUPPLEMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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THE DATE OF THIS PROSPECTUS SUPPLEMENT IS SEPTEMBER 9, 2002.

## SELLING SECURITYHOLDERS

The following table, which sets forth certain information regarding the beneficial ownership of notes by the selling securityholders and the number of shares of common stock issuable upon conversion of the notes as of September 4, 2002, has been updated from the table contained in the prospectus to include certain additional selling securityholders.

Any or all of the notes or underlying common stock listed below may be offered for sale pursuant to this prospectus supplement by the selling securityholders from time to time. Accordingly, no estimate can be given as to the amount of the notes or underlying common stock that will be held by the selling securityholders upon consummation of any such sales. In addition, the selling securityholders identified below may have sold, transferred or otherwise disposed of all or a portion of their notes since the date on which the information regarding their notes was provided, in transactions exempt from the registration requirements of the Securities Act. The table has been prepared based on information furnished to us by or on behalf of the selling securityholders.

Name	Principal Amount of Notes(1)	Percent- age of Notes Out- standing (1)	Number of Shares into which the Notes are Con- vertible(2)	Number of Shares of Common Stock Owned Before the Offering(3)	Percent of Common Stock Owned After the Offering (4)
1976 Distribution Trust FBO A.R. Lauder/Zinterhofer c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$9,000	*	276	0	*
1976 Distribution Trust FBO Jane A. Lauder c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$18,000	*	553	0	*
2000 Revocable Trust FBO A.R. Lauder/Zinterhofer c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$9,000	*	276	0	*
AAM/Zazove Institutional Income Fund L.P. 940 Southwood Blvd., #200 Incline Village, NV 89451	\$1,200,000	*	36,909	0	*

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Name	Principal Amount of Notes(1)	Percent- age of Notes Out- standing (1)	Number of Shares into which the Notes are Con- vertible(2)	Number of Shares of Common Stock Owned Before the Offering(3)	Percent of Common Stock Owned After the Offering (4)
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ACM Offshore Fund c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$3,150,000	1.0%	96,887	0	*
AIG/National Union Fire Insurance c/o Froley Revy Investment Company, Inc. 10900 Wilshire Blvd., Suite 900 Los Angeles, CA 90024	\$925,000	*	28,451	0	*
Alexandra Global Investment Fund 1 Ltd. c/o 237 Park Avenue, 9th Floor New York, New York 10017	\$9,000,000	3.0%	276,820	0	*
Allete, Inc. 30 W. Superior Street Duluth, MN 55802	\$250,000	*	7,689	0	*
Aloha Airlines Non-Pilots Pension Trust c/o Froley Revy Investment Company, Inc. 10900 Wilshire Blvd., Suite 900 Los Angeles, CA 90024	\$100,000	*	3,075	0	*
Aloha Pilots Retirement Trust c/o Froley Revy Investment Company, Inc. 10900 Wilshire Blvd., Suite 900 Los Angeles, CA 90024	\$50,000	*	1,537	0	*
Alpine Associates c/o V.E.Z. Systems 120 Broadway, 9th Floor Rm 913	\$5,450,000	1.8%	167,630	0	*

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New York, NY 10271

Alpine Partners, L.P. c/o V.E.Z. Systems 120 Broadway, 9th Floor Rm 913 New York, NY 10271	\$850,000	*	26,144	0	*
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Name -----	Prin- cipal Amount of of Notes(1) -----	Percent- age of Notes Out- standing (1) -----	Number of Shares into which the Notes are Con- vertible(2) -----	Number of Shares of Common Stock Owned Before the Offering(3) -----	Percent of Common Stock Owned After the Offering (4) -----
American Motorist Insurance Company c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$655,000	*	20,146	0	*
American Samoa Government c/o SSI Investment Management 357 North Canon Drive Beverly Hills, CA 90210	\$40,000	*	1,230	0	*
Arapahoe County Colorado c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$63,000	*	1,937	0	*
Arbitex Master Fund L.P. c/o HW Capital L.P. 1601 Elm Street, Suite 4000 Dallas, TX 75201	\$4,000,000	1.3%	123,031	0	*
Arkansas PERS c/o Froleys Revy Investment Company, Inc. 10900 Wilshire Blvd., Suite 900 Los Angeles, CA 90024	\$1,350,000	*	41,523	0	*
Associated Electric & Gas Insurance Services Limited c/o Calamos Asset Management, Inc. 1111 Warrenville Road	\$800,000	*	24,606	0	*

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Naperville, Illinois 60563-1493

Bear, Stearns & Co. Inc.	\$8,100,000	2.7%	249,138	0	*
245 Park Avenue, 13th Floor					
Global Fund Management					
New York, NY 10167					

BMO Nesbitt Burns	\$1,000,000	*	30,757	0	*
1 First Canadian Place					
3rd Floor Podium					
Toronto, Ontario					
Canada M5X 1H3					

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Name	Principal Amount of Notes(1)	Percent- age of Notes Out- standing (1)	Number of Shares into which the Notes are Con- vertible(2)	Number of Shares of Common Stock Owned Before the Offering(3)	Percent of Common Stock Owned After the Offering (4)
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BNP Paribas Equity Strategies, SNC	\$13,293,000	4.4%	408,864	32,826	*
555 Croton Road, 4th Floor					
King of Prussia, PA 19406					
Boilermakers Blacksmith Pension Trust	\$1,850,000	*	56,902	0	*
c/o Froley Revy Investment Company, Inc.					
10900 Wilshire Blvd., Suite 900					
Los Angeles, CA 90024					
BP Amoco Corporation Master Trust for Employee Pension Plans	\$3,950,000	1.3%	121,493	0	*
c/o Noddings Investments					
700 Market Street					
St. Louis, MO 63101					
BP Amoco PLC. Master Trust	\$1,193,000	*	36,694	0	*
c/o SSI Investment Management					
357 North Canon Drive					
Beverly Hills, CA 90210					
British Virgin Island Social Security Board	\$48,000	*	1,476	0	*
c/o Advent Capital Management					

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30 Broad Street, 30th Floor  
New York, NY 10004

C&H Sugar Company c/o Froley Revy Investment Company, Inc. 10900 Wilshire Blvd., Suite 900 Los Angeles, CA 90024	\$150,000	*	4,613	0	*
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Calamos Convertible Fund- Calamos Investment Trust c/o Calamos Asset Management, Inc. 1111 Warrenville Road Naperville, Illinois 60563-1493	\$2,800,000	*	86,122	0	*
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Name	Principal Amount of Notes(1)	Percent- age of Notes Out- standing (1)	Number of Shares into which the Notes are Con- vertible(2)	Number of Shares of Common Stock Owned Before the Offering(3)	Percent of Common Stock Owned After the Offering (4)
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Calamos Convertible Growth and Income Fund-Calamos Investment Trust c/o Calamos Asset Management, Inc. 1111 Warrenville Road Naperville, Illinois 60563-1493	\$2,200,000	*	67,667	0	*
Calamos Convertible Portfolio-Calamos Advisors Trust c/o Calamos Asset Management, Inc. 1111 Warrenville Road Naperville, Illinois 60563-1493	\$125,000	*	3,844	0	*
Calamos Market Neutral Fund-Calamos Investment Trust c/o Calamos Asset Management, Inc. 1111 Warrenville Road Naperville, Illinois 60563-1493	\$3,000,000	1.0%	92,273	0	*
California Public Employees' Retirement	\$3,000,000	1.0%	92,723	281,300	*

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System  
400 P Street, Suite 3492  
Sacramento, CA 95814

Cheyne Capital Management Limited 13 Park Place St. James, London SWIA1LP	\$5,275,000	*	162,247	0	*
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CIBC WM (International) Arbitrage 425 Lexington Avenue, 5th Floor New York, NY 10128	\$6,000,000	2.0%	184,547	0	*
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CitiSam Fund Ltd. 555 California St., Suite 2975 San Francisco, CA 94104	\$4,000,000	1.3%	123,031	0	*
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City of New Orleans c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$264,000	*	8,120	0	*
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Name	Principal Amount of Notes(1)	Percent- age of Notes Out- standing (1)	Number of Shares into which the Notes are Con- vertible(2)	Number of Shares of Common Stock Owned Before the Offering(3)	Percent of Common Stock Owned After the Offering (4)
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Clarica Life Insurance Co.-U.S. c/o Calamos Asset Management, Inc. 1111 Warrenville Road Naperville, Illinois 60563-1493	\$510,000	*	15,686	0	*
Consulting Group Capital Market Funds c/o Calamos Asset Management, Inc. 1111 Warrenville Road Naperville, Illinois 60563-1493	\$480,000	*	14,763	0	*
Continental Assurance Company on Behalf of	\$2,450,000	*	75,356	0	*

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its Separate Account (E)  
CNA Plaza  
23 South  
Chicago, IL 60685

Convertible Securities Fund	\$205,000	*	6,305	0	*
c/o Banc of America Capital Management, LLC 601 W. Riverside Avenue, Suite 420 Spokane, WA 99201-0620					

Cooper Neff Convertible Strategies Fund LP	\$1,890,000	*	58,132	0	*
c/o BNP Paribas Brokerage Services, Inc. 555 Croton Road, 4th Floor King of Prussia, PA 19406					

Credit Suisse First Boston Corporation	\$20,307,000	6.7%	624,600	0	*
11 Madison Avenue, 7th Floor New York, NY 100101 Attn: Reorg. Dept.					

DeAm Convertible Arbitrage Fund	\$1,500,000	*	46,136	0	*
c/o Palladin Group 195 Maplewood Avenue Maplewood, NJ 07040					

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Name	Principal Amount of Notes (1)	Percent- age of Out- standing Notes (1)	Number of Shares into which the Notes are Con- vertible (2)	Number of Shares of Common Stock Owned Before the Offering (3)	Percent of Common Stock Owned After the Offering (4)
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Delaware PERS c/o Froley Revy Investment Company, Inc. 10900 Wilshire Blvd., Suite 900 Los Angeles, CA 90024	\$2,000,000	*	61,515	0	*
Deutsche Banc Alex Brown 1251 Avenue of the Americas New York, NY 10020	\$7,100,000	2.3%	218,380	1,275,324	2.2%



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Delta Pilots Disability and Survivorship Trust c/o Calamos Asset Management, Inc. 1111 Warrenville Road Naperville, Illinois 60563-1493	\$500,000	*	15,378	0	*
Drury University c/o Froley Revy Investment Company, Inc. 10900 Wilshire Blvd., Suite 900 Los Angeles, CA 90024	\$50,000	*	1,537	0	*
Drury University c/o Calamos Asset Management, Inc. 1111 Warrenville Road Naperville, Illinois 60563-1493	\$50,000	*	1,537	0	*
F.R. Convt. Sec. Fn. c/o Froley Revy Investment Company, Inc. 10900 Wilshire Blvd., Suite 900 Los Angeles, CA 90024	\$275,000	*	8,458	0	*
First Union Securities, Inc. 8739 Research Drive Charlotte, NC 28262-0675	\$6,550,000	2.2%	201,464	0	*
Grace Brothers, Ltd. 1560 Sherman Ave., Ste. 900 Evanston, IL 60201	\$750,000	*	23,068	12,900	*

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Name	Prin- cipal Amount of Notes (1)	Percent- age of Notes Out- standing (1)	Number of Shares into which the Notes are Con- vertible (2)	Number of Shares of Common Stock Owned Before the Offering (3)	Percent of Common Stock Owned After the Offering (4)
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Hawaiian Airlines Employees Pension Plan-IAM c/o Froley Revy Investment Company, Inc.	\$50,000	*	1,537	0	*

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10900 Wilshire Blvd.,  
Suite 900  
Los Angeles, CA 90024

Hawaiian Airlines Pension Plan for Salaried Employees c/o Froley Revy Investment Company, Inc. 10900 Wilshire Blvd., Suite 900 Los Angeles, CA 90024	\$10,000	*	307	0	*
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Hawaiian Airlines Pilots Retirement Plan c/o Froley Revy Investment Company, Inc. 10900 Wilshire Blvd., Suite 900 Los Angeles, CA 90024	\$90,000	*	2,768	0	*
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HFR Convertible Arbitrage c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$250,000	*	7,689	0	*
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HFR Master Fund Ltd. 940 Southwood Blvd., #200 Incline Village, NV 89451	\$400,000	*	12,303	0	*
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HFR Master Fund, Ltd. 10 South Riverside Drive, Suite 1450 Chicago, Illinois 60606	\$200,000	*	6,151	0	*
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Highbridge International LLC P.O. Box 30554 SmB Grand Cayman Islands BWI	\$21,000,000	7.0%	645,915	0	*
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Name	Prin- cipal Amount of Notes (1)	Percent- age of Notes Out- standing (1)	Number of Shares into which the Notes are Con- vertible (2)	Number of Shares of Common Stock Owned Before the Offering (3)	Percent of Common Stock Owned After the Offering (4)
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Hotel Union & Hotel	\$430,000	*	13,225	0	*

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Industry of Hawaii  
c/o SSI Investment  
Management  
357 North Canon Drive  
Beverly Hills, CA 90210

ICI American Holdings Trust c/o Froley Revy Investment Company, Inc. 10900 Wilshire Blvd., Suite 900 Los Angeles, CA 90024	\$1,075,000	*	33,064	0	*
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Independence Blue Cross c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$137,000	*	4,213	0	*
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Innovest Finanzdienstleistungs AG c/o Nicholas Applegate Capital Management 600 West Broadway San Diego, CA 92101	\$370,000	*	11,380	0	*
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International Monetary Fund Convertible Fund 555 California Street, Suite 2975 San Francisco, CA 94104	\$900,000	*	27,682	0	*
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Investcorp-SAM Fund Ltd. 555 California St., Suite 2975 San Francisco, CA 94104	\$4,000,000	1.3%	123,031	0	*
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Island Holdings c/o Froley Revy Investment Company, Inc. 10900 Wilshire Blvd., Suite 900 Los Angeles, CA 90024	\$50,000	*	1,537	0	*
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James Campbell Corporation c/o SSI Investment Management 357 North Canon Drive Beverly Hills, CA 90210	\$139,000	*	4,275	0	*
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Number of Shares	Percent of Common
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Name -----	Principal Amount of Notes(1) -----	Percent- age of Notes Out- standing (1) -----	Number of Shares into which the Notes are Con- vertible(2) -----	of Common Stock Owned Before the Offering(3) -----	Stock Owned After the Offering (4) -----
Jefferies & Company Inc. c/o SSI Investment Management 357 North Canon Drive Beverly Hills, CA 90210	\$9,000	*	276	0	*
Jeffries & Company Inc. Harborside Financial Center Suite 705, Plaza III Jersey City, NJ 07303	\$1,060,000	*	32,603	0	*
Jersey (IMA) Ltd. c/o Libertyview Capital Mgmt. 101 Hudson Street, Suite 3700 Jersey City, NJ 07302	\$2,600,000	*	79,970	0	*
KBC Financial Products USA 145 East 45th Street 2 Grand Central Tower New York, NY 10017	\$500,000	*	15,378	0	*
KD Offshore Fund CV c/o Kellner, DiLeo & Co. 900 Third Avenue, Suite 1000 New York, NY 10022	\$1,250,000	*	38,447	0	*
Kellner, DiLeo & Co. 900 Third Avenue, Suite 1000 New York, NY 10022	\$1,250,000	*	38,447	0	*
Lakeshore International Ltd. 601 Carlson Parkway, Suite 200 Minnetonka, MN 55305	\$3,000,000	1.0%	92,273	0	*
Lancer Securities Cayman c/o Palladin Group 195 Maplewood Avenue Maplewood, NJ 07040	\$500,000	*	15,378	0	*
Lexington Vantage Fund, Ltd. c/o TQA Investors, LLC 405 Lexington Avenue, 45th Floor New York, NY 10174	\$200,000	*	6,151	0	*

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Name	Principal Amount of Notes (1)	Percent- age of Notes Out- standing (1)	Number of Shares into which the Notes are Con- vertible (2)	Number of Shares of Common Stock Owned Before the Offering (3)	Percent of Common Stock Owned After the Offering (4)
LDG Limited 48 Par-La-Ville Road, Suite 780 Hamilton, Bermuda HM 11	\$300,000	*	9,227	0	*
Libertyview Fund LLC c/o Libertyview Capital Mgmt. 101 Hudson Street, Suite 3700 Jersey City, NJ 07302	\$300,000	*	9,227	0	*
Libertyview Funds L.P. c/o Libertyview Capital Mgmt. 101 Hudson Street, Suite 3700 Jersey City, NJ 07302	\$2,100,000	*	64,591	0	*
Lincoln National Convertible Securities Fund c/o Delaware Investments 1818 Market Street, 13th Floor Mailcode 85 Philadelphia, PA 19103-3682	\$2,000,000	*	61,515	0	*
Lipper Convertibles Series II, L.P. 101 Park Avenue, 6th Floor New York, NY 10178	\$2,000,000	*	61,515	0	*
Lipper Convertibles, L.P. 101 Park Avenue, 6th Floor New York, NY 10178	\$21,162,000	7.0%	650,898	0	*
Lipper Offshore Convertibles, L.P. 101 Park Avenue, 6th Floor New York, NY 10178	\$5,080,000	1.6%	156,250	0	*
Lipper Offshore Convertibles, L.P. #2 101 Park Avenue, 6th Floor	\$838,000	*	25,775	0	*

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New York, NY 10178

Local Initiatives	\$75,000	*	2,306	0	*
Support Corporation					
c/o Advent Capital Management					
30 Broad Street, 30th Floor					
New York, NY 10004					

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Name	Principal Amount of Notes(1)	Percent- age of Notes Out- standing (1)	Number of Shares into which the Notes are Con- vertible(2)	Number of Shares of Common Stock Owned Before the Offering(3)	Percent of Common Stock Owned After the Offering (4)
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Man Convertible Bond Master Fund, Ltd. 101 Glacier Point Road, Suite D San Rafael, CA 94901	900,000	*	27,682	0	*
McMahan Securities Co., L.P. 500 West Putnam Avenue, 3rd Floor Greenwich, CT 06830-6086	\$8,000,000	2.7%	246,062	0	*
Merril Lynch Insurance Group c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$341,000	*	10,488	0	*
Morgan Stanley & Co. 1585 Broadway New York, NY 10036	\$2,870,000	*	88,275	0	*
Municipal Employees c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$138,000	*	4,244	0	*
Nabisco Holdings c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$42,000	*	1,291	0	*

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Nations Convertible Securities Fund c/o Bank of America Capital Management, LLC 601 W. Riverside Avenue, Suite 420 Spokane, WA 99201-0621	\$5,295,000	1.7%	162,862	0	*
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New Orleans Firefighters Pension/Relief Fund c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$144,000	*	4,429	0	*
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Name -----	Prin- cipal Amount of Notes (1) -----	Percent- age of Notes Out- standing (1) -----	Number of Shares into which the Notes are Con- vertible (2) -----	Number of Shares of Common Stock Owned Before the Offering (3) -----	Percent of Common Stock Owned After the Offering (4) -----
New York Life Insurance and Annuity Corporation 51 Madison Avenue New York, NY 10010	\$1,200,000	*	36,909	0	*
New York Life Insurance Company 51 Madison Avenue New York, NY 10010	\$11,000,000	3.7%	338,336	0	*
Northern Income Equity Fund 50 S. Lasalle Street Chicago, IL 60675	\$3,000,000	1.0%	92,273	0	*
Occidental Petroleum Corporation c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$263,000	*	8,089	0	*
Ohio Bureau of Workers Compensation c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$178,000	*	5,474	0	*

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Ondeo Nalco c/o Froley Revy Investment Company, Inc. 10900 Wilshire Blvd., Suite 900 Los Angeles, CA 90024	\$300,000	*	9,227	0	*
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Onex Industrial Partners Limited c/o Silvercreek Management Inc. 1670 Bayview Avenue, Suite 308 Toronto, Ontario, Canada M4G 3C2	\$4,710,000	1.5%	144,869	0	*
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OZ Master Fund, Ltd. c/o OZ Management, LLC 9 West 57th Street, 39th Floor New York, NY 10019	\$10,000,000	3.3%	307,578	0	*
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Name	Principal Amount of Notes (1)	Percent- age of Notes Out- standing (1)	Number of Shares into which the Notes are Con- vertible (2)	Number of Shares of Common Stock Owned Before the Offering (3)	Percent of Common Stock Owned After the Offering (4)
Palladin Securities LLC c/o Palladin Group 195 Maplewood Avenue Maplewood, NJ 07040	\$1,000,000	*	30,757	0	*
Pebble Capital Limited c/o Silvercreek Management Inc. 1670 Bayview Avenue, Suite 308 Toronto, Ontario, Canada M4G 3C2	\$2,420,000	*	74,434	0	*
Policemen and Firemen Retirement System of the City of Detroit c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$691,000	*	21,253	0	*
ProMutual c/o Advent Capital Management 30 Broad Street, 30th Floor	\$781,000	*	24,021	0	*



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New York, NY 10004

Queen's Health Plan c/o Frolely Revy Investment Company, Inc. 10900 Wilshire Blvd., Suite 900 Los Angeles, CA 90024	\$35,000	*	1,076	0	*
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Raytheon Master Pension Trust c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$704,000	*	21,653	0	*
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Rhapsody Fund, LP 555 California Street, Suite 2975 San Francisco, CA 94104	\$5,200,000	1.7%	159,940	0	*
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RJR Reynolds c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$123,000	*	3,783	0	*
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Name	Prin- cipal Amount of Notes (1)	Percent- age of Notes Out- standing (1)	Number of Shares into which the Notes are Con- vertible (2)	Number of Shares of Common Stock Owned Before the Offering (3)	Percent of Common Stock Owned After the Offering (4)
Robertson Stephens 555 California Street, Suite 2600 San Francisco, CA 94110	\$6,000,000	2.0%	184,547	0	*
Sagamore Hill Hub Fund Ltd. c/o Sagamore Hill Capital Mgmt 2 Greenwich Office Park Greenwich, CT 06831	\$6,000,000	2.0%	184,547	0	*
San Diego County Employees Retirement Association 940 Southwood Blvd., #200	\$2,100,000	*	64,591	0	*

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Incline Village, NV 89451

Shell Pension Trust c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$558,000	*	17,162	0	*
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Showel Capital L.P. 440 South LaSalle Street Suite 1021 Chicago, IL 60605	\$300,000	*	9,227	0	*
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Silvercreek II Limited c/o Silvercreek Management Inc. 1670 Bayview Avenue, Suite 308 Toronto, Ontario, Canada M4G 3C2	\$5,970,000	1.9%	183,624	0	*
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Silvercreek Limited Partnership c/o Silvercreek Management Inc. 1670 Bayview Avenue, Suite 308 Toronto, Ontario, Canada M4G 3C2	\$1,900,000	*	58,439	0	*
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Spear, Leeds & Kellogg LP 120 Broadway, 7th Floor New York, NY 10271	\$1,000,000	*	30,757	0	*
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St. Thomas Trading, Ltd. 101 Glacier Point Road, Suite D San Rafael, CA 94901	\$1,476,000	*	45,398	0	*
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Name	Principal Amount of Notes(1)	Percent- age of Notes Out- standing (1)	Number of Shares into which the Notes are Con- vertible(2)	Number of Shares of Common Stock Owned Before the Offering(3)	Percent of Common Stock Owned After the Offering (4)
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Starvest Combined Portfolio c/o Froley Revy Investment Company, Inc. 10900 Wilshire Blvd., Suite 900 Los Angeles, CA 90024	\$1,000,000	*	30,757	0	*

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State of Maryland \$3,335,000 1.1% 102,577 0 \*

Retirement System  
c/o Advent Capital Management  
30 Broad Street, 30th Floor  
New York, NY 10004

State of Oregon/Equity \$6,500,000 2.2% 199,926 0 \*

c/o Froley Revy Investment  
Company, Inc.  
10900 Wilshire Blvd., Suite 900  
Los Angeles, CA 90024

State of Oregon/SAIF \$3,875,000 1.3% 119,186 0 \*

Corporation  
c/o Froley Revy Investment  
Company, Inc.  
10900 Wilshire Blvd.,  
Suite 900  
Los Angeles, CA 90024

Sterling Invest Co. \$500,000 \* 15,378 0 \*

c/o Froley Revy Investment  
Company, Inc.  
10900 Wilshire Blvd., Suite 900  
Los Angeles, CA 90024

Sturgeon Limited \$331,000 \* 10,180 0 \*

48 Par-La-Ville Road  
Suite 228  
Hamilton, Bermuda HM 11

Syngenta AG \$400,000 \* 12,303 0 \*

c/o Froley Revy Investment  
Company, Inc.  
10900 Wilshire Blvd., Suite 900  
Los Angeles, CA 90024

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Name	Principal Amount of Notes(1)	Percent- age of Notes Out- standing (1)	Number of Shares into which the Notes are Con- vertible(2)	Number of Shares of Common Stock Owned Before the Offering(3)	Percent of Common Stock Owned After the Offering (4)
The City University of New York c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$159,000	*	4,890	0	*

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The Class I C Company c/o PRS International 801 Brickell Avenue Miami, Florida 33121	\$1,440,000	*	44,291	0	*
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The Estate of James Campbell c/o SSI Investment Management 357 North Canon Drive Beverly Hills, CA 90210	\$183,000	*	5,628	0	*
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The Grable Foundation c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$124,000	*	3,813	0	*
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The Grady Hospital Foundation c/o Advent Capital Management 30 Broad Street, 30th Floor New York, NY 10004	\$138,000	*	4,244	0	*
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TQA Master Fund Ltd 405 Lexington Avenue, 45th Floor New York, NY 10174	\$8,400,000	2.8%	258,366	0	*
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TQA Master Plus Fund Ltd 405 Lexington Avenue, 45th Floor New York, NY 10174	\$1,200,000	*	36,909	0	*
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UBS O'Connor LLC FBO UBS Global Equity Arbitrage Master Ltd. 141 West Jackson Boulevard 7th Floor Chicago, IL 60640	\$1,000,000	*	30,757	0	*
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Name	Principal Amount of Notes (1)	Percent- age of Notes Out- standing (1)	Number of Shares into which the Notes are Con- vertible (2)	Number of Shares of Common Stock Owned Before the Offering (3)	Percent of Common Stock Owned After the Offering (4)
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Van Kampen Harbor Fund State Street Bank & Trust Co. c/o Van Kampen Asset Management Inc. 2800 Post Oak Blvd. Houston, TX 77056	\$4,500,000	1.5%	138,410	0	*
Viacom Inc. Pension Plan Master Trust c/o SSI Investment Management 357 North Canon Drive Beverly Hills, CA 90210	\$46,000	*	1,414	0	*
White River Securities L.L.C. c/o Global Fund Management 245 Park Avenue, 13th Floor New York, NY 10167	\$6,300,000	2.1%	193,774	0	*
Zazove Hedged Convertible Fund, LP 940 Southwood Blvd., #200 Incline Village, NV 89451	\$1,100,000	*	33,833	0	*
Zeneca Holdings Trust c/o Froley Revy Investment Company, Inc. 10900 Wilshire Blvd., Suite 900 Los Angeles, CA 90024	\$500,000	*	15,378	0	*
Zurich Institutional Benchmark Master Fund Ltd. c/o Olympic Capital (Bermuda) Ltd. Williams House - 20 Reid Street Hamilton , Bermuda HM 11	\$200,000	*	6,151	0	*
Zurich Institutional Benchmarks Master Fund Ltd. 940 Southwood Blvd., #200 Incline Village, NV 89451	\$1,200,000	*	36,909	0	*

Unknown (5)

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\* Less than 1%.

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- (1) The information set forth herein is as of September 9, 2002 and is based upon \$300.0 million aggregate principal amount of notes outstanding.
- (2) Assumes conversion of the full amount of notes held by such selling

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securityholder at the initial conversion price of \$32.512 per share of Barnes & Noble common stock; such conversion price is subject to adjustment as described under "Description of Notes -- Conversion of Notes." Accordingly, the number of shares of common stock issuable upon conversion of the notes may increase or decrease from time to time. Fractional shares will not be issued upon conversion of the notes; cash will be paid in lieu of fractional shares, if any.

- (3) Does not include shares issuable upon conversion of the notes.
- (4) Calculated based on Rule 13d-3(d)(i) of the Exchange Act using 67,461,308 shares of common stock of Barnes & Noble outstanding as of September 4, 2002. Assumes the number of shares of common stock issuable upon conversion of all of a particular holder's notes are outstanding. However, this does not include the conversion of any other holder's notes.
- (5) Information about other selling securityholders will be set forth in prospectus supplements, if requested.

We prepared this table based on the information supplied to us by the selling securityholders named in the table.

Other than their ownership of our securities, none of the selling securityholders has had any material relationship with us within the past three years, other than Credit Suisse First Boston Corporation, which has acted as one of our initial purchasers and/or underwriters. The selling securityholders purchased all of the notes in a private transaction. All of the notes and the shares of common stock into which the notes are convertible are "restricted securities" under the Securities Act.