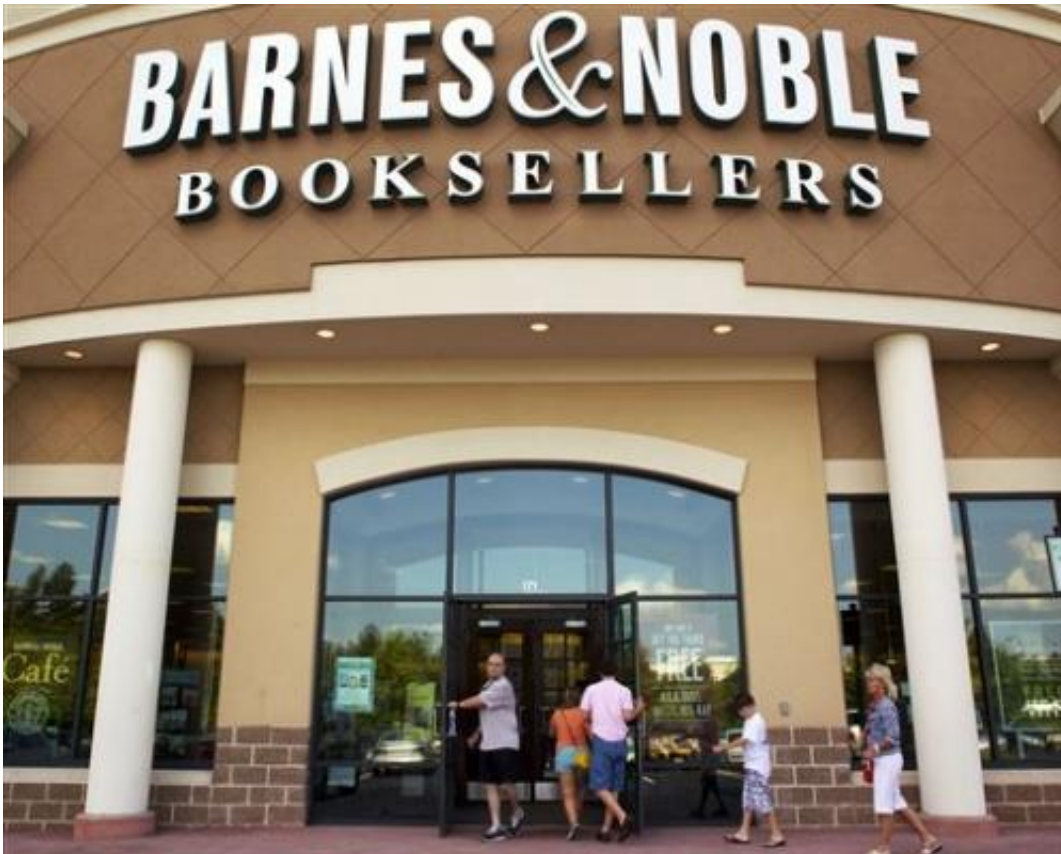


Barnes & Noble to keep Nook digital business after all

February 26 2015



In this Monday, June 18, 2012, file photo, customers enter the Barnes & Noble Booksellers store in Hoover, Ala. The bookseller, which had planned to combine its Nook Media digital business and its college bookstores into a single company separate from its retail operations, on Thursday, Feb. 26, 2015 said it is keeping Nook after all. (AP Photo/Dave Martin, File)

(AP)—Barnes & Noble is keeping its Nook Media digital business after all.

The bookseller had planned to combine Nook and its college bookstores into a single company separate from its retail operations.

But the biggest U.S. brick-and-mortar bookseller, with 649 stores, said Thursday that keeping Nook and the retail operations together would better serve digital customers.

Shares of Barnes & Noble Inc. surged \$1.73, or 7.1 percent, to \$25.98 in morning trading.

Barnes & Noble has been trying to adapt as more people read on devices, while also warding off competition from online retailers like Amazon. It spent years investing heavily in its Nook e-book reader and e-book library, but they struggled to be profitable. Barnes & Noble's retail operations, which include its bookstores and the BN.com business, have been outperforming Nook.

Nook will remain a subsidiary of the New York company.

Barnes & Noble Education Inc., a separate, publicly traded company, will house the college business. It will operate 714 stores on U.S. college and university campuses. It will remain headquartered in Basking Ridge, New Jersey. Max Roberts, the unit's CEO, will continue in that post once the business separates.

The separation is expected to be finished by August's end. It still needs final approval from the chain's board. Barnes & Noble said it could still change the terms of the separation or abandon it entirely.

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