

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended November 27, 1999

COMMISSION FILE NUMBER 0-20214

BED BATH & BEYOND INC.

(Exact name of registrant as specified in its charter)

NEW YORK 11-2250488
(State of incorporation) (I.R.S. Employer Identification No.)

650 LIBERTY AVENUE, UNION, NEW JERSEY 07083

(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: (908) 688-0888

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No []

NUMBER OF SHARES OUTSTANDING OF THE ISSUER'S COMMON STOCK:

CLASS	OUTSTANDING AT NOVEMBER 27, 1999
-----	-----
Common Stock - \$0.01 par value	140,340,662

BED BATH & BEYOND INC. AND SUBSIDIARIES

INDEX

PAGE NO.

PART I - FINANCIAL INFORMATION

Consolidated Balance Sheets November 27, 1999 and February 27, 1999	3
Consolidated Statements of Earnings Three Months and Nine Months Ended November 27, 1999 and November 28, 1998	4
Consolidated Statements of Cash Flows Nine Months Ended November 27, 1999 and November 28, 1998	5
Note to Consolidated Financial Statements	6
Management's Discussion and Analysis of Financial Condition and Results of Operations	7 - 9

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K	10
Exhibit Index	11

3

BED BATH & BEYOND INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	November 27, 1999	February 27, 1999
	----- (unaudited)	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$107,635	\$ 90,396
Merchandise inventories	522,433	360,337
Prepaid expenses and other current assets	9,749	4,546
	-----	-----
Total current assets	639,817	455,279
	-----	-----
Property and equipment, net	202,362	150,438
Other assets	33,186	27,431
	-----	-----
	\$875,365	\$633,148
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$201,997	\$ 99,370
Accrued expenses and other current liabilities	124,205	89,725
Income taxes payable	20,783	16,610
	-----	-----
Total current liabilities	346,985	205,705
	-----	-----
Deferred rent	19,067	16,356
	-----	-----
Total liabilities	366,052	222,061
	-----	-----
Shareholders' equity:		
Preferred stock - \$0.01 par value; authorized - 1,000,000 shares; no shares issued or outstanding	--	--
Common stock - \$0.01 par value; authorized -350,000,000 shares; issued and outstanding - November 27, 1999, 140,340,662 shares and February 27, 1999, 139,418,120 shares	1,403	1,394
Additional paid-in capital	95,059	79,679
Retained earnings	412,851	330,014
	-----	-----
Total shareholders' equity	509,313	411,087
	-----	-----
	\$875,365	\$633,148
	=====	=====

See accompanying Note to Consolidated Financial Statements.

-3-

4

BED BATH & BEYOND INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)
(UNAUDITED)

Three Months Ended		Nine Months Ended	
November 27, 1999	November 28, 1998	November 27, 1999	November 28, 1998
-----	-----	-----	-----

Net sales	\$ 486,457	\$ 363,431	\$ 1,303,415	\$ 977,948
Cost of sales, including buying, occupancy and indirect costs	289,673	214,958	774,847	577,353
Gross profit	196,784	148,473	528,568	400,595
Selling, general and administrative expenses	146,177	108,319	396,366	297,937
Operating profit	50,607	40,154	132,202	102,658
Interest income	1,371	761	3,596	2,149
Earnings before provision for income taxes	51,978	40,915	135,798	104,807
Provision for income taxes	20,271	16,264	52,961	41,661
Net earnings.....	\$ 31,707	\$ 24,651	\$ 82,837	\$ 63,146
Net earnings per share - Basic	\$ 0.23	\$ 0.18	\$ 0.59	\$ 0.46
Net earnings per share - Diluted	\$ 0.22	\$ 0.17	\$ 0.57	\$ 0.44
Weighted average shares outstanding - Basic	140,179,414	138,971,762	139,828,298	138,667,458
Weighted average shares outstanding - Diluted	144,172,597	143,079,852	144,125,462	142,921,542

See accompanying Note to Consolidated Financial Statements.

-4-

5

BED BATH & BEYOND INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS, UNAUDITED)

	Nine Months Ended	
	November 27, 1999	November 28, 1998
Cash Flows from Operating Activities:		
Net earnings	\$ 82,837	\$ 63,146
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	22,367	16,642
Deferred income taxes	(3,761)	(3,533)
Increase in assets:		
Merchandise inventories	(162,096)	(131,392)
Prepaid expenses and other current assets	(5,203)	(5,194)
Other assets	(1,994)	(1,279)
Increase (decrease) in liabilities:		
Accounts payable	102,627	98,636
Accrued expenses and other current liabilities	34,480	11,587
Income taxes payable	4,173	(2,195)
Deferred rent	2,711	2,777
Net cash provided by operating activities	76,141	49,195
Cash Flows from Investing Activities:		
Capital expenditures	(74,291)	(42,512)
Net cash used in investing activities	(74,291)	(42,512)
Cash Flows from Financing Activities:		
Proceeds from exercise of stock options	15,389	14,587
Net cash provided by financing activities	15,389	14,587
Net increase in cash and cash equivalents	17,239	21,270
Cash and cash equivalents:		
Beginning of period	90,396	53,280
End of period	\$ 107,635	\$ 74,550

See accompanying Note to Consolidated Financial Statements.

-5-

6

BED BATH & BEYOND INC. AND SUBSIDIARIES
NOTE TO CONSOLIDATED FINANCIAL STATEMENTS

1) BASIS OF PRESENTATION

The accompanying consolidated financial statements, except for the February 27, 1999 consolidated balance sheet, have been prepared without audit. In the opinion of Management, the accompanying consolidated financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position of Bed Bath & Beyond Inc. and subsidiaries (the "Company") as of November 27, 1999 and February 27, 1999 and the results of their operations for the three months and nine months ended November 27, 1999 and November 28, 1998, respectively, and their cash flows for the nine months ended November 27, 1999 and November 28, 1998. Because of the seasonality of the specialty retailing business, operating results of the Company on a quarterly basis may not be indicative of operating results for the full year.

The accompanying unaudited consolidated financial statements are presented in accordance with the requirements for Form 10-Q and consequently do not include all the disclosures normally required by generally accepted accounting principles. Reference should be made to Bed Bath & Beyond Inc.'s Annual Report for the fiscal year ended February 27, 1999 for additional disclosures, including a summary of the Company's significant accounting policies.

-6-

7

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Three Months November 27, 1999 vs. Three Months November 28, 1998

Net sales for the third quarter ended November 27, 1999 were \$486.5 million, an increase of \$123.0 million or approximately 33.9% over net sales of \$363.4 million for the corresponding quarter last year. Approximately 79.1% of the increase was attributable to new store net sales. The increase in comparable store net sales in the third quarter of 1999 was approximately 7.8%. The increase in net sales reflects a number of factors, including but not limited to, the continued consumer acceptance of the Company's merchandise offerings and customer service and the generally favorable retailing environment. Approximately 55% and 45% of net sales for the third quarter were attributable to sales of domestics merchandise and home furnishings merchandise, respectively.

Gross profit for the third quarter of 1999 was \$196.8 million or 40.5% of net sales compared with \$148.5 million or 40.9% of net sales during the third quarter of 1998. The decrease as a percentage of net sales in gross profit in the third quarter of 1999, as compared to the same period a year ago, was attributable to a number of factors, including a different mix of sales as well as a continued emphasis on providing value pricing to the customer.

Selling, general and administrative expenses ("SG&A") were \$146.2 million in the third quarter of 1999 compared with \$108.3 million in the same quarter last year and as a percentage of net sales were 30.0% and 29.8%, respectively. The increase in SG&A, as a percentage of net sales, primarily reflects an increase in costs associated with new store openings, including the Company's new electronic service site.

Nine Months November 27, 1999 vs. Nine Months November 28, 1998

Net sales for the nine months ended November 27, 1999 were \$1,303.4 million, an

increase of \$325.5 million or approximately 33.3% over net sales of \$977.9 million for the corresponding period last year. Approximately 75.0% of the increase was attributable to new store net sales. The increase in comparable store net sales for the first nine months of 1999 was approximately 9.0%.

Gross profit for the first nine months of 1999 was \$528.6 million or 40.6% of net sales compared with \$400.6 million or 41.0% of net sales during the same period last year. The decrease in gross profit for the nine months of 1999 as a percentage of net sales, as compared to the same period a year ago, was attributable to a number of factors, including a different mix of sales as well as a continued emphasis on providing value pricing to the customer.

SG&A was \$396.4 million in the first nine months of 1999 compared with \$297.9 million for the same period last year and as a percentage of net sales were 30.4% and 30.5%, respectively.

-7-

8

EXPANSION PROGRAM

The Company is engaged in an ongoing expansion program involving the opening of new stores in both existing and new markets and the expansion or replacement of existing stores with larger stores. As a result of this program, the total number of stores has increased to 237 stores at the end of the third quarter of 1999 compared with 185 stores at the end of the corresponding quarter last year. Total square footage grew to 9,696,000 square feet at the end of the third quarter of 1999, from 7,653,000 square feet at the end of the third quarter of last year. During the fiscal third quarter, the Company opened 36 new superstores as compared with 26 new superstores in the corresponding quarter a year ago.

During the first nine months of fiscal 1999, the Company opened 51 new superstores and expanded four existing stores resulting in an aggregate addition of 2,008,000 square feet to total store space. The Company anticipates opening approximately four additional stores by the end of the fiscal year, aggregating approximately 119,000 square feet of store space.

FINANCIAL CONDITION

Total assets at November 27, 1999 were \$875.4 million compared with \$633.1 million at February 27, 1999, an increase of \$242.2 million. Of the total increase, \$184.5 million represented an increase in current assets and \$57.7 million represented an increase in non-current assets. The increase in current assets was primarily attributable to an increase in merchandise inventories, which resulted from new store space and, to a lesser extent, changes in merchandising mix.

Total liabilities at November 27, 1999 were \$366.1 million compared with \$222.1 million at February 27, 1999, an increase of \$144.0 million. The increase was primarily attributable to a \$102.6 million increase in accounts payable (resulting from an increase in inventories) and a \$34.5 million increase in accrued expenses and other current liabilities.

Shareholders' equity was \$509.3 million at November 27, 1999 compared with \$411.1 million at February 27, 1999. The increase primarily reflects net earnings for the first nine months of fiscal 1999 and additional paid-in capital from the exercise of stock options.

Capital expenditures for the first nine months of fiscal 1999 were \$74.3 million compared with \$42.5 million for the corresponding period last year. The increase is primarily attributable to expenditures for furniture, fixtures and leasehold improvements for the 51 new superstores opened and four stores expanded during the first nine months and for the electronic service site, compared to furniture, fixtures and leasehold improvements for the 44 new superstores opened and three stores expanded in the same period last year.

For the foreseeable future, the Company believes that it will be able to finance both its normal operations and its expansion program through internally generated funds.

YEAR 2000

To date, the Year 2000 issue has not had a material adverse effect on the Company. The Company's information systems are operating effectively. At this

time, the Company is not aware of any vendors or principal suppliers that are not Year 2000 compliant; however, it will continue to maintain contingency plans with respect to its third-party relationships. The Company's costs incurred associated with the Year 2000 issue were not material.

-8-

9

FORWARD LOOKING STATEMENTS

This Form 10-Q may contain forward looking statements. Important factors which may affect these statements are contained in the Company's Annual Report to shareholders for the fiscal year ended February 27, 1999.

-9-

10

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

- (a) The exhibits to this report are listed on the Exhibit Index included elsewhere herein.
- (b) No reports on Form 8-K were filed by the Company during the three month period ended November 27, 1999.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BED BATH & BEYOND INC.
(Registrant)

Date: January 10, 2000

By: /s/ Ronald Curwin

Ronald Curwin
Chief Financial Officer and Treasurer

-10-

11

EXHIBIT INDEX

Exhibit No. -----	Exhibit -----	Page No. -----
10.1	Stock Option Agreement between the Company and Warren Eisenberg, dated as of August 13, 1999	12-14
10.2	Stock Option Agreement between the Company and Leonard Feinstein, dated as of August 13, 1999	15-17
10.3	Form of Standard Stock Option Agreement	18-19
27	Financial Data Schedule (Filed electronically with SEC only)	20

-11-

STOCK OPTION AGREEMENT dated as of August 13, 1999 between BED BATH & BEYOND INC., a New York corporation, and WARREN EISENBERG (Co-Chief Executive Officer) (the "Optionee").

PRELIMINARY STATEMENT

Pursuant to the Bed Bath & Beyond Inc. 1996 Stock Option Plan (the "1996 Plan"), the Stock Option Committee for Senior Executives that administers the Plan (the "Committee") has authorized the granting to Optionee of an option (the "Option") to purchase 400,000 shares of the Company's common stock, par value \$.01 per share ("Common Stock"), subject to the Plan and the terms and conditions set forth herein. The parties hereto desire to enter into this Agreement in order to set forth the terms of such Option.

Accordingly, the parties hereto agree as follows:

1. Grant of Option. Subject to the Plan and the terms and conditions of this Agreement, the Company hereby grants to Optionee the Option to purchase from the Company up to 400,000 shares of Common Stock at a price of \$29.53125 per share. The Option shall not be immediately exercisable but shall become exercisable in installments, which shall be cumulative, as indicated below (which installments may be accelerated as indicated below):

Date on which Installment

Number of Shares First Vests and Becomes Exercisable -----	In Installments -----
August 13, 2000	133,333 shares, being 33 1/3% of the number of shares originally subject to the Option
August 13, 2001	133,333 shares, being 33 1/3% of the number of shares originally subject to the Option
August 13, 2002	133,334 shares, being 33 1/3% of the number of shares originally subject to the Option

The dates on which installments vest and become exercisable shall be accelerated upon the death of the Optionee, or the termination of the Optionee's employment with the Company pursuant to section 7(a) (i.e., death), 7(b) (i.e., disability) or 7(d) (i.e., Constructive Termination Without Cause), or following a Change in Control, as defined in section 8(a), of the Optionee's employment agreement with the Company dated as of June 30, 1997, and upon the occurrence of any of such events, the total number of shares originally subject to the Option shall vest and become immediately exercisable. In the event of any acceleration pursuant to the immediately preceding sentence, the unexercised portion of the Option shall continue to be exercisable for 12 months thereafter as

provided in paragraph 4 of this Agreement, but in no event later than the tenth anniversary of the date hereof.

2. Plans Governing Terms of Option. Except as otherwise specifically herein provided, the Option is subject in all respects to the terms and conditions of the Plan, a copy of which is attached hereto as Exhibit A.

3. Type of Option. The Option is not intended to qualify as an

"incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended.

4. Termination. The Option shall terminate on the tenth anniversary of the date hereof, unless the Optionee's employment with the Company terminates before that date, in which event the Option shall terminate upon termination of the Optionee's employment with the Company, if the termination is for Cause pursuant to section 7(c) of the Optionee's employment agreement or is on the Optionee's own initiative pursuant to section 7(e) of the Optionee's employment agreement, but the unexercised portion of the Option shall continue to be exercisable for 12 months after such termination of employment (but in no event later than the tenth anniversary of the date hereof), if such termination of employment is for any other cause. The Optionee's election pursuant to section 3 of the Optionee's employment agreement to commence the Senior Status Period and provide the limited consulting services contemplated therein shall not be deemed a termination of the Optionee's employment for the purposes of this Agreement.

5. Exercise. The Option may be exercised by delivering to the Company a written notice (signed by the Optionee) stating the number of shares with respect to which the Option is being exercised, together with full payment of the purchase price therefor. Payment may be made in cash or by certified check, bank draft, or money order payable to the order of the Company or, if permitted by the Committee, through delivery of shares of Common Stock (such shares to be valued as provided in the Plan). As provided in the Plan, the Committee may require the Optionee to remit to the Company an amount sufficient to satisfy any federal, state or local withholding tax requirements (or make other arrangements satisfactory to the Company with regard to such taxes) prior to delivering to the Optionee any shares purchased upon exercise of the Option. The Option may not be exercised with respect to a fractional share.

6. Restriction on Transfer. The Option may not be assigned or transferred except by will or the laws of descent and distribution and except by a written assignment (signed by the Optionee and delivered to the Company), provided such assignment assigns all or a portion of the Option to the Optionee's spouse, descendants or trusts for the sole benefit of the Optionee's spouse or descendants. The Option may be exercised only by the Optionee, the Optionee's assignee pursuant to an assignment permitted hereunder, or by the executor or personal representative of the Optionee or of such assignee.

7. Notice. Any notice or communication to the Company hereunder shall be in writing and shall be deemed to have been duly given when delivered in person, or by United States mail, to the following address (or to such other address as the Company shall from time to time specify):

-13-

3

Bed Bath & Beyond Inc.
C/O Petitti, Eisenberg & Gamache, P.C.
Attention: Todd Eisenberg
488 Pleasant Street
New Bedford, MA 02740

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

BED BATH & BEYOND INC.

By: /s/ Leonard Feinstein

/s/ Warren Eisenberg

Warren Eisenberg

-14-

STOCK OPTION AGREEMENT dated as of August 13, 1999 between BED BATH & BEYOND INC., a New York corporation, and LEONARD FEINSTEIN (Co-Chief Executive Officer) (the "Optionee").

PRELIMINARY STATEMENT

Pursuant to the Bed Bath & Beyond Inc. 1996 Stock Option Plan (the "1996 Plan"), the Stock Option Committee for Senior Executives that administers the Plan (the "Committee") has authorized the granting to Optionee of an option (the "Option") to purchase 400,000 shares of the Company's common stock, par value \$.01 per share ("Common Stock"), subject to the Plan and the terms and conditions set forth herein. The parties hereto desire to enter into this Agreement in order to set forth the terms of such Option.

Accordingly, the parties hereto agree as follows:

1. Grant of Option. Subject to the Plan and the terms and conditions of this Agreement, the Company hereby grants to Optionee the Option to purchase from the Company up to 400,000 shares of Common Stock at a price of \$29.53125 per share. The Option shall not be immediately exercisable but shall become exercisable in installments, which shall be cumulative, as indicated below (which installments may be accelerated as indicated below):

Date on which Installment

Number of Shares First Vests and Becomes Exercisable -----	In Installments -----
August 13, 2000	133,333 shares, being 33 1/3% of the number of shares originally subject to the Option
August 13, 2001	133,333 shares, being 33 1/3% of the number of shares originally subject to the Option
August 13, 2002	133,334 shares, being 33 1/3% of the number of shares originally subject to the Option

The dates on which installments vest and become exercisable shall be accelerated upon the death of the Optionee, or the termination of the Optionee's employment with the Company pursuant to section 7(a) (i.e., death), 7(b) (i.e., disability) or 7(d) (i.e., Constructive Termination Without Cause), or following a Change in Control, as defined in section 8(a), of the Optionee's employment agreement with the Company dated as of June 30, 1997, and upon the occurrence of any of such events, the total number of shares originally subject to the Option shall vest and become immediately exercisable. In the event of any acceleration pursuant to the immediately preceding sentence, the unexercised portion of the Option shall continue to be exercisable for 12 months thereafter as

provided in paragraph 4 of this Agreement, but in no event later than the tenth anniversary of the date hereof.

2. Plans Governing Terms of Option. Except as otherwise specifically herein provided, the Option is subject in all respects to the terms and conditions of the Plan, a copy of which is attached hereto as Exhibit A.

3. Type of Option. The Option is not intended to qualify as an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended.

4. Termination. The Option shall terminate on the tenth anniversary of the date hereof, unless the Optionee's employment with the Company terminates before that date, in which event the Option shall terminate upon termination of the Optionee's employment with the Company, if the termination is for Cause pursuant to section 7(c) of the Optionee's employment agreement or is on the Optionee's own initiative pursuant to section 7(e) of the Optionee's employment agreement, but the unexercised portion of the Option shall continue to be exercisable for 12 months after such termination of employment (but in no event later than the tenth anniversary of the date hereof), if such termination of employment is for any other cause. The Optionee's election pursuant to section 3 of the Optionee's employment agreement to commence the Senior Status Period and provide the limited consulting services contemplated therein shall not be deemed a termination of the Optionee's employment for the purposes of this Agreement.

5. Exercise. The Option may be exercised by delivering to the Company a written notice (signed by the Optionee) stating the number of shares with respect to which the Option is being exercised, together with full payment of the purchase price therefor. Payment may be made in cash or by certified check, bank draft, or money order payable to the order of the Company or, if permitted by the Committee, through delivery of shares of Common Stock (such shares to be valued as provided in the Plan). As provided in the Plan, the Committee may require the Optionee to remit to the Company an amount sufficient to satisfy any federal, state or local withholding tax requirements (or make other arrangements satisfactory to the Company with regard to such taxes) prior to delivering to the Optionee any shares purchased upon exercise of the Option. The Option may not be exercised with respect to a fractional share.

6. Restriction on Transfer. The Option may not be assigned or transferred except by will or the laws of descent and distribution and except by a written assignment (signed by the Optionee and delivered to the Company), provided such assignment assigns all or a portion of the Option to the Optionee's spouse, descendants or trusts for the sole benefit of the Optionee's spouse or descendants. The Option may be exercised only by the Optionee, the Optionee's assignee pursuant to an assignment permitted hereunder, or by the executor or personal representative of the Optionee or of such assignee.

7. Notice. Any notice or communication to the Company hereunder shall be in writing and shall be deemed to have been duly given when delivered in person, or by United States mail, to the following address (or to such other address as the Company shall from time to time specify):

-16-

3

Bed Bath & Beyond Inc.
C/O Petitti, Eisenberg & Gamache, P.C.
Attention: Todd Eisenberg
488 Pleasant Street
New Bedford, MA 02740

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

BED BATH & BEYOND INC.

By: /s/ Warren Eisenberg

/s/ Leonard Feinstein

Leonard Feinstein

-17-

FORM OF STANDARD STOCK OPTION AGREEMENT

STOCK OPTION AGREEMENT dated as of _____ between BED BATH & BEYOND INC., a New York corporation, and _____ (the "Optionee").

PRELIMINARY STATEMENT

Pursuant to the Bed Bath & Beyond Inc. ____ Stock Option Plan (the "Plan"), the Committee that administers the Plan (the "Committee") has authorized the granting to Optionee of an option to purchase _____ shares of the Company's common stock, par value \$.01 per share ("Common Stock"), subject to the Plan and the terms and conditions set forth herein. The parties hereto desire to enter into this Agreement in order to set forth the terms of such option.

Accordingly, the parties hereto agree as follows:

1. Grant of Option. Subject to the Plan and the terms and conditions of this Agreement, the Company hereby grants to Optionee the option (the "Option") to purchase from the Company up to _____ shares of Common Stock at a price of \$_____ per share. The Option shall not be immediately exercisable but shall become exercisable in installments, which shall be cumulative, as indicated below:

Date on which Installment First Vests and Becomes Exercisable ----- (one year from date of grant)	Number of Shares In Installments ----- 20% of the number of shares originally subject to
the Option (two years from date of grant)	20% of the number of shares originally subject to the Option
(three years from date of grant)	20% of the number of shares originally subject to the Option
(four years from date of grant)	20% of the number of shares originally subject to the Option
(five years from date of grant)	20% of the number of shares originally subject to the Option

2. Plans Governing Terms of Option. The Option is subject in all respects to the terms and conditions of the Plan, a copy of which is attached hereto as Exhibit A.

3. Type of Option. The Option is not intended to qualify as an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended.

4. Termination. The Option shall terminate on the tenth anniversary of the date hereof, unless terminated earlier pursuant to the following sentence or otherwise pursuant to the

Plan. The Option shall immediately terminate upon termination of the Optionee's employment with the Company, subject to the following exceptions (i) if such

termination is by reason of the death or disability of the Optionee, the unexercised portion of the Option shall continue to be exercisable for 12 months after such termination and (ii) if such termination is for any other reason, excluding termination for cause, the unexercised portion of the Option shall continue to be exercisable for three months after such termination (subject, in the case of both clauses (i) and (ii) above, to the preceding sentence).

5. Exercise. The Option may be exercised by delivering to the Company a written notice (signed by the Optionee) stating the number of shares with respect to which the Option is being exercised, together with full payment of the purchase price therefor. Payment may be made in cash or by certified check, bank draft, or money order payable to the order of the Company or, if permitted by the Committee, through delivery of shares of Common Stock (such shares to be valued as provided in the Plan). As provided in the Plan, the Committee may require Optionee to remit to the Company an amount sufficient to satisfy any federal, state or local withholding tax requirements (or make other arrangements satisfactory to the Company with regard to such taxes) prior to delivering to Optionee any shares purchased upon exercise of the Option. The Option may not be exercised with respect to a fractional share.

6. Restriction on Transfer. The Option may not be assigned or transferred except by will or the laws of descent and distribution and during the Optionee's lifetime may be exercised only by him.

7. Notice. Any notice or communication to the Company hereunder shall be in writing and shall be deemed to have been duly given when delivered in person, or by United States mail, to the following address (or to such other address as the Company shall from time to time specify):

Bed Bath & Beyond Inc.
C/O Petitti, Eisenberg & Gamache, P.C.
Attention: Todd Eisenberg
488 Pleasant Street
New Bedford, MA 02740

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

BED BATH & BEYOND INC.

By: -----

(Optionee)

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AS OF NOVEMBER 27, 1999 AND THE CONSOLIDATED STATEMENT OF EARNINGS FOR THE NINE MONTHS ENDED NOVEMBER 27, 1999, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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<TOTAL-COSTS>		774,847
<OTHER-EXPENSES>		396,366
<LOSS-PROVISION>		0
<INTEREST-EXPENSE>		(3,596)
<INCOME-PRETAX>		135,798
<INCOME-TAX>		52,961
<INCOME-CONTINUING>		82,837
<DISCONTINUED>		0
<EXTRAORDINARY>		0
<CHANGES>		0
<NET-INCOME>		82,837
<EPS-BASIC>		.59
<EPS-DILUTED>		.57