



Bed Bath & Beyond Inc. Announces Fiscal Third Quarter Results

December 13, 2000

UNION, N.J., Dec. 13 /PRNewswire/ -- Bed Bath & Beyond Inc. today reported that in the fiscal third quarter (thirteen weeks) ended November 25, 2000, as compared with the fiscal third quarter (thirteen weeks) ended November 27, 1999, net earnings increased by 28.3% and net earnings per share grew to \$.14 from \$.11, on an increase in net sales of 25.3%.

Net earnings for the fiscal third quarter of 2000 were \$40.7 million, compared with \$31.7 million earned in the fiscal third quarter of the prior year. Net sales for the fiscal third quarter were \$609.5 million compared to net sales of \$486.5 million achieved in the corresponding quarter of the prior year. Comparable store sales for the fiscal third quarter increased by approximately 4.2%.

For the fiscal nine months (thirty-nine weeks) ended November 25, 2000, net earnings increased 29.9% to \$107.6 million (\$.37 per share) from \$82.8 million (\$.29 per share) earned in the comparable period (thirty-nine weeks) of the prior year. Net sales for the fiscal nine months rose 28.1% to approximately \$1.7 billion from approximately \$1.3 billion in the corresponding period of the prior year. Comparable stores sales for the fiscal nine months increased by approximately 5.1%.

Per share amounts have been adjusted to reflect the two-for-one stock split of the Company's common stock on August 11, 2000 (which was effected in the form of a 100% stock dividend).

During the fiscal third quarter, the Company opened thirty-seven new superstores and expanded two existing stores adding approximately 1,292,000 square feet, or 12.0%, to total store space. Total store space as of the end of the fiscal third quarter was approximately 12,100,000 square feet. In the fiscal third quarter of 1999, thirty-six new superstores were opened and two existing stores were expanded adding approximately 1,410,000 square feet, or 17.0%, to total store space.

From the beginning of the current fiscal year through November 25, 2000, Bed Bath & Beyond Inc. opened 68 new superstores and expanded 2 existing stores, adding approximately 2,285,000 square feet, or 23.3%, to total store space. In the first fiscal nine months of 1999, the Company opened 51 new superstores and expanded 4 existing stores, adding approximately 2,008,000, or 26.1%, to total store space.

As of November 25, 2000, Bed Bath & Beyond Inc. operated 309 stores, including the Company's first units in Rhode Island, Maine, Mississippi, North Dakota and Idaho. Since that date, one additional superstore has been opened, and one additional superstore is expected to open, which would bring to 311 stores in 43 states the total number of stores expected to be in operation at the end of the fiscal year.

The Company plans to open approximately 80 superstores in both new and existing markets, in the fiscal year (fifty-two weeks) beginning on March 4, 2001. It is estimated that total store space to be added in fiscal 2001 will be approximately 2,400,000 square feet.

Bed Bath & Beyond Inc. is a nationwide chain of superstores selling better quality domestics merchandise and home furnishings. Its stock is traded on NASDAQ under the symbol "BBBY" and is included in the Standard & Poor's 500 Index and the NASDAQ-100 Index.

This press release 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 26, 2000 and may be contained in any subsequent reports filed by the Company with the Securities and Exchange Commission.

BED BATH & BEYOND INC. AND SUBSIDIARIES
Consolidated Statements of Earnings
(in thousands, except per share data)
(unaudited)

	Three Months Ended		Nine Months Ended	
	November 25, 2000	November 27, 1999	November 25, 2000	November 27, 1999
Net sales	\$609,519	\$486,457	\$1,669,255	\$1,303,415
Cost of sales, including buying, occupancy and indirect costs	363,452	289,673	994,343	774,847
Gross profit	246,067	196,784	674,912	528,568
Selling, general and administrative expenses	181,475	146,177	503,972	396,366

Operating profit	64,592	50,607	170,940	132,202
Interest income	2,072	1,371	5,465	3,596
Earnings before provision for income taxes	66,664	51,978	176,405	135,798
Provision for income taxes	25,999	20,271	68,798	52,961
Net earnings	\$40,665	\$31,707	\$107,607	\$82,837
Net earnings per share				
- Basic	\$0.14	\$0.11	\$0.38	\$0.30
Net earnings per share				
- Diluted	\$0.14	\$0.11	\$0.37	\$0.29
Weighted average shares outstanding - Basic	284,237	280,359	282,944	279,657
Weighted average shares outstanding - Diluted	294,164	288,345	291,828	288,251

BED BATH & BEYOND INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(in thousands, unaudited)

	November 25, 2000	November 27, 1999
Assets		
Current assets:		
Cash and cash equivalents	\$140,861	\$107,635
Merchandise inventories	687,143	522,433
Prepaid expenses and other current assets	38,886	31,071
Total current assets	866,890	661,139
Property and equipment, net	288,150	202,362
Other assets	11,440	11,864
	\$1,166,480	\$875,365
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$270,045	\$201,997
Accrued expenses and other current liabilities	131,398	124,205
Income taxes payable	17,509	20,783
Total current liabilities	418,952	346,985
Deferred rent	22,450	19,067
Total liabilities	441,402	366,052
Total shareholders' equity	725,078	509,313
	\$1,166,480	\$875,365

BED BATH & BEYOND INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(in thousands, unaudited)

Nine Months Ended

	November 25, 2000	November 27, 1999
Cash Flows from Operating Activities:		
Net earnings	\$107,607	\$82,837
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	32,796	22,367
Tax benefit from exercise of stock options	31,947	8,394
Deferred income taxes	(5,798)	(3,761)
Increase in assets:		
Merchandise inventories	(216,710)	(162,096)
Prepaid expenses and other current assets	(925)	(5,203)
Other assets	(1,178)	(1,994)
Increase (decrease) in liabilities:		
Accounts payable	124,931	102,627
Accrued expenses and other current liabilities	23,319	34,480
Income taxes payable	(16,081)	4,173
Deferred rent	2,478	2,711
Net cash provided by operating activities	82,386	84,535
Cash Flows from Investing Activities:		
Capital expenditures	(112,035)	(74,291)
Net cash used in investing activities	(112,035)	(74,291)
Cash Flows from Financing Activities:		
Proceeds from exercise of stock options	26,479	6,995
Net cash provided by financing activities	26,479	6,995
Net (decrease) increase in cash and cash equivalents	(3,170)	17,239
Cash and cash equivalents:		
Beginning of period	144,031	90,396
End of period	\$140,861	\$107,635

SOURCE Bed Bath & Beyond Inc.

CONTACT: Investors - Ronald Curwin, Chief Financial Officer, and Treasurer, 908-688-0888, ext. 4550, Kenneth C. Frankel, Director of Financial Planning, 908-688-0888, ext. 4554, Paula J. Marbach, Investor Relations, 908-688-0888, ext. 4552, Fax: 908-810-8813/