



## Bed Bath & Beyond Inc. Announces Fiscal First Quarter Results

June 20, 2002

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**\* Net Earnings Increase 54.3% to \$46.3 million (\$.15 per share) \* Net Sales Rise 34.9%; Comparable Store Sales Grow by 13.2%**

Bed Bath & Beyond Inc. (Nasdaq: BBBY) today reported net earnings of \$46.3 million (\$.15 per share) in the fiscal first quarter ended June 1, 2002, an increase of approximately 54.3% from the \$30.0 million (\$.10 per share) earned in the fiscal first quarter of 2001. Net sales for the fiscal first quarter of 2002 were \$776.8 million, an increase of approximately 34.9% from net sales of \$575.8 million in the fiscal first quarter of 2001. Comparable store sales of the Bed Bath & Beyond stores in the fiscal first quarter of 2002 grew by approximately 13.2%, compared with an increase of approximately 4.4% in last year's fiscal first quarter.

As of June 1, 2002, there were 409 Bed Bath & Beyond stores operating in 44 states and Puerto Rico, including 13 new stores opened during the fiscal first quarter. Including approximately 357,000 square feet added by the new units, total store space of the Bed Bath & Beyond stores at the end of the fiscal first quarter was approximately 15,081,000 square feet, an increase of approximately 20.3% over total store space of the Bed Bath & Beyond stores of approximately 12,533,000 square feet at the end of the corresponding period last year. Since the beginning of the fiscal second quarter on June 2, 2002, 6 new Bed Bath & Beyond stores have been opened, bringing the total number of stores now operating to 415 stores in 44 states and Puerto Rico. Including those already opened year-to-date, the Company plans to open approximately 88 stores, in both new and existing markets, during fiscal 2002, (which ends on March 1, 2003).

In addition, during the fiscal first quarter the Company acquired Harmon Stores, Inc., a health and beauty care retailer.

Bed Bath & Beyond Inc. is a nationwide chain of retail stores. The Company's Bed Bath & Beyond stores sell 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, the NASDAQ-100 Index and the Forbes 500.

This press release may contain forward-looking statements. Many of these forward-looking statements can be identified by use of words such as may, will, expect, anticipate, estimate, assume, continue, project, plan, and similar words and phrases. The Company's actual results and future financial condition may differ materially from those expressed in any such forward-looking statements as a result of many factors that may be outside the Company's control. Such factors include, without limitation: general economic conditions, changes in the retailing environment and consumer spending habits; demographics and other macroeconomic factors that may impact the level of spending for the types of merchandise sold by the Company; unusual weather patterns; competition from existing and potential competitors; competition from other channels of distribution; pricing pressures; the ability to find suitable locations at reasonable occupancy costs to support the Company's expansion program; and the cost of labor, merchandise and other costs and expenses. The Company does not undertake any obligation to update its forward-looking statements.

The accompanying consolidated tables include the accounts of the Company and its subsidiaries, all of which are wholly owned. The accounts of Harmon Stores, Inc. are included from the date of acquisition (March 5, 2002).

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

	Three Months Ended	
	June 1, 2002	June 2, 2001
Net sales	\$776,798	\$575,833
Cost of sales	458,436	340,874
Gross profit	318,362	234,959
Selling, general and administrative expenses	245,661	189,357
Operating profit	72,701	45,602
Interest income	2,582	3,190
Earnings before provision for income taxes	75,283	48,792

Provision for income taxes	28,984	18,785
Net earnings	\$46,299	\$30,007
Net earnings per share - Basic	\$ 0.16	\$ 0.10
Net earnings per share - Diluted	\$ 0.15	\$ 0.10
Weighted average shares outstanding - Basic	291,726	288,467
Weighted average shares outstanding - Diluted	300,674	297,479

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

	June 1, 2002	June 2, 2001
Assets		
Current assets:		
Cash and cash equivalents	\$380,435	\$275,966
Merchandise inventories	850,041	696,896
Other current assets	50,935	44,960
Total current assets	1,281,411	1,017,822
Investment securities	146,673	--
Property and equipment, net	357,914	312,659
Other assets	23,951	7,309
	\$1,809,949	\$1,337,790
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$329,317	\$260,121
Accrued expenses and other current liabilities	225,813	145,432
Income taxes payable	58,327	35,252
Total current liabilities	613,457	440,805
Deferred rent and other liabilities	45,232	27,992
Total liabilities	658,689	468,797
Total shareholders' equity	1,151,260	868,993
	\$1,809,949	\$1,337,790

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

	Three Months Ended	
	June 1, 2002	June 2, 2001
Cash Flows from Operating Activities:		
Net earnings	\$46,299	\$30,007
Adjustments to reconcile		

net earnings to net cash provided by operating activities:		
Depreciation and amortization	17,195	14,418
Tax benefit from exercise of stock options	6,947	13,113
Deferred income taxes	(3,177)	(288)
(Increase) decrease in assets, net of effect of acquisition:		
Merchandise inventories	(80,159)	(90,192)
Other current assets	(3,961)	(3,360)
Other assets	(1)	47
Increase in liabilities, net of effect of acquisition:		
Accounts payable	52,496	67,720
Accrued expenses and other current liabilities	30,771	16,632
Income taxes payable	7,139	3,264
Deferred rent and other liabilities	4,218	843
Net cash provided by operating activities	77,767	52,204
Cash Flows from Investing Activities:		
Purchase of investment securities	(94,764)	--
Acquisition, net of cash acquired	(24,097)	--
Capital expenditures	(11,631)	(24,421)
Net cash used in investing activities	(130,492)	(24,421)
Cash Flows from Financing Activities:		
Proceeds from exercise of stock options	3,664	8,855
Net cash provided by financing activities	3,664	8,855
Net (decrease) increase in cash and cash equivalents	(49,061)	36,638
Cash and cash equivalents:		
Beginning of period	429,496	239,328
End of period	\$380,435	\$275,966

SOURCE Bed Bath & Beyond Inc.

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