



Bed Bath & Beyond Inc. Announces Fiscal Second Quarter Results

September 25, 2002

*** Net Earnings Increase 39.9% to \$75.5 million (\$.25 per share) * Net Sales Increase by 26.5% * Comparable Store Sales Grow by 8.0%**

UNION, N.J., Sep 25, 2002 /PRNewswire-FirstCall via COMTEX/ -- Bed Bath & Beyond Inc. (Nasdaq: BBBY) today reported net earnings of \$75.5 million (\$.25 per share) in the fiscal second quarter ended August 31, 2002, an increase of approximately 39.9% from the \$54.0 million (\$.18 per share) earned in the fiscal second quarter of 2001. Net sales for the fiscal second quarter of 2002 were \$903.0 million, an increase of approximately 26.5% from net sales of \$713.6 million in the fiscal second quarter of 2001. Comparable store sales of the Bed Bath & Beyond stores in the fiscal second quarter of 2002 grew by approximately 8.0%, compared with an increase of approximately 4.8% in last year's fiscal second quarter.

For the fiscal first half ended August 31, 2002, net earnings increased 45.0% to \$121.8 million (\$.40 per share) from \$84.0 million (\$.28 per share) earned in the comparable period of the prior year. Net sales for the fiscal six months of 2002 rose 30.3% to \$1.7 billion from \$1.3 billion for the corresponding period of the prior year. Comparable store sales of the Bed Bath & Beyond stores for the fiscal first half increased by approximately 10.4%, compared with an increase of approximately 4.6% in last year's fiscal first half.

As of August 31, 2002, there were 433 Bed Bath & Beyond stores operating in 44 states and Puerto Rico, including 24 new stores opened during the fiscal second quarter. Including approximately 690,000 square feet added by the new Bed Bath & Beyond units, total store space of the Bed Bath & Beyond stores at the end of the fiscal first half was approximately 15,771,000 square feet, an increase of approximately 19.8% over total store space of approximately 13,159,000 square feet occupied by the 344 Bed Bath & Beyond stores operating at the end of the corresponding period last year. During the first six months of fiscal 2002, the Company opened 37 Bed Bath & Beyond stores occupying approximately 1,047,000 square feet.

Since the beginning of the fiscal third quarter on September 1, 2002, 10 new Bed Bath & Beyond stores have been opened, bringing the total number of stores now operating to 443 stores. The Company plans to open approximately 41 additional Bed Bath & Beyond stores, in both new and existing markets, during the balance of fiscal 2002, primarily in the fiscal third quarter. This would bring the number of new Bed Bath & Beyond stores to approximately 88 for all of fiscal 2002.

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. Shares of Bed Bath & Beyond Inc. are traded on NASDAQ under the symbol "BBBY" and are 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.

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

	Three Months Ended		Six Months Ended	
	August 31, 2002	September 1, 2001	August 31, 2002	September 1, 2001
Net sales	\$903,044	\$713,636	\$1,679,842	\$1,289,469
Cost of sales	532,709	422,294	991,145	763,168
Gross profit	370,335	291,342	688,697	526,301
Selling, general and administrative expenses	250,648	206,670	496,309	396,027
Operating profit	119,687	84,672	192,388	130,274

Interest income	3,010	3,058	5,592	6,248
Earnings before provision for income taxes	122,697	87,730	197,980	136,522
Provision for income taxes	47,238	33,776	76,222	52,561
Net earnings	\$75,459	\$53,954	\$121,758	\$83,961
Net earnings per share - Basic	\$0.26	\$0.19	\$0.42	\$0.29
Net earnings per share - Diluted	\$0.25	\$0.18	\$0.40	\$0.28
Weighted average shares outstanding - Basic	292,441	289,791	292,083	289,129
Weighted average shares outstanding - Diluted	300,737	298,816	300,705	298,148

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

	August 31, 2002	September 1, 2001
Assets		
Current assets:		
Cash and cash equivalents	\$333,626	\$338,770
Short term investment securities	100,000	--
Merchandise inventories	859,891	733,157
Other current assets	54,011	46,403
Total current assets	1,347,528	1,118,330
Long term investment securities	126,426	--
Property and equipment, net	381,761	322,706
Other assets	23,944	7,691
	\$1,879,659	\$1,448,727
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$311,604	\$296,166
Accrued expenses and other current liabilities	233,065	156,815
Income taxes payable	49,791	31,649
Total current liabilities	594,460	484,630
Deferred rent and other liabilities	47,481	30,415
Total liabilities	641,941	515,045
Total shareholders' equity	1,237,718	933,682
	\$1,879,659	\$1,448,727

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

	Six Months Ended	
	August 31, 2002	September 1, 2001
Cash Flows from Operating Activities:		
Net earnings	\$121,758	\$83,961
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	39,319	29,729
Tax benefit from exercise of stock options	11,973	18,856
Deferred income taxes	(6,355)	(363)
(Increase) decrease in assets, net of effect of acquisition:		
Merchandise inventories	(90,009)	(126,453)
Other current assets	(4,734)	(3,112)
Other assets	6	(335)
Increase (decrease) in liabilities, net of effect of acquisition:		
Accounts payable	34,783	103,765
Accrued expenses and other current liabilities	38,023	28,015
Income taxes payable	(1,397)	(339)
Deferred rent and other liabilities	7,342	1,650
Net cash provided by operating activities	150,709	135,374
Cash Flows from Investing Activities:		
Purchase of short term investment securities	(100,000)	--
Purchase of long term investment securities	(74,517)	--
Acquisition, net of cash acquired	(24,097)	--
Capital expenditures	(57,602)	(49,779)
Net cash used in investing activities	(256,216)	(49,779)
Cash Flows from Financing Activities:		
Proceeds from exercise of stock options	9,637	13,847
Net cash provided by financing activities	9,637	13,847
Net (decrease) increase in cash and cash equivalents	(95,870)	99,442
Cash and cash equivalents:		
Beginning of period	429,496	239,328
End of period	\$333,626	\$338,770

SOURCE Bed Bath & Beyond Inc.

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