



## Bed Bath & Beyond Inc. Reports Net Earnings Increase of 41.5% In Fiscal Fourth Quarter, 34.8% for Fiscal Year

March 29, 2000

UNION, N.J., March 29 /PRNewswire/ -- Bed Bath & Beyond Inc. today reported net earnings of \$48.4 million (\$.34 per share) for the fiscal fourth quarter ended February 26, 2000, an increase of approximately 41.5% from the \$34.2 million (\$.24 per share) earned in the fiscal fourth quarter of 1998. Net sales for the fiscal fourth quarter of 1999 were \$574.6 million, an increase of approximately 37.0% from the fiscal fourth quarter of 1998. Comparable store sales for the fiscal fourth quarter of 1999 increased by approximately 9.6% from the corresponding period last year, when comparable store sales increased by approximately 10.8% from the corresponding fiscal quarter of 1997.

Fiscal 1999 net earnings totaled \$131.2 million (\$.91 per share), exceeding fiscal 1998 net earnings of \$97.3 million (\$.68 per share) by approximately 34.8%. Fiscal 1999 was the 8th consecutive year of record earnings since the Company's 1992 IPO. Over the eight year period ended February 26, 2000, net earnings has grown by an average annual rate of approximately 34.9%. Net sales for fiscal 1999 were \$1,878.0 million, an increase of approximately 34.4% from a year ago. Comparable store sales for fiscal 1999 increased by approximately 9.2% from the prior year, when comparable store sales increased by approximately 7.6% from fiscal 1997.

At the end of fiscal 1999, Bed Bath & Beyond Inc. operated 241 stores in 38 states, including 55 new superstores opened during the year. In addition, four stores were expanded during the year. States entered for the first time during fiscal 1999 were Arkansas, Iowa, Louisiana and Nevada. Total store space grew to approximately 9,815,000 square feet, an increase of approximately 2,127,000 square feet (27.7%) over total store space of approximately 7,688,000 square feet occupied by 186 stores in 34 states operating at the end of fiscal 1998. During the fiscal fourth quarter of 1999, four new superstores were opened.

Bed Bath & Beyond Inc. plans to open approximately 60 new superstores in both new and existing markets during fiscal 2000. Thus far in March, new superstores have opened in Providence, RI, representing our first store in this state, and in Montgomeryville, PA.

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. The Company has been assigned an investment grade credit rating by Standard & Poor's.

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 27, 1999 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 Balance Sheets (in thousands)

	February 26, 2000	February 27, 1999
Assets		
Current assets:		
Cash and cash equivalents	\$144,031	\$90,396
Merchandise inventories	470,433	360,337
Prepaid expenses and other current assets	32,904	22,529
Total current assets	647,368	473,262
Property and equipment, net	208,911	150,438
Other assets	9,521	9,448
	\$865,800	\$633,148
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$145,114	\$99,370
Accrued expenses and other current liabilities	108,079	89,725
Income taxes payable	33,590	16,610

Total current liabilities	286,783	205,705
Deferred rent	19,972	16,356
Total liabilities	306,755	222,061
Total shareholders' equity	559,045	411,087
	\$865,800	\$633,148

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

	Three Months Ended		Twelve Months Ended	
	February 26, 2000	February 27, 1999	February 26, 2000	February 27, 1999
Net sales	\$574,551	\$419,249	\$1,877,966	\$1,397,197
Cost of sales, including buying, Occupancy and indirect costs	336,263	243,719	1,111,110	821,072
Gross profit	238,288	175,530	766,856	576,125
Selling, general and administrative expenses	161,150	120,136	557,516	418,073
Operating profit	77,138	55,394	209,340	158,052
Interest Income	2,194	1,368	5,790	3,517
Earnings before provision for income taxes	79,332	56,762	215,130	161,569
Provision for income taxes	30,940	22,562	83,901	64,223
Net earnings	\$48,392	\$34,200	\$131,229	\$97,346
Net earnings per share - Basic	\$0.34	\$0.25	\$0.94	\$0.70
Net earnings per share - Diluted	\$0.34	\$0.24	\$0.91	\$0.68
Weighted average shares outstanding				
- Basic	140,375,147	139,336,228	139,965,010	138,842,151
Weighted average shares outstanding				
- Diluted	144,090,628	144,177,763	144,116,776	143,235,599

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

Twelve Months Ended

	February 26, 2000	February 27, 1999
Cash Flows from Operating Activities:		
Net Earnings	\$131,229	\$97,346
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	31,625	23,217
Tax benefit from exercise of stock options	8,932	11,546
Deferred income taxes	(8,197)	(5,166)
(Increase) decrease in assets:		
Merchandise inventories	(110,096)	(89,980)
Prepaid expenses and other current assets	(2,347)	(2,223)
Other assets	96	(1,276)
Increase in liabilities:		
Accounts payable	45,744	34,652
Accrued expenses and other current liabilities	18,354	16,115
Income taxes payable	16,980	4,595
Deferred rent	3,616	3,766
Net cash provided by operating activities	135,936	92,592
Cash Flows from Investing Activities:		
Capital expenditures	(90,098)	(62,274)
Net cash used in investing activities	(90,098)	(62,274)
Cash Flows from Financing Activities:		
Proceeds from exercise of stock options	7,797	6,798
Net cash provided by financing activities	7,797	6,798
Net increase in cash and cash equivalents	53,635	37,116
Cash and cash equivalents:		
Beginning of period	90,396	53,280
End of period	\$144,031	\$90,396

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, or Paula J. Marbach, Investor Relations, 908-688-0888, Ext. 4552, or fax, 908-810-8813, all of Bed Bath & Beyond Inc/