



## Bed Bath & Beyond Inc. Announces Second Quarter Results

September 20, 2000

UNION, N.J., Sept. 20 /PRNewswire/ -- Bed Bath & Beyond Inc. (Nasdaq: BBBY) today reported that in the fiscal second quarter (thirteen weeks) ended August 26, 2000, as compared with the fiscal second quarter (thirteen weeks) ended August 28, 1999, net earnings increased by 31.1% and net earnings per share grew to \$.15 from \$.12, on an increase in net sales of 30.5%.

Net earnings for the fiscal second quarter of 2000 were \$43.6 million, compared with \$33.2 million earned in the fiscal second quarter of the prior year. Net sales for the fiscal second quarter were \$597.0 million compared to net sales of \$457.6 million achieved in the corresponding quarter of the prior year. Comparable store sales for the fiscal second quarter increased by approximately 6.1%.

For the fiscal first half (twenty-six weeks) ended August 26, 2000, net earnings increased 30.9% to \$66.9 million (\$.23 per share) from \$51.1 million (\$.18 per share) earned in the comparable period (twenty-six weeks) of the prior year. Net sales for the fiscal six months rose 29.7% to \$1.1 billion from \$817.0 million for the corresponding period of the prior year. Comparable stores sales for the fiscal first half increased by approximately 5.6%.

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).

Total store space as of the end of the fiscal second quarter, during which twenty-one new superstores were opened, grew to approximately 10,808,000 square feet, an increase of approximately 30.4% over total store space of approximately 8,286,000 square feet at the end of the fiscal first half a year ago.

As of August 26, 2000, Bed Bath & Beyond Inc. operated 272 stores. Since that date, the Company has opened 6 additional superstores bringing to 278 stores in 41 states the total number of stores now in operation. Including these stores, the Company has opened 37 new superstores, including its first units in Rhode Island, Mississippi and North Dakota, since the beginning of its fiscal year.

The Company plans to open approximately 27 additional superstores, in both new and existing markets, during the remainder of the current fiscal year, and expects to be operating approximately 305 stores in 42 states by year end.

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		Six Months Ended	
	August 26, 2000	August 28, 1999	August 26, 2000	August 28, 1999
Net sales	\$597,001	\$457,586	\$1,059,736	\$816,958
Cost of sales, including buying, occupancy and indirect costs	355,502	272,016	630,891	485,174
Gross profit	241,499	185,570	428,845	331,784
Selling, general and administrative expenses	171,490	131,990	322,497	250,189
Operating profit	70,009	53,580	106,348	81,595
Interest income	1,431	923	3,393	2,225
Earnings before provision for income taxes	71,440	54,503	109,741	83,820
Provision for income taxes	27,862	21,256	42,799	32,690

Net earnings	\$43,578	\$33,247	\$66,942	\$ 51,130
Net earnings per share - Basic	\$0.15	\$0.12	\$0.24	\$0.18
Net earnings per share - Diluted	\$0.15	\$0.12	\$0.23	\$0.18

Weighted average shares

outstanding

- Basic 282,872 279,556 282,298 279,305

Weighted average shares

outstanding

- Diluted 291,363 288,334 290,661 288,204 BED BATH & BEYOND INC. AND SUBSIDIARIES Consolidated Balance Sheets (in thousands, unaudited)

	August 26, 2000	August 28, 1999
Assets		
Current assets:		
Cash and cash equivalents	\$147,700	\$130,845
Merchandise inventories	594,602	439,535
Prepaid expenses and other current assets	38,635	27,754
Total current assets	780,937	598,134
Property and equipment, net	245,686	160,457
Other assets	10,904	11,494
	\$1,037,527	\$770,085
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$214,250	\$151,558
Accrued expenses and other current liabilities	120,974	109,991
Income taxes payable	32,074	21,124
Total current liabilities	367,298	282,673
Deferred rent	21,616	18,177
Total liabilities	388,914	300,850
Total shareholders' equity	648,613	469,235
	\$1,037,527	\$770,085

(in thousands, unaudited)

	Six Months Ended	
	August 26, 2000	August 28, 1999
Cash Flows from Operating Activities:		
Net earnings	\$ 66,942	\$51,130
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	20,691	14,198
Tax benefit from exercise of stock options	13,312	3,685
Deferred income taxes	(3,865)	(2,507)
Increase in assets:		
Merchandise inventories	(124,169)	(79,198)
Prepaid expenses and other current assets	(2,360)	(2,999)
Prepaid expenses and other current assets	(2,999)	(2,999)
Other assets	(889)	(1,765)
Increase (decrease) in liabilities:		
Accounts payable	69,136	52,188
Accrued expenses and other current liabilities	12,895	20,266
Accrued expenses and other current liabilities	20,266	20,266
Income taxes payable	(1,516)	4,514
Deferred rent	1,644	1,821
Net cash provided by operating activities	51,821	61,333
Cash Flows from Investing Activities:		
Capital expenditures	(57,466)	(24,217)
Net cash used in investing activities	(57,466)	(24,217)
Cash Flows from Financing Activities:		
Proceeds from exercise of stock options	9,314	3,333
Net cash provided by financing activities	9,314	3,333
Net increase in cash and cash equivalents	3,669	40,449
Cash and cash equivalents:		
Beginning of period	144,031	90,396
End of period	\$147,700	\$130,845

SOURCE Bed Bath & Beyond Inc.

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