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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark one)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (Fee Required)

For the fiscal year ended February 25, 1996

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (Fee Required)

Commission File Number 0-20214

BED BATH & BEYOND INC.
(Exact name of registrant as specified in its charter)

NEW YORK	11-2250488
(State of incorporation)	(IRS Employer Identification No.)

715 MORRIS AVENUE, SPRINGFIELD, NEW JERSEY 07081
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (201) 379-1520

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
None	None

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

COMMON STOCK (PAR VALUE $ 0.01 PER SHARE)

(Title of class)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

As of May 13, 1996, the aggregate market value of the common stock held by non-affiliates (which was computed by reference to the closing price on such date of such stock on the NASDAQ National Market) was $1,349,751,476.*

Number of shares outstanding of the issuer's common stock (par value $0.01 per share) at May 13, 1996: 68,339,778.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement filed pursuant to Regulation 14A not later than 120 days after the end of the fiscal year (February 25, 1996) are incorporated by reference in Part III hereof.

Portions of the Registrant's Annual Report to Shareholders for the fiscal year ended February 25, 1996 are incorporated by reference in Part II hereof.

* For purposes of this calculation, all outstanding shares of common stock have been considered held by non-affiliates other than the 21,186,888 shares beneficially owned by directors and executive officers, including in the case of the Co-Chief Executive Officers, members of their immediate families, partnerships in which they are general partners, and trusts and foundations affiliated with them. In making such calculation, the Registrant does not determine the affiliate or non-affiliate status of any shares for any other purpose.

PART I

Unless otherwise indicated, the terms "Company" and "Bed Bath & Beyond" refer collectively to Bed Bath & Beyond Inc. and its subsidiaries. The Company's fiscal year is the 52 or 53 week period ending on the Sunday nearest February 28. Fiscal years 1995, 1994 and 1993 (all 52 week periods) ended on February 25, 1996, February 26, 1995 and February 27, 1994, respectively. Unless otherwise indicated, all references herein to periods of time (e.g., quarters and years) are to fiscal periods.

ITEM 1 - BUSINESS

INTRODUCTION

Bed Bath & Beyond believes that it is the nation's largest operator of "superstores" selling predominantly better quality domestics merchandise and home furnishings typically found in better department stores. The term "superstore" as used herein means a store, other than a department store, that is larger in size than the typical stores in its market selling similar product categories and offers a breadth and depth of selection in most of its product categories that far exceeds what is available in such stores. The Company offers a wide assortment of merchandise at everyday low prices that are substantially below regular department store prices and generally comparable to or below department store sale prices. The Company's domestics merchandise line includes items such as bed linens, bath accessories and kitchen textiles, and the Company's home furnishings line includes items such as cookware, dinnerware, glassware and basic housewares. The Company believes that it offers a breadth and depth of selection in most of its product categories that far exceeds what is generally available in department stores or other specialty retail stores and that this enables it to offer customers the convenience of one-stop shopping for most household items (other than furniture, major appliances and carpeting).

As of May 13, 1996, the Company operated 86 stores in 22 states: Alabama (1), Arizona (2), California (11), Colorado (1), Connecticut (3), Florida (10), Georgia (4), Illinois (6), Indiana (2), Kansas (1), Maryland (4), Massachusetts (2), Michigan (3), Missouri (1), New Jersey (6), New York (8), Ohio (3), Oklahoma (1), Pennsylvania (2), Texas (10), Virginia (4) and Washington (1). Eighty-two of these stores use the superstore format that was pioneered by the Company in 1985. These stores are on average approximately 42,000 square feet in size and carry the Company's full line of both domestics merchandise and home furnishings. The other four stores, all established prior to 1986, are smaller stores that primarily carry domestics merchandise.

HISTORY

The Company was founded in 1971. Leonard Feinstein and Warren Eisenberg, the Co-Chief Executive Officers and founders of the Company, each has more than 35 years of experience in the retail industry.

The Company commenced operations in 1971 with the opening of two stores, one in New York and one in New Jersey. These stores operated under the name "bed n bath" and sold primarily bed linens and bath accessories. The Company continued to open bed n bath stores and by 1985 had opened stores in New York, New Jersey, Connecticut and California. In 1985, the Company introduced its superstore format with the opening of its first store carrying a full line of both domestics merchandise and home furnishings. All stores opened by the Company after 1985 use this format and carry the Company's full line of domestics merchandise and home furnishings. The Company began using the name "Bed Bath & Beyond" in 1987 in order to reflect the expanded product line offered by its superstores and to distinguish its superstores from conventional specialty retail stores offering only domestics merchandise or only home furnishings.

The Company has been engaged in an ongoing expansion program involving the opening of new superstores (including nineteen in 1995, sixteen in 1994 and nine in 1993) and the expansion of existing stores (including two in 1995, four in 1994 and four in 1993). As a result of its expansion program, the Company's store space has increased from approximately 625,000 square feet at the beginning of 1991 to approximately 3,214,000 square feet at the end of 1995. The Company's expansion program is continuing, and the Company currently anticipates that in 1996 it will open approximately 24 to 26 new superstores.

MERCHANDISING AND MARKETING

The Company's strategy for merchandising and marketing is to offer better quality merchandise at everyday low prices; to maintain a breadth and depth of selection in most of its product categories that far exceeds what is generally available in department stores or other specialty retail stores; to present merchandise in a distinctive manner designed to maximize customer convenience and reinforce customer perception of wide selection; and to emphasize dedication to customer service and satisfaction.

MERCHANDISE SELECTION

The Company's eighty-two superstores offer both domestics merchandise and home furnishings, while the Company's four smaller stores offer primarily domestics merchandise. The Company's merchandise lines include:

Domestics Merchandise

- bed linens and related items: sheets, comforters, comforter covers, bedspreads, quilts, window treatments, decorative pillows, blankets, dust ruffles, bed pillows and mattress pads.

- bath accessories: towels, shower curtains, waste baskets, hampers, bathroom rugs and wall hardware.

- kitchen textiles: tablecloths, placemats, cloth napkins, dish towels and chair pads.

Home Furnishings

- kitchen and tabletop items: cookware, cutlery, kitchen gadgets, dinnerware, bakeware, flatware, drinkware, serveware and glassware.

- basic housewares: storage items, closet-related items (such as hangers, organizers and shoe racks), general housewares (such as brooms, garbage pails and ironing boards), lifestyle accessories (such as lamps, chairs, wicker and clocks) and small electric appliances (such as blenders, coffee makers, vacuums, irons, toaster ovens and hair dryers).

- miscellaneous: gifts, giftwrap, picture frames, wall art, luggage, juvenile items (such as small toys and children's books) and seasonal merchandise (such as summer and holiday related items).

The Company, on an ongoing basis, tests new merchandise categories and adjusts the categories of merchandise carried in its stores and may add new departments or adjust the size of existing departments as required. The Company believes that the process of adding new departments and expanding or reducing the size of various departments in response to changing conditions is an important part of its merchandising strategy.

The Company's merchandise consists primarily of better quality merchandise typically found at better department stores. For those product lines that have brand names associated with them, the Company generally offers leading brand name merchandise (including Wamsutta, Martex, Fieldcrest Cannon, Croscill, Laura Ashley, Mikasa, Krups, J.A. Henckels, Farberware, All-Clad, Portmeirion, Rowenta, Black & Decker, Rubbermaid, Springs, Braun, Pillowtex and Waverly). The Company estimates that brand name merchandise accounts for a significant portion of its net sales.

The Company offers a breadth and depth of product selection that enables customers to select among a wide assortment of styles, brands, colors and designs within each of the Company's major product lines. The Company also generally maintains consistent in-stock availability of merchandise in order to reinforce customer perception of wide selection and build customer loyalty. The Company estimates that many of its 82 superstores carry in excess of 30,000 stock-keeping units.

The Company estimates that bed linens accounted for approximately 21%, 20% and 20% of net sales during 1995, 1994 and 1993, respectively. No other individual product category accounted for 10% or more of net sales during 1995, 1994 and 1993, except for towels, which accounted for 10% of net sales during 1993.

PRICING POLICY

The Company's pricing policy is to maintain everyday low prices that are substantially below regular department store prices and generally comparable to or below department store sale prices. The Company regularly monitors price levels at its competitors in order to ensure that the Company's prices are being maintained in accordance with its pricing policy.

The Company believes that the uniform application of its everyday low price policy is essential to maintaining the integrity of this policy and is an important factor in establishing its reputation among customers. Accordingly, in the few instances where the Company is unable to offer a brand name product at price levels that are consistent with this policy, it will instead offer comparable quality merchandise without that brand name rather than compromise its everyday low price policy.

Because the Company has an everyday low price policy, the Company does not run sales. However, the Company uses periodic markdowns and semi-annual clearances for merchandise that it has determined to discontinue carrying. In addition, the Company's advertising circulars include a coupon, which is redeemed at the point-of-sale.

MERCHANDISE PRESENTATION

The Company has developed a distinctive style of merchandise presentation. In each superstore, groups of related product lines are presented together in separate areas of the store, creating the appearance that a Bed Bath & Beyond superstore is comprised of several individual specialty stores for different product lines. A "racetrack layout" that runs throughout the store facilitates moving between areas and encourages customers to shop the entire store. The Company believes that its format of merchandise presentation makes it easy for customers to locate products, reinforces customer perception of wide selection and communicates to customers that Bed Bath & Beyond superstores offer a level of customer service generally associated with smaller specialty stores.

Merchandise is displayed in each of these separate areas from floor to ceiling (generally 10 to 14 feet high) and, in addition, seasonal merchandise and impulse items are prominently displayed in the front of the store. The Company believes that its extensive merchandise selection, rather than fixturing, should be the focus of customer attention and, accordingly, uses simple modular fixturing throughout the store. This fixturing is designed so that it can be easily reconfigured to adapt to changes in the Company's merchandise mix and presentation. The Company believes that its floor to ceiling displays create an exciting and attractive shopping environment that encourages impulse purchases of additional items.

CUSTOMER SERVICE

The Company places great emphasis on customer service and satisfaction and, over the past 25 years, has sought to make this a defining feature of its corporate culture. All managers provide leadership by example in this area by regularly spending time assisting customers on the selling floor. The Company believes that its success in the area of customer service is evidenced by its ability to rely primarily on "word of mouth advertising".

The Company seeks to make shopping at its stores as pleasant and convenient as possible. Each area within a store is staffed with knowledgeable sales personnel who are available to assist customers in choosing merchandise, to answer questions and to resolve any problems that may arise. In order to make checking out convenient, check-out lines are continually monitored and additional cashiers are added as necessary in order to minimize waiting time. Returning merchandise is simplified through a return policy that permits customers to return most items without presenting a sales receipt. Most Bed Bath & Beyond stores are open seven days (and six evenings) a week in order to enable customers to shop at times that are convenient for them.

ADVERTISING

In general, the Company relies on "word of mouth advertising" and on its reputation for offering a wide assortment of quality merchandise at everyday low prices, supplemented by the use of paid advertising. The Company's primary medium of paid advertising is the use of circulars which are distributed through the mail and/or newspaper inserts. In certain instances, paid radio and television advertising may be used. Also, in connection with the opening of new stores, the Company uses paid newspaper and circular advertising until the store is established in its market. The Company believes that its ability to rely primarily on "word of mouth advertising" will continue and that its limited use of paid advertising permits it to spend significantly less on advertising than many of its competitors.

EXPANSION

The Company is engaged in an ongoing expansion program involving the opening of new stores in both existing and new markets and the expansion or replacement of existing stores with new, larger stores. As a result of this program, the total number of stores has increased from 27 at the beginning of 1991 to 80 at the end of 1995, and the total square footage of store space has increased from approximately 625,000 square feet at the beginning of 1991 to approximately 3,214,000 square feet at the end of 1995.

The table below sets forth information concerning the Company's expansion program for the fiscal periods indicated:

				STORE SPACE (IN SQUARE FEET)		NUMBER OF STORES	
YEAR	REPLACED STORES (1)	NEW STORES (2)	CLOSED STORES	BEGINNING OF YEAR	END OF YEAR	BEGINNING OF YEAR	END OF YEAR
1991	1	7	--	625,000	917,000	27	34
1992	5	4	--	917,000	1,128,000	34	38
1993	4	9	2	1,128,000	1,512,000	38	45
1994	4	16	--	1,512,000	2,339,000	45	61
1995	2	19	--	2,339,000	3,214,000	61	80

(1) A replaced store is an existing store that was either expanded or replaced by a new store in the same area.

(2) Excludes any new store that replaced an existing store in the same area.

The Company intends to continue its expansion program and believes that the continued growth of the Company is dependent, in large part, on the success of this program. As part of its expansion program, the Company expects to open new superstores and, in addition, expects to expand existing stores as opportunities arise.

The Company expects to open new superstores in existing markets, contiguous markets and new markets. In determining where to open new superstores, the Company evaluates a number of factors, including the availability of prime real estate and demographic information (such as data relating to income and education levels, age and occupation). The Company believes that because it does not use central distribution centers and since it relies on paid advertising to only a limited extent, it has the flexibility to enter a new market with only a single store.

From the end of fiscal 1995 through May 13, 1996, the Company has opened six stores which are located in: Northridge, California; Alpharetta, Georgia; Burlington, Massachusetts; Independence, Missouri; Munsey Park, New York; and Houston, Texas. During the balance of fiscal 1996, the Company currently anticipates that it will open approximately 18 to 20 additional stores. The Company has already leased sites for fifteen of these additional stores, to be located in: Ontario, Santa Clara and Tustin, California; Denver, Colorado; Atlanta, Georgia; Rockford, Illinois; Framingham, Massachusetts; Edgewater, New Jersey; Rochester, New York; Canton, Ohio; Memphis, Tennessee (two stores); Charlottesville, Chesapeake and Virginia Beach, Virginia; and is in lease negotiations for several additional sites.

The Company has built its management structure with a view towards its expansion and believes that as a result the Company has the management depth necessary to support its anticipated expansion program. Each of the Company's area and district managers typically supervise from three to six stores, even though the Company believes that each district manager has the capacity to supervise up to eight stores.

STORE OPERATIONS

MERCHANDISING

The Company maintains its own central buying staff, comprised of two general merchandise managers and eleven buyers. The merchandise mix for each store is selected by the central buying staff, in consultation with store managers and other local store personnel. The factors taken into account in selecting the merchandise mix for a particular store include store size and configuration and local market conditions such as climate and demographics.

The central buying staff is responsible for ordering the initial inventory required upon the opening of each store and for ordering the first shipment of any new product line that may subsequently be added to a store's merchandise mix. Local store personnel are thereafter responsible for monitoring inventory levels and re-ordering such merchandise as required. In addition, local store personnel are encouraged to monitor local sales trends and market conditions and tailor the merchandise mix as appropriate to respond to changing trends and conditions. The Company believes that its policy of having all reordering done at the local store level, rather than centrally, and having local store personnel determine the appropriate quantity to reorder encourages entrepreneurship at the store level and better ensures that in-stock availability will be maintained in accordance with the specific requirements of each store.

The Company purchases its merchandise from approximately 1,900 suppliers. In 1995, the Company's largest supplier accounted for approximately 6% of the Company's merchandise purchases and the Company's ten largest suppliers accounted for approximately 25% of such purchases. The Company purchases substantially all of its merchandise in the United States, the majority from domestic manufacturers and the balance from importers. On a limited basis, the Company has begun to make direct purchases from overseas sources. The Company has no long-term contracts for the purchase of merchandise. The Company believes that most merchandise, other than brand name goods, is available from a variety of sources and that most brand name goods can be replaced with comparable merchandise.

WAREHOUSING

Merchandise is shipped directly to each store by the Company's vendors, making it unnecessary for the Company to maintain any central distribution centers. As a result of the floor to ceiling displays used by the Company, a substantial amount of merchandise is displayed on the sales floor of each store at all times. Additional merchandise not displayed on the sales floor is stored in separate warehouse space that is included in each store (with an estimated 10% to 15% of the space of each store being dedicated to warehouse and receiving space). In addition, in the case of several stores, merchandise is also stored at nearby supplemental storage space leased by the Company. At present, the warehouse space included in the Company's stores provides approximately 80% of the Company's warehouse space requirements and such nearby supplemental storage space provides the balance.

MANAGEMENT INFORMATION SYSTEMS

The Company completed the implementation of computerized perpetual inventory systems in all of its stores during fiscal 1995. The Company expects that over the long-term, the implementation of integrated computer systems will enable the Company to improve operations, increase productivity, enhance inventory management and expense controls, and generally facilitate the Company's expansion plans. The costs associated with the Company's computer systems, including personnel costs, hardware leasing costs and software costs, were approximately $6.9 million in 1995, $4.8 million in 1994, and $2.9 million in 1993, and the Company estimates will be approximately $9.6 million in 1996.

MANAGEMENT

The Company seeks to encourage responsiveness and entrepreneurship at the store level by providing its managers with a relatively high degree of autonomy relating to operations and merchandising. This is reflected in the Company's policy of having all reordering done at the store level, as well as in the Company's policy of encouraging managers to tailor the merchandise mix of each store in response to local sales trends and market conditions.

In general, stores are staffed with one to three assistant managers and three to six department managers who report to a store manager, who in turn is supervised by an area or district manager. Area and district managers report to one of several regional managers who in turn report to one of two directors of store operations. Decisions relating to pricing, advertising and markdowns for all stores are made centrally in the Company's Buying Office, and certain store support functions (such as finance and management information systems) are performed centrally in the Company's Administrative Office.

TRAINING

The Company places great emphasis on the training of store level management. Management trainees are generally required to work in different departments of the store in order to acquire an overall understanding of store operations. In addition, management trainees are trained in a number of areas, including sales techniques, management techniques and product knowledge.

The Company's policy is to build its management organization from within. Each of the Company's area, district and regional managers was recruited from the ranks of the Company's store managers and each of the Company's store managers joined the Company in an entry level or trainee position. The Company believes that its policy of promoting from within, as well as the opportunities for advancement generated by its ongoing expansion program, serve as an incentive to persons to seek and retain employment with the Company and results in low turnover among its managers.

EMPLOYEES

As of February 25, 1996, the Company employed approximately 5,400 persons, of whom approximately 3,400 were full-time employees and 2,000 were part-time employees. None of the Company's employees are covered by collective bargaining agreements. The Company believes that its relations with its employees are excellent and that the labor turnover rate among its management employees is lower than that experienced in the industry.

SEASONALITY

The Company's business exhibits less seasonality than many other retail businesses, although sales levels are generally higher in August, November and December and generally lower in February and March.

COMPETITION

The market for domestics merchandise and home furnishings is fragmented and highly competitive. While the Company believes it is the preeminent marketer in the superstore segment of the home goods industry, it competes directly with a number of chains of superstores selling domestics merchandise and home furnishings including: Linens 'n Things; HomePlace; Strouds; Home Goods (division of TJX Companies); Three-D Bed & Bath; Home Express; and Pacific Linen. In addition, the Company competes with many different types of retail stores that sell many or most of the products sold by the Company. Such competitors include: (i) better department stores, which often carry many of the same product lines as the Company but do not typically have the same depth or breadth of product selection, (ii) specialty stores (such as specialty linen or housewares retailers), which often have a depth of product selection but typically carry only a limited portion of the product lines carried by the Company, and (iii) discount and mass merchandise stores. In addition, the Company competes to a more limited extent with factory outlet stores that typically offer limited quantities or limited lines of better quality merchandise at discount prices. Many of the Company's competitors operate substantially more stores and have substantially greater financial and other resources than the Company, including, in some cases, better name recognition.

The Company believes that it is the largest operator of superstores selling predominantly better quality domestics merchandise and home furnishings typically found in better department stores, and that it is well positioned to successfully compete in its markets as measured by several factors, including pricing, breadth and quality of product selection, in-stock availability of merchandise, effective merchandise presentation, customer service, and store locations.

The visibility of the Company has encouraged superstore competitors to imitate the Company's format and methods. Other retail chains, such as Home Depot, are introducing new store concepts which include many of the product lines carried by the Company. There can be no assurance that the operation of competitors, including those companies operating stores similar to those of Bed Bath & Beyond, will not have a material effect on the Company.

TRADE NAMES, SERVICE MARKS AND FRANCHISE AGREEMENTS

The Company uses the "Bed Bath & Beyond" name as a trade name and as a service mark in connection with retail services. The Company has registered the "Bed Bath & Beyond" name and logo as service marks with the United States Patent and Trademark Office. Management believes that the name Bed Bath & Beyond is an important element of the Company's merchandising strategy. In certain situations (as described below), the Company operates under other names.

The Company does not operate under the name "Bed Bath & Beyond" in the Greater San Francisco area as a result of an agreement entered into by the Company in connection with settling a litigation commenced against it claiming that its use of the name "Bed Bath & Beyond" infringed upon the plaintiff's prior use of the name "Bath & Beyond." Consequently, the Company's stores in San Francisco and Oakland, California, operate under the name "Bed & Bath Superstore"; the store in Santa Rosa, California operates under the name "Bed & Bath." Also, the Company's stores in Massachusetts operate under the name "BB&Beyond".

The Company is party to two agreements with a franchisee under which the franchisee currently operates two stores in Ohio and has a right of first refusal with respect to the opening of additional stores in certain areas of Ohio and of neighboring states. The Company has no plans to enter into any additional such franchisee relationships.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth the name, age and business experience of the executive officers of the Registrant:

NAME	AGE	POSITIONS
Warren Eisenberg	65	Chairman, Co-Chief Executive Officer and Director
Leonard Feinstein	59	President, Co-Chief Executive Officer and Director
Ronald Curwin	66	Chief Financial Officer and Treasurer

Mr. Eisenberg, a co-founder of the Company, has been a director and officer of the Company since the Company commenced operations in 1971 (serving as President and Co-Chief Executive Officer until April 9, 1992, and Chairman and Co-Chief Executive Officer since that date).

Mr. Feinstein, a co-founder of the Company, has been a director and officer of the Company since the Company commenced operations in 1971 (serving as Co-Chief Executive Officer, Treasurer and Secretary until April 9, 1992, and as President and Co-Chief Executive Officer since that date).

Mr. Curwin, a certified public accountant, joined the Company in September 1994 as Chief Financial Officer and Treasurer. Prior to joining the Company, Mr. Curwin was engaged as a registered representative in the financial services industry for three years. From 1977 to 1991, he was employed as Chief Financial Officer of Channel Home Centers, Inc., a retailer of home improvement products.

The Company's officers are elected by the Board of Directors for one-year terms and serve at the discretion of the Board of Directors. No family relationships exist between any of the executive officers or directors of the Company.

ITEM 2 - PROPERTIES

The Company's 86 stores are located in 22 states, principally in suburban areas of medium and large sized cities. These stores are situated in strip and power strip shopping centers, as well as in major off-price and conventional malls, and free standing buildings. The Company's superstores range in size from 13,000 to 85,000 square feet, but are predominantly between 30,000 and 50,000 square feet in major markets. The Company's four smaller stores range in size from 7,000 to 11,000 square feet. In both superstores and smaller stores, approximately 80% to 85% of store space is used for selling areas and the balance for warehouse, receiving and office space.

The table below sets forth the number of stores located in each state as of May 13, 1996:

State	Number of Stores	State	Number of Stores
Alabama	1	Massachusetts	2
Arizona	2	Michigan	3
California	11	Missouri	1
Colorado	1	New Jersey	6
Connecticut	3	New York	8
Florida	10	Ohio	3
Georgia	4	Oklahoma	1
Illinois	6	Pennsylvania	2
Indiana	2	Texas	10
Kansas	1	Virginia	4
Maryland	4	Washington	1

The Company currently leases all of its existing stores. The leases provide for original lease terms that generally range from 5 to 15 years and certain leases provide for renewal options, that range from 5 to 15 years, often at increased rents. Certain leases provide for scheduled rent increases (which, in the case of fixed increases, the Company accounts for on a straight line basis over the noncancelable lease term) and certain of the leases provide for contingent rent (based upon store sales exceeding stipulated amounts).

The earliest store lease expirations, which relate to two of the Company's smaller stores, will occur in November 1996 and March 1998.

The Company also leases storage space in four locations amounting to approximately 93,000 square feet. This space is used to supplement the warehouse facilities in the Company's stores in proximity to these locations. See Item 1 "Business--Store Operations--Warehousing."

The Company's Corporate Office is situated in 6,300 square feet of office space that is part of the Company's store in Springfield, New Jersey and an additional 26,300 square feet of rented office space in Union, New Jersey houses the Company's Administrative Offices (including finance and management information systems). The Company's Buying Office is located in 26,400 square feet of rented office space that the Company leases in Farmingdale, New York.

ITEM 3 - LEGAL PROCEEDINGS

There are no material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the Company is a party.

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders through solicitation of proxies or otherwise during the fourth quarter of the fiscal year ended February 25, 1996.

PART II

ITEM 5 - MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

The following table sets forth the high and low reported sales prices of the Company's common stock on the NASDAQ National Market System for the periods indicated. These quotations reflect inter-dealer prices, without retail markups, markdowns or commissions.

	HIGH	LOW
Fiscal 1994:		
1st Quarter	$ 16 3/8	$ 11 1/2
2nd Quarter	16 1/2	12 1/2
3rd Quarter	15 3/8	11 3/8
4th Quarter	15 3/4	12 7/8
Fiscal 1995 :		
1st Quarter	13 1/4	9
2nd Quarter	16 1/2	10 5/16
3rd Quarter	18 7/16	12 1/2
4th Quarter	22 7/16	15
Fiscal 1996:		
1st Quarter (through May 13, 1996)	29 11/16	19 11/16

The common stock is quoted through the NASDAQ National Market System under the symbol "BBBY". On May 13, 1996, there were approximately 400 holders of record of the common stock (without including individual participants in nominee security position listings). On May 13, 1996, the last reported sale price of the common stock was $28 5/8.

For the foreseeable future, the Company intends to retain all earnings for use in the operation and expansion of its business and, accordingly, the Company currently has no plans to pay dividends on its common stock. The payment of any future dividends will be determined by the Board of Directors in light of conditions then existing, including the Company's earnings, financial condition and requirements, restrictions in financing agreements, business conditions and other factors. At present, the Company's ability to pay dividends is limited under its Credit Agreement. See Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Bed Bath & Beyond Inc. was treated as an S corporation for Federal and certain state income tax purposes during the period September 1, 1986 through June 9, 1992. As a result, earnings of Bed Bath & Beyond Inc. during such period were taxed for Federal and certain state income tax purposes directly to its shareholders rather than to the Company. In the years preceding the Company's initial public offering (the "IPO"), the Company paid annual distributions to its shareholders to provide them with funds to pay income taxes on such earnings and as a return on their investment. In addition, prior to completion of the IPO, the Company declared the following distributions payable to the persons and entities that were shareholders of the Company immediately preceding the IPO (such persons and entities being Warren Eisenberg, Leonard Feinstein and certain members of their respective families and certain affiliated trusts): (i) a $28.0 million distribution, representing a portion of the previously earned and undistributed S corporation earnings of the Company through March 1, 1992, which was paid upon completion of the IPO from the net proceeds to the Company from the IPO, and (ii) a distribution in an amount equal to the taxes payable on the earnings of the Company during the period from March 2, 1992 to completion of the IPO, which distribution amounted to $1,517,000 and was paid from such earnings to such shareholders in September 1992. Subsequent to the IPO, the Company has not been treated as an S corporation and, accordingly, is subject to Federal and state income taxes.

ITEM 6 - SELECTED FINANCIAL DATA

The information required by this item is included in the registrant's Annual Report to Shareholders for the year ended February 25, 1996 on page 1 and is incorporated herein by reference.

ITEM 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information required by this item is included in the registrant's Annual Report to Shareholders for the year ended February 25, 1996 on pages 9 through 11 and is incorporated herein by reference.

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements required by this item are included in the registrant's Annual Report to Shareholders for the year ended February 25, 1996 on pages 12 through 20 and is incorporated herein by reference. These financial statements are indexed under Item 14(a)(1). See also the financial statement schedules that are included herein and are indexed under Item 14(a)(2).

ITEM 9 - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

PART III

The information required by this Part III (Items 10, 11, 12 and 13) is incorporated herein by reference from the Registrant's definitive Proxy Statement for the Annual Meeting of Shareholders to be held June 27, 1996 filed with the Commission pursuant to Regulation 14A. The Compensation Report of the Board of Directors, the Compensation Report of a Special Committee of the Board of Directors and the performance graph included in such Proxy Statement shall not be deemed incorporated herein by reference.

PART IV

ITEM 14 - EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(A) (1) FINANCIAL STATEMENTS

The following financial statements and reports are incorporated by reference to pages 12 through 20 of the Company's Annual Report to Shareholders for the fiscal year ended February 25, 1996:

Consolidated Balance Sheets as of February 25, 1996 and February 26, 1995

Consolidated Statements of Earnings for the fiscal years ended February 25, 1996, February 26, 1995 and February 27, 1994

Consolidated Statements of Changes in Shareholders' Equity for the fiscal years ended February 25, 1996, February 26, 1995 and February 27, 1994

Consolidated Statements of Cash Flows for the fiscal years ended February 25, 1996, February 26, 1995 and February 27, 1994

Notes to Consolidated Financial Statements

Independent Auditors' Report

(A) (2) SCHEDULES

The following schedules are included in this Report:

II - Amounts Receivable from Related Parties, Underwriters, Promoters and Employees other than Related Parties

V - Property and Equipment

VI - Accumulated Depreciation of Property and Equipment

X - Supplementary Income Statement

(A) (3) EXHIBITS

The exhibits to this Report are listed in the Exhibit Index included elsewhere herein.

(B) No reports on Form 8-K were filed by the Company during the fourth quarter of the fiscal year covered by this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BED BATH & BEYOND INC.

BY: /s/ Warren Eisenberg

WARREN EISENBERG
CHAIRMAN, CO-CHIEF EXECUTIVE
OFFICER AND DIRECTOR

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE	CAPACITY	DATE
/s/ Warren Eisenberg WARREN EISENBERG	Chairman, Co-Chief Executive Officer and Director (principal executive officer)	May 23, 1996
/s/ Leonard Feinstein LEONARD FEINSTEIN	President, Co-Chief Executive Officer and Director	May 23, 1996
/s/ Klaus Eppler KLAUS EPPLER	Director	May 23, 1996
/s/ Robert S. Kaplan ROBERT S. KAPLAN	Director	May 23, 1996
/s/ Robert J. Swartz ROBERT J. SWARTZ	Director	May 23, 1996
/s/ Ronald Curwin RONALD CURWIN	Chief Financial Officer and Treasurer (principal financial and accounting officer)	May 23, 1996

ANNUAL REPORT ON FORM 10-K

ITEM 14 (d)

FINANCIAL STATEMENT SCHEDULES

BED BATH & BEYOND INC.

FISCAL YEAR ENDED FEBRUARY 25, 1996

INDEPENDENT AUDITORS' REPORT ON SCHEDULES

The Board of Directors and Shareholders
Bed Bath & Beyond Inc.:

Under date of March 22, 1996, we reported on the consolidated balance sheets of Bed Bath & Beyond Inc. and subsidiaries as of February 25, 1996 and February 26, 1995, and the related consolidated statements of earnings, changes in shareholders' equity and cash flows for each of the fiscal years in the three-year period ended February 25, 1996, as contained in the 1995 Annual Report to Shareholders. These consolidated financial statements and our report thereon are incorporated by reference in the Annual Report on Form 10-K for the fiscal year ended February 25, 1996. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related financial statement schedules as listed in answer to Part IV, Item 14 (a)(2) of Form 10-K. These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement schedules based on our audits.

In our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

/S/ KPMG PEAT MARWICK LLP

New York, New York
March 22, 1996

Schedule II

BED BATH & BEYOND INC. AND SUBSIDIARIES

AMOUNTS RECEIVABLE FROM RELATED PARTIES, UNDERWRITERS, PROMOTERS AND EMPLOYEES OTHER THAN RELATED PARTIES

NAME OF DEBTOR	BALANCE AT BEGINNING OF PERIOD	ADDITIONS	DEDUCTIONS	BALANCE AT END OF PERIOD
Fiscal year ended February 25, 1996				
Loan Receivable	$ 0	$ 0	$ 0	$ 0
Fiscal year ended February 26, 1995				
Loan Receivable	$ 0	$ 0	$ 0	$ 0
Fiscal year ended February 27, 1994				
Loan Receivable				
Warren Eisenberg (1)	$ -	$ 30,766	$ 30,766	$ -
Leonard Feinstein (1)	-	30,766	30,766	-
Jonathan Rothstein (2)	33,200	-	33,200	-
Total	$ 33,200	$ 61,532	$ 94,732	$ 0

(1) Expenses incurred in connection with the Company's initial public offering and secondary offering that were allocated to the Chairman and President.

(2) The loan imputed interest based on the prime rate and was payable in equal monthly installments commencing in February 1992 and subsequently paid in full in January 1994.

Schedule V

BED BATH & BEYOND INC. AND SUBSIDIARIES

PROPERTY AND EQUIPMENT
(in thousands)

	BALANCE AT BEGINNING OF PERIOD	ADDITIONS AT COST	RETIREMENTS OR SALES	OTHER	BALANCE AT END OF PERIOD
Fiscal year ended February 25, 1996					
Furniture, fixtures and equipment	$33,505	$14,502	$512	$ --	$47,495
Leasehold improvements	33,729	9,876	98	--	43,507
Leasehold purchases	4,181	150	--	--	4,331
	$71,415	$24,528	$610	$ 0	$95,333
Fiscal year ended February 26, 1995					
Furniture, fixtures and equipment	$20,266	$13,244	$ 5	$ --	$33,505
Leasehold improvements	22,528	11,279	78	--	33,729
Leasehold purchases	4,181	--	--	--	4,181
	$46,975	$24,523	$ 83	$ 0	$71,415
Fiscal year ended February 27, 1994					
Furniture, fixtures and equipment	$12,736	$ 7,530	$--	$ --	$20,266
Leasehold improvements	11,415	11,980	867	--	22,528
Leasehold purchases	3,948	233	--	--	4,181
	$28,099	$19,743	$867	$ 0	$46,975

Schedule VI

BED BATH & BEYOND INC. AND SUBSIDIARIES

ACCUMULATED DEPRECIATION OF PROPERTY AND EQUIPMENT
(in thousands)

	BALANCE AT BEGINNING OF PERIOD	ADDITIONS AT COST	RETIREMENTS OR SALES	OTHER	BALANCE AT END OF PERIOD
Fiscal year ended February 25, 1996					
Furniture, fixtures and equipment	$10,511	$5,482	$368	$ --	$15,625
Leasehold improvements	6,927	3,968	50	--	10,845
Leasehold purchases	1,776	452	--	--	2,228
	$19,214	$9,902	$418	$ 0	$28,698
Fiscal year ended February 26, 1995					
Furniture, fixtures and equipment	$ 6,895	$3,617	$ 1	$ --	$10,511
Leasehold improvements	3,826	3,154	53	--	6,927
Leasehold purchases	1,354	422	--	--	1,776
	$12,075	$7,193	$ 54	$ 0	$19,214
Fiscal year ended February 27, 1994					
Furniture, fixtures and equipment	$ 4,789	$2,106	$--	$ --	$ 6,895
Leasehold improvements	2,725	1,680	579	--	3,826
Leasehold purchases	940	414	--	--	1,354
	$ 8,454	$4,200	$579	$ 0	$12,075

Schedule X

BED BATH & BEYOND INC. AND SUBSIDIARIES

SUPPLEMENTARY INCOME STATEMENT INFORMATION
(in thousands)

ITEM	52 WEEKS ENDED FEBRUARY 25, 1996	52 WEEKS ENDED FEBRUARY 26 ,1995	52 WEEKS ENDED FEBRUARY 27, 1994
Advertising Costs	$ 9,284	$ 6,734	$ 4,752

ANNUAL REPORT ON FORM 10-K

ITEM 14 (a)(3)

EXHIBITS

BED BATH & BEYOND INC.

FISCAL YEAR ENDED FEBRUARY 25, 1996

EXHIBIT INDEX

Unless otherwise indicated, exhibits are incorporated by reference to the correspondingly numbered exhibits to the Company's Registration Statement on Form S-1 (Commission File No. 33-47250)

EXHIBIT NO.	EXHIBIT	PAGE
3.1	Restated Certificate of Incorporation	--
3.2	Amended and Restated By-laws	--
10.1	Credit Agreement among the Company, bed 'n bath Stores, Inc., BBBL, Inc., BBBY Management Corporation, Chemical Bank New Jersey, N.A., Chemical Bank and Chemical Bank New Jersey, N.A. as Agent (incorporated by reference to Exhibit 28 to the Company's Form 8-K dated November 14, 1994)	--
10.2*	Employment Agreement between the Company and Warren Eisenberg, as amended (incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-1 Commission File No. 33-47250 and Exhibit 99.1 to the Company's Registration Statement on Form S-3 Commission File No. 33-66860)	--
10.3*	Employment Agreement between the Company and Leonard Feinstein, as amended (incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-1 Commission File No. 33-47250 and Exhibit 99.2 to the Company's Registration Statement on Form S-3 Commission File No. 33-66860)	--
10.4*	Company's 1992 Stock Option Plan, as amended (incorporated by reference to Exhibit 28 to the Company's Form S-8 dated October 14, 1994)	--
10.5	Franchise Agreement among Linens, Etc., Inc. and Stuart Fredericks Corporation dated November 1, 1977 (incorporated by reference to Exhibit 10.6 to the Company's Registration Statement on Form S-1 Commission File No. 33-47250)	--
10.6	Franchise Agreement among Linens, Etc., Inc. and Stuart Fredericks Corporation dated March 1, 1982 (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on Form S-1 Commission File No. 33-47250)	--
10.7	Franchise Modification Agreement among Linens Etc., Inc., Stuart Fredericks Corporation, the Company, Stuart Goldblatt and Warren Eisenberg dated as of May 30, 1992 (incorporated by reference to Exhibit 10.8 to the Company's Registration Statement on Form S-1 Commission File No. 33-47250)	--
10.8	Form of U.S. Underwriting Agreement dated June 4, 1992 between the Company and Goldman, Sachs & Co. and Shearson Lehman Brothers Inc. as representatives (incorporated by reference to Exhibit 1.1 to the Company's Registration Statement on Form S-1 Commission File No. 33-47250)	--

10.9	Form of International Underwriting Agreement dated June 4, 1992 between the Company and Goldman Sachs International Limited and Lehman Brothers International Limited, as representatives (incorporated by reference to Exhibit 1.2 to the Company's Registration Statement on Form S-1 Commission File No. 33-47250)	--
10.10*	Agreement Concerning "Split Dollar" Life Insurance Plan, dated May 9, 1994, among the Company, Jay D.Waxenberg, as trustee of the Warren Eisenberg Life Insurance Trust, Warren Eisenberg and Maxine Eisenberg (incorporated by reference to Exhibit 10.12 to the Company's Form 10-K for the year ended February 27, 1994)	--
10.11*	Agreement Concerning "Split Dollar" Life Insurance Plan, dated May 9, 1994, among the Company, Jay D.Waxenberg, as trustee of the Leonard Joseph Feinstein Life Insurance Trust, Leonard Joseph Feinstein and Susan Feinstein (incorporated by reference to Exhibit 10.13 to the Company's Form 10-K for the year ended February 27, 1994)	--
10.12**	Agreement Concerning "Split Dollar" Life Insurance Plan, dated June 16, 1995, among the Company, Jay D.Waxenberg, as trustee of the Warren Eisenberg Life Insurance Trust, Warren Eisenberg and Maxine Eisenberg	
10.13**	Agreement Concerning "Split Dollar" Life Insurance Plan, dated June 16, 1995, among the Company, Jay D.Waxenberg, as trustee of the Leonard Joseph Feinstein Life Insurance Trust, Leonard Joseph Feinstein and Susan Feinstein	
10.14**	First Amendment to the Credit Agreement among the Company, bed 'n bath Stores, Inc., BBBL, Inc., BBBY Management Corporation, Chemical Bank New Jersey, N.A., Chemical Bank and Chemical Bank New Jersey, N.A. as Agent, dated October 1, 1995	
11**	Computation of per share earnings	
13**	Company's 1995 Annual Report, certain portions of which have been incorporated by reference herein	
21**	Subsidiaries of the Company Commission File No. 33-1	
23**	Independent Auditors' Consent	
27	Financial Data Schedule (Filed electronically with SEC only.)	

* This is a management contract or compensatory plan or arrangement.

** Filed herewith.

Exhibit 10.12

AGREEMENT CONCERNING "SPLIT-DOLLAR" LIFE INSURANCE PLAN

AGREEMENT made this 16th day of June, 1995, between BED BATH & BEYOND, INC. (the "Employer"), JAY D. WAXENBERG, as Trustee (the "Trustee") of the WARREN EISENBERG LIFE INSURANCE TRUST, dated May 18, 1993 (the "Trust"), WARREN EISENBERG and MAXINE EISENBERG.

WHEREAS:

1. The Trust owns two policies of insurance on the joint lives of WARREN EISENBERG and his wife, MAXINE EISENBERG (the "Insureds").

2. The policies of insurance owned by the Trust and referred to in this Agreement were issued by the NEW YORK LIFE INSURANCE COMPANY as Policy No. 44942683 and by the GUARDIAN LIFE INSURANCE COMPANY OF AMERICA as Policy No. 3738112, respectively. In this Agreement, each insurance company is referred to as the "Insurer", both insurance companies are collectively referred to as the "Insurers", each policy is referred to as the "Policy" and both policies are collectively referred to as the "Policies".

3. WARREN EISENBERG is employed by the Employer.

4. The Employer has agreed to establish a split-dollar life insurance plan (the "Plan") to assist the Trust in paying premiums due on the Policies.

5. The Trust has agreed to assign to the Employer certain specific rights in and to the Policies in consideration of payment by the Employer of premiums due on the Policies.

NOW, THEREFORE, the Employer, the Trust and the Insureds agree that:

1. Payment of Premiums: On or before the date or dates on which each premium becomes due (a) the Trust will pay to each Insurer a portion of the premium for the Policy issued by it equal to the current term rate (defined below) for the portion of the insurance proceeds the Trust would receive on the death of the last surviving Insured during the year in which such premium is due and (b) the Employer will pay to each Insurer the balance of the premium for the Policy issued by it.

The "current term rate" with respect to each Policy is (a) while the Insureds are both living, an amount equal to the lesser of the issuing Insurer's rate for a joint/survivorship one year term life insurance policy available to all standard risks or the rate determined under the principles of Revenue Rulings 64- 328 and 66-110 (commonly known as the "U.S. 38 rates") and (b) while only one of the Insureds is living, an amount equal to the lesser of the issuing Insurer's rate for a single life one year term life insurance policy available to all standard risks or the rate determined under the principles of Revenue Rulings 64- 328 and 66-110 (commonly known as the "P.S. 58 rates").

2. Dividends: Dividends declared by each Insurer will be used to purchase additional paid-up insurance on the lives of the Insureds and not to reduce any premium due on the Policy issued by it.

3. Policy Ownership and Collateral Assignment: The Trust will continue to own each Policy and shall assign to the Employer, subject to the terms and conditions of each Policy and to any superior liens that each Insurer may have against the Policy issued by it, the following specific rights in and to each Policy:

(a) The right to obtain, upon surrender of said Policy by the Trust, an amount from the surrender proceeds equal to but not exceeding the amount of the Employer's interest in the Policy (as defined in Paragraph 4 below). If the amount of the Employer's interest in the policy exceeds the surrender proceeds, any shortfall shall be paid to the Employer by the Insureds.

(b) The right to collect, upon a claim by the Trust under said Policy by reason of the death of the Insureds, an amount from the proceeds equal to but not exceeding the amount of the Employer's interest in the Policy (as defined in Paragraph 4 below).

(c) The exclusive right to obtain loans secured by said Policy; provided, however, that the aggregate amount of such loans, together with interest, shall at no time exceed the aggregate amount of premiums paid by the Employer with respect to said Policy, and all interest charges with respect to such loans shall be paid by the Employer.

As owner of each Policy, the Trust will possess and exercise exclusively all remaining rights in and to each Policy not otherwise assigned to the Employer by reason of this Agreement, including, without limitation, the right to assign each Policy to a third party, the right to designate the beneficiary or beneficiaries of any death benefit of each Policy in excess of the Employer's interest in the Policy and the right to surrender each Policy.

The Employer agrees that it will not exercise its rights in and to the Policies in any way that may conflict with the exercise by the Trust of its rights in and to the Policies or that may delay or otherwise interfere with receipt by its designated beneficiary or beneficiaries of any death benefit under each Policy in excess of the Employer's interest in the Policy. The Employer agrees that it will not assign its rights in and to the Policies to any person or entity other than the Trust without the prior consent of the Trustee.

The Trust agrees to notify the Employer of any assignment of its rights in and to each Policy, in whole or in part.

4. Employer's interest in the Policy: With respect to each Policy, the amount of the Employer's interest in the Policy, wherever referred to in this Agreement, is an amount equal to (1) the difference between (i) the aggregate amount of premiums paid by the Employer with respect to said Policy and (ii) the aggregate amount, if any, paid by or on behalf of the Trust to the Employer in reimbursement of premiums paid by the Employer with respect to said Policy, less (2) the amount of any loans from the Insurer to the Employer against the cash value of said Policy, plus any interest thereon.

5. Termination of Agreement: This Agreement will terminate with respect to each Policy upon whichever of the following is the first to occur:

(a) Surrender of the Policy by the Trust.

(b) Payment by or on behalf of the Trust to the Employer of an amount equal to the amount of the Employer's interest in the Policy.

(c) The death of the last survivor of the Insureds.

Upon termination of this Agreement and receipt by the Employer of the amount of the Employer's interest in the Policy, the Employer agrees to execute such documents as may be reasonably required by the Trust to release the Employer's rights in and to said Policy.

6. Amendment and Effect: This Agreement contains the entire understanding between the Trust, the Employer and the Insureds concerning the matters addressed herein. This

Agreement, or any of its provisions, may not be amended, supplemented, modified or waived unless by a writing signed by the party to be bound thereby. If any provision of this Agreement is determined to be void, invalid or unenforceable, the remaining provisions will not be affected, but will continue effect as though such void, invalid or unenforceable provision were not originally a part of this Agreement. This Agreement will benefit and bind the heirs, executors, administrators, personal representatives, successors and assigns of each of the parties hereto. Notwithstanding the foregoing, the Trustee is entering into this Agreement solely in his capacity as Trustee and not individually.

7. Special Provisions: The following provisions are part of this agreement and are intended to meet the requirements of the Employee Retirement Income Security Act of 1974:

(a) The named fiduciary: The Employer.

(b) The funding policy under this Plan is that all premiums on the Policies shall be remitted to the Insurer when due.

(c) Direct payment by the Insurers is the basis of payment of benefits under this Plan, with those benefits in turn being based on the payment of premiums as provided in the Plan.

(d) For claims procedure purposes, the "Claims Manager" shall be the Secretary of the Employer.

(1) If for any reason a claim for benefits under this plan is denied by the Employer, the Claims Manager shall deliver to the claimant a written explanation setting forth the specific reasons for the denial, pertinent references to the Plan section on which the denial is based, such other data as may be pertinent and information on the procedures to be followed by the claimant in obtaining a review of the claim, all written in a manner calculated to be understood by the claimant. For this purpose:

(A) The claimant's claim shall be deemed filed when presented orally or in writing to the Claims Manager.

(B) The Claims Manager's explanation shall be in writing delivered to the claimant within 90 days of the date the claim is filed.

(2) The claimant shall have 60 days following receipt of the denial of the claim to file with the Claims Manager a written request for review of the denial. For such review, the claimant or the claimant's representative may submit pertinent documents and written issues and comments.

(3) The Claims Manager shall decide the issue on review and furnish the claimant with a copy within 60 days of receipt of the claimant's request for review of the claim. The decision on review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, as well as specific references to the pertinent Plan provisions on which the decision is based. If a copy of the decision is not so furnished to the claimant within such 60 days, the claim shall be deemed denied on review.

8. Governing Law: This Agreement will be governed by and its validity, effect and interpretation determined by the laws of the State of New Jersey applicable to contracts made and to be performed wholly in that state.

9. Further Assurances: Each party, upon the other's request and without cost to the other, agrees to take any action, and to sign, acknowledge and deliver to the other party any additional document, necessary or expedient to effectuate the purposes of this Agreement.

10. Counterparts: This Agreement may be executed in counterparts, each of which will be an original, which together will constitute one Agreement.

IN WITNESS WHEREOF, the parties have signed this

Agreement as of the day and year first written above.

ATTEST:	BED BATH & BEYOND, INC.
/s/ Ronald Curwin	By: /s/ Leonard Feinstein
WITNESS:	WARREN EISENBERG LIFE INSURANCE TRUST, UNDER AGREEMENT DATED MAY 18, 1993
/s/ Kenna Hudson	By:/s/ Jay D. Waxenberg JAY D. WAXENBERG, as Trustee and not individually
/s/Arlene Wagner	/s/ Warren Eisenberg WARREN EISENBERG
/s/Arlene Wagner	/s/Maxine Eisenberg MAXINE EISENBERG

Exhibit 10.13

AGREEMENT CONCERNING "SPLIT-DOLLAR" LIFE INSURANCE PLAN

AGREEMENT made this 16th day of June, 1995, between BED BATH & BEYOND, INC. (the "Employer"), JAY D. WAXENBERG, as Trustee (the "Trustee") of the LEONARD JOSEPH FEINSTEIN LIFE INSURANCE TRUST, dated May 18, 1993 (the "Trust"), LEONARD JOSEPH FEINSTEIN and SUSAN FEINSTEIN.

WHEREAS:

1. The Trust owns two policies of insurance on the joint lives of LEONARD JOSEPH FEINSTEIN and his wife, SUSAN FEINSTEIN (the "Insureds").

2. The policies of insurance owned by the Trust and referred to in this Agreement were issued by the NEW YORK LIFE INSURANCE COMPANY as Policy No. 44902629 and by the GUARDIAN LIFE INSURANCE COMPANY OF AMERICA as Policy No. 3731898, respectively. In this Agreement, each insurance company is referred to as the "Insurer", both insurance companies are collectively referred to as the "Insurers", each policy is referred to as the "Policy" and both policies are collectively referred to as the "Policies".

3. LEONARD JOSEPH FEINSTEIN is employed by the Employer.

4. The Employer has agreed to establish a split-dollar life insurance plan (the "Plan") to assist the Trust in paying premiums due on the Policies.

5. The Trust has agreed to assign to the Employer certain specific rights in and to the Policies in consideration of payment by the Employer of premiums due on the Policies.

NOW, THEREFORE, the Employer, the Trust and the Insureds agree that:

1. Payment of Premiums: On or before the date or dates on which each premium becomes due (a) the Trust will pay to each Insurer a portion of the premium for the Policy issued by it equal to the current term rate (defined below) for the portion of the insurance proceeds the Trust would receive on the death of the last surviving Insured during the year in which such premium is due and (b) the Employer will pay to each

Insurer the balance of the premium for the Policy issued by it. The "current term rate" with respect to each Policy is (a) while the Insureds are both living, an amount equal to the lesser of the issuing Insurer's rate for a joint/survivorship one year term life insurance policy available to all standard risks or the rate determined under the principles of Revenue Rulings 64-328 and 66-110 (commonly known as the "U.S. 38 rates") and (b) while only one of the Insureds is living, an amount equal to the lesser of the issuing Insurer's rate for a single life one year term life insurance policy available to all standard risks or the rate determined under the principles of Revenue Rulings 64-328 and 66-110 (commonly known as the "P.S. 58 rates").

2. Dividends: Dividends declared by each Insurer will be used to purchase additional paid-up insurance on the lives of the Insureds and not to reduce any premium due on the Policy issued by it.

3. Policy Ownership and Collateral Assignment: The Trust will continue to own each Policy and shall assign to the Employer, subject to the terms and conditions of each Policy and to any superior liens that each Insurer may have against the Policy issued by it, the following specific rights in and to each Policy:

(a) The right to obtain, upon surrender of said Policy by the Trust, an amount from the surrender proceeds equal to but not exceeding the amount of the Employer's interest in the Policy (as defined in Paragraph 4 below). If the amount of the Employer's interest in the policy exceeds the surrender proceeds, any shortfall shall be paid to the Employer by the Insureds.

(b) The right to collect, upon a claim by the Trust under said Policy by reason of the death of the Insureds, an amount from the proceeds equal to but not exceeding the amount of the Employer's interest in the Policy (as defined in Paragraph 4 below).

(c) The exclusive right to obtain loans secured by said Policy; provided, however, that the aggregate amount of such loans, together with interest, shall at no time exceed the aggregate amount of premiums paid by the Employer with respect to said Policy, and all interest charges with respect to such loans shall be paid by the Employer.

As owner of each Policy, the Trust will possess and exercise exclusively all remaining rights in and to each Policy not otherwise assigned to the Employer by reason of this Agreement, including, without limitation, the right to assign each Policy to a third party, the right to designate the beneficiary or beneficiaries of any death benefit of each Policy in excess of the Employer's interest in the Policy and the right to surrender each Policy.

The Employer agrees that it will not exercise its rights in and to the Policies in any way that may conflict with the exercise by the Trust of its rights in and to the Policies or that may delay or otherwise interfere with receipt by its designated beneficiary or beneficiaries of any death benefit under each Policy in excess of the Employer's interest in the Policy. The Employer agrees that it will not assign its rights in and to the Policies to any person or entity other than the Trust without the prior consent of the Trustee.

The Trust agrees to notify the Employer of any assignment of its rights in and to each Policy, in whole or in part.

4. Employer's interest in the Policy: With respect to each Policy, the amount of the Employer's interest in the Policy, wherever referred to in this Agreement, is an amount equal to (1) the difference between (i) the aggregate amount of premiums paid by the Employer with respect to said Policy and (ii) the aggregate amount, if any, paid by or on behalf of the Trust to the Employer in reimbursement of premiums paid by the Employer with respect to said Policy, less (2) the amount of any loans from the Insurer to the Employer against the cash value of said Policy, plus any interest thereon.

5. Termination of Agreement: This Agreement will terminate with respect to each Policy upon whichever of the following is the first to occur:

(a) Surrender of the Policy by the Trust.

(b) Payment by or on behalf of the Trust to the Employer of an amount equal to the amount of the Employer's interest in the Policy.

(c) The death of the last survivor of the Insureds.

Upon termination of this Agreement and receipt by the Employer of the amount of the Employer's interest in the Policy, the Employer agrees to execute such documents as may be reasonably required by the Trust to release the Employer's rights in and to said Policy.

6. Amendment and Effect: This Agreement contains the entire understanding between the Trust, the Employer and the

Insureds concerning the matters addressed herein. This Agreement, or any of its provisions, may not be amended, supplemented, modified or waived unless by a writing signed by the party to be bound thereby. If any provision of this Agreement is determined to be void, invalid or unenforceable, the remaining provisions will not be affected, but will continue effect as though such void, invalid or unenforceable provision were not originally a part of this Agreement. This Agreement will benefit and bind the heirs, executors, administrators, personal representatives, successors and assigns of each of the parties hereto. Notwithstanding the foregoing, the Trustee is entering into this Agreement solely in his capacity as Trustee and not individually.

7. Special Provisions: The following provisions are part of this agreement and are intended to meet the requirements of the Employee Retirement Income Security Act of 1974:

(a) The named fiduciary: The Employer.

(b) The funding policy under this Plan is that all premiums on the Policies shall be remitted to the Insurer when due.

(c) Direct payment by the Insurers is the basis of payment of benefits under this Plan, with those benefits in turn being based on the payment of premiums as provided in the Plan.

(d) For claims procedure purposes, the "Claims Manager" shall be the Secretary of the Employer.

(1) If for any reason a claim for benefits under this plan is denied by the Employer, the Claims Manager shall deliver to the claimant a written explanation setting forth the specific reasons for the denial, pertinent references to the Plan section on which the denial is based, such other data as may be pertinent and information on the procedures to be followed by the claimant in obtaining a review of the claim, all written in a manner calculated to be understood by the claimant. For this purpose:

(A) The claimant's claim shall be deemed filed when presented orally or in writing to the Claims Manager.

(B) The Claims Manager's explanation shall be in writing delivered to the claimant within 90 days of the date the claim is filed.

(2) The claimant shall have 60 days following receipt of the denial of the claim to file with the Claims Manager a written request for review of the denial. For such review, the claimant or the claimant's representative may submit pertinent documents and written issues and comments.

(3) The Claims Manager shall decide the issue on review and furnish the claimant with a copy within 60 days of receipt of the claimant's request for review of the claim. The decision on review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, as well as specific references to the pertinent Plan provisions on which the decision is based. If a copy of the decision is not so furnished to the claimant within such 60 days, the claim shall be deemed denied on review.

8. Governing Law: This Agreement will be governed by and its validity, effect and interpretation determined by the laws of the State of New Jersey applicable to contracts made and to be performed wholly in that state.

9. Further Assurances: Each party, upon the other's request and without cost to the other, agrees to take any action, and to sign, acknowledge and deliver to the other party any additional document, necessary or expedient to effectuate the purposes of this Agreement.

10. Counterparts: This Agreement may be executed in counterparts, each of which will be an original, which together will constitute one Agreement.

IN WITNESS WHEREOF, the parties have signed this

Agreement as of the day and year first written above.

ATTEST:	BED BATH & BEYOND, INC.
/s/Leonard Feinstein	By: /s/Warren Eisenberg
WITNESS:	LEONARD JOSEPH FEINSTEIN LIFE INSURANCE TRUST, UNDER AGREEMENT DATED MAY 18, 1993
/s/ Kenna Hudson	By: /s/ Jay D. Waxenberg JAY D. WAXENBERG, as Trustee and not individually
/s/ Debra Aisenberg	/s/Leonard Joseph Feinstein LEONARD JOSEPH FEINSTEIN
/s/ Debra Aisenberg	/s/Susan Feinstein SUSAN FEINSTEIN

EXHIBIT 10.14

FIRST AMENDMENT (the "Amendment"), dated as of October 1, 1995, of a certain Credit Agreement dated as of October 26, 1994 (the "Agreement") among BED BATH & BEYOND, INC. (the "Company"), BED-N-BATH STORES, INC. ("BNBS"), BBBL, INC. ("BBBL") AND BBBY MANAGEMENT CORPORATION ("BBBY"; BNBS, BBBL AND BBBY being together the "Guarantors" and individually each a "Guarantor", and the Guarantors together with the Company being the "Credit Parties") and CHEMICAL BANK NEW JERSEY, NATIONAL ASSOCIATION ("Chemical NJ") and CHEMICAL BANK ("Chemical NY"; Chemical NJ and Chemical NY are together referred to as the "Banks" and individually as a "Bank") and Chemical NJ, as agent for the Banks (in such capacity, the "Agent").

W I T N E S S E T H :

WHEREAS, the Credit Parties, the Banks and the Agent are parties to the Agreement; and

WHEREAS, Chemical NJ has assigned all of its right, title and interest in, to and under the Agreement, and all of its obligations and liabilities thereunder, as a Bank to Chemical NY and Chemical NY has accepted such assignment and has assumed all of the obligations and liabilities of Chemical NJ as a Bank thereunder; and

WHEREAS, the Agent has assigned all of its responsibilities as Agent under the Agreement to Chemical NY and Chemical NY has accepted such assignment; and

WHEREAS, the Credit Parties have requested certain modifications to the Agreement, and Chemical NY is agreeable to such request;

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, the parties hereto hereby agree as follows:

1. Definitions. Except as otherwise stated, capitalized terms defined in the Agreement and used herein without definition shall have the respective meanings assigned to them in the Agreement.

2. Amendments of the Agreement.

(a) All references in the Agreement to Chemical NJ, Chemical NY, the Banks, any Bank and the Agent shall be deemed to mean and include Chemical NY and any and all terms in the agreement which include the term "Chemical NJ" shall be deemed to include the term "Chemical NY".

(b) All references in the Agreement to the "Revolving Credit Note(s)" shall be deemed to mean the "Amended and Restated Revolving Credit Note dated as of October 1, 1995."

(c) Subsection 1.1 of the Agreement is hereby amended by (i) deleting the definitions of "Term Loan" and "Term Note" in their entirety and (ii) deleting the definitions of "Applicable Margin", "Chemical NJ Rate", "Chemical NJ Rate Loans" and "Interest Period" and substituting the following:

"`Applicable Margin': for each Type of Loan, the rate per annum set forth opposite Revolving Credit Loans or Term-out Loans under the relevant column heading below:

	Chemical NY Rate Loans	Eurodollar Loans	COF Rate Loans
Revolving Credit Loans	(1)%	0.40 %	0.40 %
Term-out Loans	-0-	0.875%	0.875%

"`Chemical NY Rate': the rate of interest publicly announced by Chemical NY from time to time in New York, New York as its prime rate."

"`Chemical NY Rate Loans': Loans, the rate of interest applicable to which, is based upon the Chemical NY rate."

"`Interest Period':

(a) with respect to any Eurodollar Loan:

(i) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending between one and twelve months thereafter, as selected by the Company in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and

(ii) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending between one and twelve months thereafter, as selected by the Company by irrevocable notice to the Agent not less than three Working Days prior to the last day of the then current Interest Period with respect thereto;

(b) with respect to any COF Rate Loan, the date agreed to between the Company and the Bank;

provided that, the foregoing provisions relating to Interest Periods are subject to the following:

(1) if any Interest Period pertaining to a Eurodollar Loan would otherwise end on a day that is not a Working Day, such Interest Period shall be extended to the next succeeding Working Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Working Day;

(2) any Interest Period that would otherwise extend beyond the Termination Date or beyond the date final payment is due on the Term-out Loans shall end on the Termination Date or such date of final payment, as the case may be;

(3) any Interest Period pertaining to a Eurodollar Loan that begins on the last Working Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Working Day of a calendar month; and

(4) the Company shall select Interest Periods so as not to require a payment or repayment of any Eurodollar Loan or COF Rate Loan during an Interest Period for such Loan."

(d) Subsection 2.1 of the Agreement is hereby amended by deleting paragraph (b) and substituting the following:

"(b) The Revolving Credit Loans may from time to time be (i) Eurodollar Loans, (ii) Chemical NY Rate Loans, (iii) COF Rate Loans or (iv) a combination thereof, as determined by the Company and notified to Chemical NY in accordance with subsections 2.3 and 2.10, provided that no Revolving Credit Loan shall be made as a Eurodollar Loan after the day that is one month prior to the Termination Date."

(e) Subsection 2.2 of the Agreement is hereby amended by deleting the entire subsection and substituting the following:

"2.2 Revolving Credit Notes. The Revolving Credit Loans shall be evidenced by the promissory note of the Company, substantially in the form of Exhibit A-1 with appropriate insertions as to date and maximum principal amount (the `Revolving Credit Note'), payable to the order of Chemical NY and, in a principal amount equal to the amount of the Revolving Credit Commitment or, if less, the aggregate unpaid principal amount of all Revolving Credit Loans outstanding. Chemical NY is hereby authorized to record the date, Type and amount of each

Revolving Credit Loan, each continuation thereof, each conversion of all or a portion thereof to another Type, the date and amount of each payment or repayment of principal thereof and, in the case of Eurodollar Loans and COF Rate Loans, the length of each Interest Period with respect thereto, on the schedule annexed to and constituting a part of the Revolving Credit Note, and any such recordation shall constitute prima facie evidence of the accuracy of the information so recorded absent manifest error. The Revolving Credit Note shall (x) be dated as of October 1, 1995, (y) be stated to mature on the Termination Date and (z) provide for the payment of interest in accordance with subsection 5.1."

(f) Subsection 2.3 of the Agreement is hereby amended by deleting the entire subsection and substituting the following:

"2.3 Procedure for Revolving Credit Borrowing. The Company may borrow under the Revolving Credit Commitment during the Revolving Credit Commitment Period on any Working Day, if all or any part of the requested Revolving Credit Loans are to be initially Eurodollar Loans, or on any Business Day, otherwise, provided that the Company shall give Chemical NY irrevocable notice (which notice must be received by the Agent prior to 11:00 A.M., New York City time, (a) two Working Days prior to the requested Borrowing Date, if all or any part of the requested Revolving Credit Loans are to be initially Eurodollar Loans, or (b) on the Borrowing Date, otherwise) specifying (i) the amount to be borrowed, (ii) the requested Borrowing Date, (iii) whether the borrowing is to be of Eurodollar Loans, Chemical NY Rate Loans, COF Rate Loans or a combination thereof and (iv) if the borrowing is to be entirely or partly of Eurodollar Loans or COF Rate Loans, the amount thereof and the length of the initial Interest Period therefor. Each borrowing under the Revolving Credit Commitments shall be in an amount equal to (w) in the case of Chemical NY Rate Loans, $50,000 or a whole multiple thereof (or, if the then aggregate Available Revolving Credit Commitment is less than $50,000, such lesser amount), (x) in the case of Eurodollar Loans, $500,000 or a whole multiple of $100,000 in excess thereof, (y) in the case of COF Rate Loans maturing one (1) Business Day after the Borrowing Date thereof, $2,000,000 and (3) in the case of COF Rate Loan maturing more than one (1) Business Day after the Borrowing Date thereof, $50,000. Upon receipt of any such notice from the Company, Chemical NY will make the amount (except as provided in subsection 2.12) of each borrowing available to the Company by crediting the account of the Borrower on the books of Chemical NY at its office set forth in subsection 14.2 hereof."

(g) Subsection 2.4 of the Agreement is hereby amended by deleting the entire subsection and substituting the following:

"2.4 Commitment Fee. The Company agrees to pay to Chemical NY a commitment fee for the period from and including the date on which the First Amendment to the Agreement becomes effective to the Termination Date, computed at the rate of 1/8 of 1% per annum on the first $15,000,000 and .08 of 1% on all amounts in excess thereof of the average daily amount of the Available Revolving Credit Commitment except for the L/C Commitment during the period for which payment is made, payable quarterly in arrears on the last day of each March, June, September and December and on the Termination Date or such earlier date as the Revolving Credit Commitment shall terminate as provided herein, commencing on the first of such dates to occur after the date on which the First Amendment to the Agreement becomes effective."

(h) Subsection 2.10 of the Agreement is hereby amended by deleting paragraphs (a) and (c) and substituting the following:

"(a) In the case of Revolving Loans, the Company may elect from time to time to convert Eurodollar Loans to Chemical NY Rate Loans or COF Rate Loans by giving Chemical NY at least two Business Days' prior irrevocable notice of such election, provided that any such conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto. Also, in such case, the Company may elect from time to time to convert Chemical NY Rate Loans to Eurodollar Loans or COF Rate Loans by giving Chemical NY at least three Working Days' prior irrevocable notice of such election. Finally, the Company may elect from time to time to convert COF Rate Loans to Chemical NY Rate Loans or Eurodollar Loans by giving Chemical NY at least three Business Days' prior irrevocable notice of such election, provided that any such conversion of COF Rate Loans may only be made on the last day of an Interest Period with respect thereto. Any such notice of conversion to Eurodollar Loans or COF Rate Loans shall specify the length of the initial Interest Period or Interest Periods therefor."

"(c) Any Eurodollar Loan may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Company giving notice to the Banks, in accordance with the applicable provisions of the term 'Interest Period' set forth in subsection 1.1, of the length of the next Interest Period to be applicable to such Loan, provided that no Eurodollar Loan may be continued as such (i) when any Event of Default has occurred and is continuing and the Banks have determined that such a continuation is not appropriate, (ii) if, after giving effect thereto, subsection 2.11 would be contravened or (iii) after the date that is one month or 30 days prior to, respectively, the Termination Date (in the case of continuations of Revolving Credit Loans) and provided, further, that if the Company shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso, unless otherwise converted in accordance with the above provisions, such Loans shall be automatically converted to Chemical NY Rate Loans on the last day of such then expiring Interest Period."

(i) Subsection 2.11 of the Agreement is hereby amended by deleting the entire subsection and substituting the following:

"2.11 Minimum Amounts of Tranches. All borrowings, conversions and continuations of Loans hereunder and all selections of Interest Periods hereunder shall be in such amounts and be made pursuant to such elections so that, after giving effect thereto, the aggregate principal amount of the Loans comprising each Eurodollar Tranche shall be as set forth in Section 2.3 hereof."

(j) Subsection 3.3(b) of the Agreement is hereby amended by deleting "1.5%" in line 5 thereof and substituting therefor ".75%".

(k) Section 12 of the Agreement is hereby deleted.

(l) Section 14.2 of the Agreement is hereby amended by deleting the notice provision for the Banks and the Agent and substituting the following:

"Chemical NY: 270 Park Avenue
New York, New York 10017
Attention: Stephen W. Revis, V.P.
Telecopy: 212-270-1123

with a copy to: Chemical Bank New Jersey, National Association
4 Campus Drive
Parsippany, New Jersey 07054
Attention: Valerie Schanzer, V.P.
Telecopy: 201-734-1123

(m) Schedule I of the Agreement is hereby amended by deleting it in its entirety and by inserting in its place and stead the attached Schedule I.

3. Replacement of the Revolving Credit Note.

(a) Any and all Revolving Credit Notes held by Chemical NJ and Chemical NY are hereby amended and restated by a new note in the form of Exhibit A-1 hereto (the "Amended and Restated Revolving Credit Note").

(b) All references in the Agreement to the Revolving Credit Note shall be deemed to be references to the Amended and Restated Revolving Credit Note.

4. Representations and Warranties. To induce Chemical NY to enter into this Amendment, each of the Credit Parties hereby represents and warrants that:

(a) Such Credit Party has the power, authority and legal right to make and deliver this Amendment and the Amended and Restated Revolving Credit Note and to perform its obligations under the Agreement, as amended by this Amendment, and the Amended and

Restated Revolving Credit Note without any notice, consent, approval or authorization not already obtained, and such Credit Party has taken all necessary action to authorize the same.

(b) The making and delivery of this Amendment and the Amended and Restated Revolving Credit Note and the performance of the Agreement and the Amended and Restated Revolving Credit Note, as amended by this Amendment, do not violate any provision of law or any regulation or of the charter or by-laws of such Credit Party or result in the breach of or constitute a default under or require any consent under any indenture or other agreement or instrument to which such Credit Party is a party or by which such Credit Party or any of its property may be bound or affected. The Agreement and the Amended and Restated Revolving Credit Note, as amended by this Amendment, constitute a legal, valid and binding obligation of such Credit Party, enforceable against it in accordance with its terms, except as the enforceability thereof may be limited by any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally.

(c) The representations and warranties contained in Section 6 of the Agreement are true and correct on and as of the date of this Amendment and after giving effect thereto.

(d) No Default or Event of Default has occurred and is continuing under the Agreement as of the date of this Amendment and after giving effect thereto.

5. Effective Date. This Amendment shall become effective as of October 1, 1995 when:

(a) Chemical NY shall have received counterparts of this \ Amendment and the Amended and Restated Revolving Credit Note, duly executed by the respective parties thereto; and

(b) the principal of, all accrued and unpaid interest on and all other amounts payable with respect to any and all Term Loans (including, without limitation, any prepayment penalty) shall have been paid in full.

6. Counterparts. This Amendment may be signed in any number of counterparts, each of which shall be an original and all of which taken together shall constitute a single instrument with the same effect as if the signatures thereto and hereto were upon the same instrument.

7. Full Force and Effect. Except as expressly modified by this Amendment, all of the terms and provisions of the Agreement shall continue in full force and effect, and all parties hereto shall be entitled to the benefits thereof.

8. Governing Law. This Amendment shall be governed by and construed in accordance with the internal laws (and not the law of conflicts) of the State of New Jersey.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their proper and duly authorized officers as of the date set forth above.

BED BATH & BEYOND, INC.

By: /s/ Warren Eisenberg

Title: Chairman and Co-Chief Executive Officer

BED-N-BATH STORES, INC.

By: /s/ Warren Eisenberg

Title: President

BBBL, INC.

By: /s/ Arthur Stark

Title: President

BBBY MANAGEMENT CORPORATION

By: /s/ Warren Eisenberg

Title: President

CHEMICAL BANK

By: /s/ Stephen W. Revis

Title: Vice-President

EXHIBIT A-1

AMENDED AND RESTATED
REVOLVING CREDIT NOTE

$45,000,000

New York, New York
as of October 1, 1995

FOR VALUE RECEIVED, the undersigned (the "Borrower"), a New York corporation, hereby unconditionally promises to pay to the order of CHEMICAL BANK (the "Bank"), at the office of the Bank located at 270 Park Avenue, New York, New York 10017, or at such other place as the Bank or any holder hereof may from time to time designate, on the Termination Date (as defined in the Credit Agreement referred to below) in lawful money of the United States of America and in immediately available funds, the principal amount of (a) FORTY-FIVE MILLION DOLLARS ($45,000,000) or, if less, (b) the aggregate unpaid principal amount of all Revolving Credit Loans made by the Bank to the Borrower pursuant to Subsection 2.1 of the Credit Agreement. The Borrower further agrees to pay interest in like money on the unpaid principal amount hereof from time to time from the date hereof at said office, on the dates, at the rates and for the periods specified in Sections 2 and 5 of the Credit Agreement.

The holder of this Amended and Restated Revolving Credit Note is authorized to record the date, Type and amount of each Loan made by the Bank, each continuation thereof, each conversion of all or a portion thereof to another Type, the date and amount of each payment or prepayment of principal thereof and the length of each Interest Period with respect thereto, on the schedule annexed hereto and made a part hereof, which recordation shall constitute prima facie evidence of the accuracy of the information recorded absent manifest error; provided, however, that failure by any holder to make any such recordation on such schedules or continuation thereof shall not in any manner affect any of the obligations of the Borrower to make payments of principal and interest in accordance with the terms of this Amended and Restated Revolving Credit Note and the Credit Agreement.

This Amended and Restated Revolving Credit Note is the Revolving Credit Note referred to in, and is entitled to the benefits of, the Credit Agreement dated as of October 26, 1994 (as amended, modified or supplemented from time to time, the "Credit Agreement"; capitalized terms not otherwise defined in this Amended and Restated Revolving Credit Note shall have the meanings assigned to them in the Credit Agreement) among the Borrower, Bed-N-Bath Stores, Inc., BBBL, Inc., BBBY Management Corporation, Inc., the Bank, other Banks party thereto and the Agent.

This Amended and Restated Revolving Credit Note is issued in substitution, modification and restatement of, but not as repayment, satisfaction or cancellation of any and all prior Revolving Credit Notes and this Amended and Restated Revolving Credit Note supersedes, modifies and restates all of the terms of such prior Revolving Credit Notes.

The Credit Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for optional and mandatory prepayments on account of principal hereof prior to the maturity hereof on the terms and conditions therein specified.

All parties now or hereafter liable with respect to this Amended and Restated Revolving Credit Note, whether maker, principal, surety, guarantor, endorser or otherwise, hereby waive presentment, demand, protest and all other notices of any kind.

THIS AMENDED AND RESTATED REVOLVING CREDIT NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW JERSEY.

BED BATH & BEYOND, INC.

By: /s/ Warren Eisenberg

Title: Chairman and Co-Chief Executive Officer

SCHEDULE I TO CREDIT AGREEMENT

See attached list of active corporations.

SUBSIDIARIES OF THE COMPANY

This list does not include certain subsidiaries which in the aggregate are not significant.

NAME	STATE
Bed Bath & Beyond of Riverchase Inc.	Alabama
Bed Bath & Beyond of Tucson Inc.	Arizona
Bed Bath & Beyond of Paradise Valley Inc.	Arizona
Bed Bath & Beyond of Chandler Inc.	Arizona
Bed Bath & Beyond of Beverly Center Inc.	California
Bed Bath & Beyond of Ontario Mills Inc.	California
Bed Bath & Beyond of Northridge Inc.	California
Bed Bath & Beyond of La Jolla Inc.	California
Bed Bath & Beyond of Tarzana Inc.	California
Bed Bath & Beyond of San Francisco Inc.	California
Bed Bath & Beyond of Palm Desert Inc.	California
Bed n Bath of Westwood Inc.	California
Bed n Bath of Westlake Inc.	California
Bed n Bath of Santa Rosa Inc.	California
Bed n Bath of Huntington Beach Inc.	California
Bed n Bath of Redondo Beach Inc.	California
Bed n Bath of Oakland Inc.	California
Bed n Bath of Studio City Inc.	California
Bed n Bath of Marin Corp.	California
Bed n Bath of Woodland Hills Inc.	California
Bed n Bath of Santa Ana Inc.	California
Bed n Bath of Torrance Inc.	California
Bed n Bath of Cupertino Inc.	California
Bed n Bath of Lakewood Inc.	California
Bed n Bath of Park La Brea Inc.	California
Bed & Bath of San Diego Inc.	California
Bed & Bath of Topanga Inc.	California
Bed Bath & Beyond of Mission Valley Inc.	California
Bed Bath & Beyond of Tustin Inc.	California
Bed Bath & Beyond of Cherry Creek Inc.	Colorado
Bed Bath & Beyond of Park Meadows Inc.	Colorado
Bed n Bath Warehouse Corp.	Connecticut
Bed n Bath of Stamford Inc.	Connecticut
Bed n Bath of Norwalk Inc.	Connecticut
Bed n Bath of Danbury Square Inc.	Connecticut
Bed n Bath of Hartford Inc.	Connecticut
Bed n Bath of Danbury Inc.	Connecticut
Bed Bath & Beyond of Ridgeway Inc.	Connecticut

SUBSIDIARIES OF THE COMPANY (CONTINUED)

NAME	STATE
Bed Bath & Beyond of Connecticut Inc.	Connecticut
Bed Bath & Beyond of Brandywine Inc.	Delaware
Bed Bath & Beyond of Sawgrass Inc.	Florida
Bed Bath & Beyond of Orlando Inc.	Florida
Bed Bath & Beyond of Kendall Inc.	Florida
Bed Bath & Beyond of Hialeah Inc.	Florida
Bed Bath & Beyond of West Palm Beach Inc.	Florida
Bed Bath & Beyond of Brandon Inc.	Florida
Bed Bath & Beyond of Boca Raton Inc.	Florida
Bed Bath & Beyond of West Kendall Inc.	Florida
Bed Bath & Beyond of Carrollwood Inc.	Florida
Bed Bath & Beyond of Dadeland Station Inc.	Florida
Bed Bath & Beyond of International Drive Inc.	Florida
Bed Bath & Beyond of Alpharetta Inc.	Georgia
Bed Bath & Beyond of Buckhead Inc.	Georgia
Bed Bath & Beyond of Cobb Place Inc.	Georgia
Bed Bath & Beyond of Gwinnett Inc.	Georgia
Bed Bath & Beyond of Perimeter Inc.	Georgia
Bed Bath & Beyond of Rockford Inc.	Illinois
Bed Bath & Beyond of Gurnee Inc.	Illinois
Bed Bath & Beyond of Deerfield Inc.	Illinois
Bed Bath & Beyond of Schaumburg Inc.	Illinois
Bed Bath & Beyond of Oakbrook Terrace Inc.	Illinois
Bed Bath & Beyond of Downers Grove Inc.	Illinois
Bed Bath & Beyond Lincoln Park Inc.	Illinois
Bed Bath & Beyond of Wilmette Inc.	Illinois
Bed Bath & Beyond of Indianapolis Inc.	Indiana
Bed Bath & Beyond of Hobart Inc.	Indiana
Bed Bath & Beyond of Overland Park Inc.	Kansas
Bed Bath & Beyond of Columbia Inc.	Maryland
Bed Bath & Beyond of Annapolis Inc.	Maryland
Bed Bath & Beyond of Rockville Inc.	Maryland
Bed Bath & Beyond of Gaithersburg Inc.	Maryland
Bed Bath & Beyond of Towson Inc.	Maryland
Bed Bath & Beyond of Montgomery Inc.	Maryland
Bed Bath & Beyond of Burlington Inc.	Massachusetts
Bed Bath & Beyond of Worcester Inc.	Massachusetts
Bed Bath & Beyond of Farmington Hills Inc.	Michigan
Bed Bath & Beyond of Troy Inc.	Michigan
Bed Bath & Beyond of Sterling Heights Inc.	Michigan

SUBSIDIARIES OF THE COMPANY (CONTINUED)

NAME	STATE
Bed Bath & Beyond of Auburn Inc.	Michigan
Bed Bath & Beyond of Northville Inc.	Michigan
Bed Bath & Beyond of Westland Inc.	Michigan
Bed Bath & Beyond of Independence Inc.	Missouri
Bed Bath & Beyond of Watchung Inc.	New Jersey
Bed Bath & Beyond of Fashion Center Inc.	New Jersey
Bed n Bath of Flemington Inc.	New Jersey
Bed n Bath of Lawrenceville Inc.	New Jersey
Bed n Bath of Secaucus Inc.	New Jersey
Bed n Bath of Cherry Hill Inc.	New Jersey
Bed n Bath of Short Hills Inc.	New Jersey
Bed n Bath of Paramus Inc.	New Jersey
B & B of Seventeen Inc.	New Jersey
Bed Bath & Beyond of Ellisburg Circle Inc.	New Jersey
Bed Bath & Beyond of Albuquerque Inc.	New Mexico
Bed Bath & Beyond of Manhasset Inc.	New York
Bed Bath & Beyond of Five Towns Inc.	New York
Bed Bath & Beyond of Farmingdale Inc.	New York
Bed Bath & Beyond of Lake Grove Inc.	New York
Bed Bath & Beyond of Colonie Inc.	New York
Bed Bath & Beyond of Manhattan, Inc.	New York
Bed Bath & Beyond of 110 Inc.	New York
Bed Bath & Beyond of West Nyack Inc.	New York
Bed n Bath of New York Inc.	New York
Bed n Bath of Spring Valley Inc.	New York
Bed n Bath of Huntington Inc.	New York
Bed n Bath Inc.	New York
Bed n Bath of Hartsdale Inc.	New York
Bed n Bath Inc.	New York
Bed n Bath of White Plains Inc.	New York
Bed n Bath of Nanuet Inc.	New York
B & B Warehouse Corp.	New York
CBH of Great Neck Inc.	New York
Bed Bath & Beyond of Beachwood Inc.	Ohio
Bed Bath & Beyond of Westlake Inc.	Ohio
Bed Bath & Beyond of Fair Lawn Inc.	Ohio
Bed Bath & Beyond of Canton Inc.	Ohio
Bed Bath & Beyond of Tulsa Inc.	Oklahoma
Bed n Bath of Liberty Mills Inc.	Pennsylvania

SUBSIDIARIES OF THE COMPANY (CONTINUED)

NAME	STATE
Bed Bath & Beyond of King of Prussia Inc.	Pennsylvania
Bed Bath & Beyond of Memphis Inc.	Tennessee
Bed Bath & Beyond of Addison Inc.	Texas
Bed Bath & Beyond of Austin Inc.	Texas
Bed Bath & Beyond of CP Dallas Inc.	Texas
Bed Bath & Beyond of Meyerland Inc.	Texas
Bed Bath & Beyond of Plano Inc.	Texas
Baybrook Bed Bath & Beyond Inc.	Texas
Katy Bed Bath & Beyond Inc.	Texas
Stafford Bed Bath & Beyond Inc.	Texas
Sunset Valley Bed Bath & Beyond Inc.	Texas
West Oaks Bed Bath & Beyond Inc.	Texas
Willowbrook Bed Bath & Beyond Inc.	Texas
San Antonio Bed Bath & Beyond Inc.	Texas
Bed Bath & Beyond of Charlottesville Inc.	Virginia
Bed Bath & Beyond of Chesapeake Inc.	Virginia
Bed Bath & Beyond of Fairfax Inc.	Virginia
Bed Bath & Beyond of Fair City Inc.	Virginia
Bed Bath & Beyond of Falls Church Inc.	Virginia
Bed n Bath of Baileys Crossroads Inc.	Virginia
Bed Bath & Beyond of Tyson's Corner Inc.	Virginia
Bed Bath & Beyond of Virginia Beach Inc.	Virginia
Bed Bath & Beyond of Auburn Inc.	Washington

Exhibit 11

BED BATH & BEYOND INC. AND SUBSIDIARIES
COMPUTATION OF PER SHARE EARNINGS

	52 WEEKS ENDED FEBRUARY 25, 1996	52 WEEKS ENDED FEBRUARY 26, 1995
Weighted average number of shares outstanding	67,879,779	67,679,536
Dilutive effect of common equivalent shares (stock options) outstanding	1,532,391	1,459,230
Weighted average number of shares and dilutive common equivalent shares (stock options) outstanding	69,412,170	69,138,766
Net earnings	$39,459,000	$30,013,000
Net earnings per share	$ .57	$ .43

EXHIBIT 13

1995
BED BATH & BEYOND
ANNUAL REPORT

BEYOND ANY STORE OF ITS KIND.(R)

TABLE OF CONTENTS

COMPANY PROFILE

BED BATH & BEYOND IS A NATIONWIDE CHAIN OF "SUPERSTORES" SELLING BETTER QUALITY DOMESTICS MERCHANDISE AND HOME FURNISHINGS. FOUNDED IN 1971 WITH TWO STORES IN NEW YORK AND NEW JERSEY THAT PRIMARILY SOLD BED LINENS AND BATH ACCESSORIES, THE COMPANY ORIGINATED ITS SUPERSTORE FORMAT IN 1985 WITH THE OPENING OF ITS FIRST FACILITY CARRYING A FULL LINE OF BOTH DOMESTICS MERCHANDISE AND HOME FURNISHINGS. ALL STORES OPENED BY THE COMPANY SINCE 1985 HAVE ADOPTED THIS INNOVATIVE AND DYNAMIC FORMAT. TODAY, BED BATH & BEYOND IS THE PREEMINENT MARKETER IN THE SUPERSTORE SEGMENT OF THE HOME GOODS INDUSTRY. IT CURRENTLY OPERATES 86 STORES IN 22 STATES ENCOMPASSING NEARLY 3.5 MILLION SQUARE FEET, AND HAS BEEN EXPANDING ITS SQUARE FOOTAGE BY AT LEAST 30% A YEAR. BED BATH & BEYOND STORES PRINCIPALLY RANGE FROM 30,000 TO 50,000 SQUARE FEET, WITH SOME STORES AS LARGE AS 85,000 SQUARE FEET. THEY COMBINE SUPERIOR SERVICE AND A HUGE SELECTION OF ITEMS AT EVERYDAY LOW PRICES WITHIN A CONSTANTLY EVOLVING SHOPPING ENVIRONMENT THAT HAS PROVEN TO BE BOTH FUN AND EXCITING FOR CUSTOMERS. BED BATH & BEYOND'S SHARES ARE TRADED ON THE NASDAQ NATIONAL MARKET SYSTEM UNDER THE SYMBOL "BBBY."

STORE LOCATIONS

State	Number of Stores
Alabama	1
Arizona	2
California	11
Colorado	1
Connecticut	3
Florida	10
Georgia	4
Illinois	6
Indiana	2
Kansas	1
Maryland	4
Massachusetts	2
Michigan	3
Missouri	1
New Jersey	6
New York	8
Ohio	3
Oklahoma	1
Pennsylvania	2
Texas	10
Virginia	4
Washington	1
TOTAL NUMBER OF STORE LOCATIONS	86

SELECTED FINANCIAL DATA

(In thousands, except per share and selected operating data)	Fiscal Year Ended February 25, 1996	February 26, 1995	February 27, 1994	February 28, 1993	March 1, 1992
INCOME STATEMENT DATA:					
Net sales	$ 601,252	$ 440,261	$ 305,767	$ 216,712	$167,595
Gross profit	250,036	183,819	127,972	90,528	70,039
Operating profit	67,585	51,685	36,906	26,660	19,973
Net earnings(1)	39,459	30,013	21,887	15,960	11,952
Net earnings per share(1)(2)	$ .57	$ .43	$ .32	$ .24	$ .18
SELECTED OPERATING DATA:					
Number of stores open (at period end)	80	61	45	38	34
Total square feet of store space (at period end)	3,214,000	2,339,000	1,512,000	1,128,000	917,000
Net sales per average square foot of total store space	$ 217	$ 229	$ 232	$ 212	$ 217
Percentage increase in comparable store net sales	3.8%	12.0%	10.6%	7.2%	1.1%
BALANCE SHEET DATA (AT PERIOD END):					
Working capital	$ 87,727	$ 71,902	$ 54,432	$ 34,501	$ 31,955
Total assets	235,810	176,678	121,468	76,654	55,477
Long-term debt	5,000	16,800	13,300	--	11,780
Shareholders' equity	$ 151,446	$ 108,939	$ 77,305	$ 54,643	$ 30,853

(1) Bed Bath & Beyond Inc. was an S corporation for Federal and certain state income tax purposes until June 9, 1992. Provision for income taxes and net earnings in fiscal years 1992 and 1991 reflect a provision for pro forma income taxes as if the Company and its subsidiaries had been liable for Federal, state and local income taxes as taxable corporate entities throughout the periods that the S corporation was in effect.

(2) Net earnings per share amounts have been adjusted for two-for-one stock splits of the Company's common stock (each of which was effected in the form of a 100% stock dividend), which were distributed on June 21, 1993 and April 30, 1996.

	91	92	93	94	95
NET SALES ($ IN MILLIONS)	167.6	216.7	305.8	440.3	601.3
NET EARNINGS ($ IN MILLIONS)	12.0	16.0	21.9	30.0	39.5
NET EARNINGS PER SHARE (IN DOLLARS)	0.18	0.24	0.32	0.43	0.57

TO OUR FELLOW SHAREHOLDERS

Bed Bath & Beyond continued to produce outstanding results in fiscal 1995 thanks to the skills, hard work and determination of our nationwide family of managers and associates. At the same time, we took advantage of the public's growing enthusiasm for our lively, innovative style of merchandising by expanding our chain of superstores selling better quality domestics merchandise and home furnishings.

1995 HIGHLIGHTS

Net sales for fiscal 1995 were $601.3 million, an increase of 36.6% from the prior year's $440.3 million. Comparable store net sales for fiscal 1995 were 3.8% ahead of the prior year.

Net earnings of $39.5 million exceeded fiscal 1994's total of $30.0 million by 31.5%. On a per share basis, net earnings grew from $.43 to $.57.

In order to increase and broaden our shareholder base and improve the liquidity of our stock, the Company's Board of Directors on March 28, 1996 declared a two-for-one split of the Company's common stock in the form of a 100% stock dividend. The stock dividend was distributed on April 30, 1996 to shareholders of record on April 10, 1996.

GROWING MARKET PENETRATION

We took advantage of our reputation as a desirable anchor tenant in strip centers and malls by opening nineteen new superstores in fiscal 1995. Total store space at year-end was 3.2 million square feet, a 37.4% increase over the 2.3 million square feet at the end of the prior fiscal year. Bed Bath & Beyond plans to open 24 to 26 new stores in both new and existing markets during the current fiscal year, adding to the 80 stores in 21 states that existed at the end of fiscal 1995.

We compete successfully against the department stores and national chains that dominate the domestics and home furnishings industry. Spearheading the effort for Bed Bath & Beyond is our decentralized team of store managers who apply their merchandising knowledge and experience to meet the needs of our customers.

[PHOTO OF WARREN EISENBERG AND LEONARD FEINSTEIN]

WARREN EISENBERG AND LEONARD FEINSTEIN

Co-Chief Executive Officers

STORE EXPANSION

	91	92	93	94	95
STORE EXPANSION	34	38	45	61	80
TOTAL SQUARE FOOTAGE (IN THOUSANDS)	917	1,128	1,512	2,339	3,214

We are ever mindful of the growing competitive environment. We believe we are the only chain in our retailing segment that has been able to demonstrate consistently profitable results. Furthermore, because our share of the total market is under one and one-half percent, we believe there are many opportunities for future growth.

STRONG FINANCIAL BASE

Bed Bath & Beyond continues to be in robust financial health. Long-term debt at February 25, 1996, the end of our fiscal year, was $5.0 million. This represented 3.2% of total capitalization, down from 13.4% at the end of the prior fiscal year. Although our bank credit facility has been expanded to provide $45.0 million in borrowing capacity, we expect that internally generated cash flow will fund a major portion of this year's store expansion program. Working capital at the end of fiscal 1995 amounted to $87.7 million, compared with $71.9 million at the prior fiscal year-end.

LOOKING AHEAD

Our financial position as we enter the new fiscal year is strong, and getting stronger, which affords us considerable flexibility to take advantage of opportunities as they arise.

Enhanced computer systems, which we have installed in our stores and offices, are enabling us to improve our operations and serve our customers better.

In the pages that follow, we respond to some of the questions asked by people interested in Bed Bath & Beyond. We thank you, our fellow shareholders, for your loyal support over the past year. We are all dedicated to making fiscal 1996, our Twenty-Fifth Anniversary Year, another year of outstanding growth for our Company.

Sincerely,

/s/ WARREN EISENBERG	/s/ LEONARD FEINSTEIN
WARREN EISENBERG	LEONARD FEINSTEIN
Chairman and Co-Chief Executive Officer	President and Co-Chief Executive Officer

May 1, 1996

QUESTIONS & ANSWERS

ON THE FOLLOWING PAGES, WE RESPOND TO SOME OF THE QUESTIONS WE ARE ASKED ABOUT BED BATH & BEYOND.

WHAT CURRENT TRENDS IN RETAILING ARE AFFECTING THE GROWTH OF YOUR BUSINESS?

The U.S. population is getting older and spending more time at home, which creates tremendous opportunities for our market segment -- upscale domestics and home furnishings. The overriding trend is that people are more willing to spend money fixing up or improving their homes to enhance their comfort and convenience levels. If anything, this trend will intensify as the average age of the population continues to increase.

OTHER COMPANIES HAVE TRIED TO COPY BED BATH & BEYOND. WHY IS IT SO HARD TO REPLICATE YOUR OPERATING STYLE AND, MORE IMPORTANTLY, YOUR RESULTS?

Competitors can copy an idea here and there, but try as they may they can't copy an organization or a culture that we've spent 25 years building and perfecting. They can duplicate our racetrack layout, for example, which features 11 specialty stores under one roof, but they can't copy the enormous selection within those 11 specialty stores that makes shopping such a rewarding experience for our customers. What's more, we operate on a decentralized basis, empowering and challenging our employees to be creative and entrepreneurial. Even as our competitors improve, Bed Bath & Beyond continues to get better, widening our leadership position in the industry.

OPERATING PROFIT
($ IN MILLIONS)

91	92	93	94	95
20.0	26.7	36.9	51.7	67.6

[PHOTO OF BEDDING ENSEMBLE]

YOU'RE THE ONLY PUBLICLY-REPORTING COMPANY IN YOUR SEGMENT OF RETAILING THAT HAS MANAGED TO SHOW A GOOD PROFIT. WHY DO YOU THINK THAT'S SO?

We've proven year after year that we can offer customers everyday low prices and still earn an attractive operating margin. One way we accomplish this is through "merchandising the mix." Store managers in our decentralized organization must be -- and indeed are -- savvy merchants. They know full well that it's not just buying and pricing an item that controls gross profit, but selling a better mix of products that results in the higher margin. We also enhance profitability through our low cost and expense structure. We ship directly to our stores, eliminating the need for distribution centers or warehouses. Much of our inventory is displayed in inexpensive, 10 to 14 feet high fixtures on the selling floor. We further control overhead expense by maintaining an extremely lean management structure.

HOW DOES YOUR CUSTOMER SERVICE COMPARE WITH THE REST OF THE INDUSTRY?

Consider this: on any Saturday of the year, you'll find our senior managers working on the selling floor of our stores, waiting on customers and showing future store managers what we expect of them. That says a lot, we believe, about the culture at Bed Bath & Beyond where virtually everyone -- from store assistants to top managers -- wants to and works diligently to ensure that the customer is well cared for. This means things like friendly and helpful store personnel, fast and

[PHOTO OF COFFEE POT]

[PHOTO OF TOWELS]

convenient checkout lanes and, on the rare occasion when a store doesn't have a requested item, a pledge to do anything possible to secure it for the customer. We believe this passion for service clearly sets us apart from most others in the industry.

HOW HAVE YOU ACHIEVED YOUR OUTSTANDING RESULTS WITH YOUR LOW ADVERTISING BUDGET?

It's true our advertising expenses are unusually low for this industry. Except to introduce new stores, and except for several multi-store circulars each year, you won't see us in print, or on TV, or hear about us on the radio. We rely primarily on word-of-mouth in lieu of advertising. Obviously, this strategy has worked. Our sales volume keeps growing as people seem to truly enjoy shopping in our stores. As a result, our nominal advertising expenses have enabled us to more tightly control costs.

GIVEN YOUR FINANCIAL RESOURCES, ARE YOU PLANNING TO ACCELERATE YOUR STORE OPENING PROGRAM?

We are exactly where we want to be in terms of growth. Chain-wide, our square footage at the end of fiscal year 1995 was approximately 3.2 million, an increase of 37.4% over the prior year. Our plan going forward is to continue to grow our square footage by at least 30% a year. With a presence in less than one-third of the country's 112 markets with populations of more than 450,000, there is obviously tremendous room for expansion. At Bed Bath & Beyond, however, we absolutely will not open a store unless we have the management talent -- which we groom and promote from within -- available to properly staff it. We also want to be sure that the corporate infrastructure needed to support our expansion is firmly in place.

SHAREHOLDERS' EQUITY
($ IN MILLIONS)

91	92	93	94	95
30.9	54.6	77.3	108.9	151.4

WHAT KINDS OF NEW RETAIL OPPORTUNITIES ARE MOST ATTRACTIVE TO YOU? DO YOU HAVE ANY PLANS TO GO INTERNATIONAL?

We're quite flexible. Because we're a proven success in strip centers, off-price malls, conventional malls and free-standing buildings, and because we attract the best customer -- typically an upscale, affluent, sophisticated female shopper -- we are a very sought after anchor tenant. Increasingly today, doors are being opened to us as an unconventional anchor tenant in conventional malls. As for possible international growth, our position is this: though we believe our format would be successful in other countries, as long as there are so many opportunities to expand domestically, we will not, in the immediate future at least, pursue global markets.

WHAT ROLE IS TECHNOLOGY PLAYING IN ENHANCING YOUR BUSINESS?

More and more, integrated computer systems in our stores and offices are helping us to improve operations, enhance our in-stock position while reducing inventory investment, control expenses and generally position us for continued growth. In the Spring of 1995, we completed chain-wide implementation of our new perpetual inventory system. Coupled with our satellite communications capability (which links our stores directly to our corporate, administrative and buying offices in New Jersey and New York), our

[PHOTO OF DINNERWARE]

[PHOTO OF PILLOWS]

stores now have an on-line order information capability. We also provide our associates with the real-time inventory and sales data necessary to support planned sales and customer service activities. Within the next year or so, we also plan to implement an automated inventory replenishment system to further control stock levels and reduce operating expenses, and are developing a number of client-server applications to provide more useful data at the desktop.

IT SEEMS THAT A BROAD RANGE OF COMPETITION IS REGULARLY ENTERING THE HOME GOODS FIELD. WHAT IMPACT MIGHT THESE NEW ENTRANTS HAVE ON YOUR FUTURE GROWTH?

We've always lived with competition, and managed to do very well in spite of it. Our competitors not only include department stores, national chains and other superstore operators, but also category-specific specialty stores which carry some, but not all of the types of merchandise that we offer. Regardless of the retailing format, we strongly believe that Bed Bath & Beyond offers a greater breadth and depth of merchandise -- and customer service -- than do our competitors. Department stores, for example, typically devote 20,000 square feet to home furnishings. We offer customers double, triple or even quadruple the shoppable area. In addition, Bed Bath & Beyond's everyday prices are generally lower than department store sale prices. We're not so naive to think, however, that our results over the past 25 years guarantee our success over the next 25 years. For that reason, we're working harder than ever to build a stronger, more profitable business.

TOTAL ASSETS

($ IN MILLIONS)

1991	55.5
1992	76.7
1993	121.5
1994	176.7
1995	235.8

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The following table sets forth for the periods indicated (i) selected income statement data of the Company expressed as a percentage of net sales and (ii) the percentage change from the prior year in selected income statement data:

	FISCAL YEAR ENDED				
	PERCENTAGE OF NET SALES			PERCENTAGE CHANGE FROM PRIOR YEAR	
	FEBRUARY 25, 1996	FEBRUARY 26, 1995	FEBRUARY 27, 1994	FEBRUARY 25, 1996	FEBRUARY 26, 1995
Net sales	100.0%	100.0%	100.0%	36.6%	44.0%
Cost of sales, including buying, occupancy and indirect costs	58.4	58.2	58.1	37.0	44.2
Gross profit	41.6	41.8	41.9	36.0	43.6
Selling, general and administrative expenses	30.3	30.0	29.8	38.1	45.1
Operating profit	11.2	11.7	12.1	30.8	40.0
Earnings before provision for income taxes	11.1	11.6	12.1	31.5	37.7
Net earnings	6.6	6.8	7.2	31.5	37.1

FISCAL 1995 COMPARED WITH
FISCAL 1994

In 1995, the Company expanded store space by 37.4%, from 2,339,000 square feet at fiscal year-end 1994 to 3,214,000 square feet at fiscal year-end 1995. The 875,000 square feet increase was the result of opening nineteen new superstores and expanding two existing stores.

Net sales in 1995 increased $161.0 million to $601.3 million, representing an increase of 36.6% over the $440.3 million net sales volume of 1994. Approximately 91% of the increase is attributable to new store net sales and the balance to an increase in comparable store net sales. The Company estimates that bed linens accounted for approximately 21% and 20% of net sales during fiscal 1995 and fiscal 1994, respectively. No other individual product category accounted for 10% or more of net sales during either fiscal year.

Gross profit for 1995 was $250.0 million or 41.6% of net sales compared with $183.8 million or 41.8% of net sales, a year ago. The decrease in gross profit as a percentage of net sales was attributable to a number of factors, including a different mix of sales during fiscal 1995 compared to the mix of sales during the prior year, and an increase in coupons redeemed associated with the circular marketing program.

The percentage increase in comparable store net sales was 3.8% in fiscal 1995 compared with 12.0% in fiscal 1994. The slower rate of growth in comparable store net sales relative to the prior year primarily reflects the general slowdown in the retail sector.

Net sales per average square foot of store space declined to $217 from $229 in fiscal 1994, due principally to the timing of the significant new store space added in fiscal 1995.

Selling, general and administrative expenses ("SG&A"), were $182.5 million or 30.3% of net sales in 1995 compared to $132.1 million (restated to include franchise fee income) or 30.0% of net sales in 1994. The increase in SG&A as a percentage of net sales primarily reflects an increase in occupancy costs, which was partially offset by a decrease in payroll and payroll related items. Expenses associated with new, relocated or expanded stores are charged to earnings as incurred.

The costs associated with the Company's computer systems, including personnel costs, hardware leasing costs and software costs, were approximately $6.9 million in 1995, $4.8 million in 1994 and $2.9 million in 1993, and the Company estimates will be approximately $9.6 million in 1996.

Operating profit was $67.6 million in 1995, an increase of $15.9 million or 30.8% from 1994, reflecting primarily the increase in net sales which was partially offset by increases in cost of sales and SG&A.

FISCAL 1994 COMPARED WITH
FISCAL 1993

In 1994, the Company expanded store space by 54.7%, from 1,512,000 square feet at fiscal year-end 1993 to 2,339,000 square feet at fiscal year-end 1994. The 827,000 square feet increase was the result of opening sixteen new superstores and expanding four existing stores.

Net sales in 1994 were $440.3 million, representing an increase of 44.0% over the $305.8 million net sales volume of 1993. Of the $134.5 million year-to-year net sales increase, approximately 78% is attributable to new stores and the balance to an increase in comparable store net sales. The Company estimates that bed linens accounted for approximately 20% of net sales during fiscal 1994 and fiscal 1993. During fiscal 1993, towels accounted for 10% of net sales. No other individual product category accounted for 10% or more of net sales during either fiscal year.

Gross profit for 1994 was $183.8 million or 41.8% of net sales compared with $128.0 million or 41.9% of net sales in the prior year. The decrease in gross profit as a percentage of net sales was primarily attributable to increases in freight costs and in coupons redeemed associated with the five circulars that were distributed in 1994 compared with four in the prior year, which was partially offset by decreases in buying, occupancy and indirect costs.

The percentage increase in comparable store net sales was 12.0% in fiscal 1994 compared with 10.6% in fiscal 1993. The increases in comparable store net sales can be primarily attributable to store maturation and expansion of the circular marketing program.

Net sales per average square foot of store space was $229 compared with $232 in fiscal 1993, due principally to the significant new store space added in fiscal 1994.

SG&A was $132.1 million or 30.0% of net sales in 1994 compared to $91.1 million or 29.8% of net sales in 1993 (restated to include franchise fee income). The increase in SG&A as a percentage of net sales reflects increases in rent expense, and depreciation and amortization, which were partially offset by a decrease in salary costs.

Operating profit was $51.7 million in 1994, up $14.8 million or 40.0% from 1993, reflecting primarily the increase in net sales which was partially offset by the increase in SG&A.

EXPANSION PROGRAM

The Company is engaged in an ongoing expansion program involving the opening of new stores in both new and existing markets and the expansion or replacement of existing stores with new, larger stores. In the five year period from the beginning of fiscal 1991 to the end of fiscal 1995, the chain has grown from 27 stores to 80 stores. Total square footage grew from 625,000 square feet at the beginning of fiscal 1991 to 3,214,000 square feet at the end of fiscal 1995.

A major portion of the increase in the Company's net sales during each of the preceding five years was attributable to new store net sales as distinguished from increases in comparable store net sales, with new store net sales accounting for approximately 91%, 78%, 75%, 70% and 96% of the increase in net sales in fiscal 1995, 1994, 1993, 1992 and 1991, respectively.

The Company intends to continue its expansion program and currently anticipates that in fiscal 1996 it will open approximately 24 to 26 new stores (see details under "Liquidity and Capital Resources" below). The Company believes that a predominant portion of any increase in the Company's net sales in 1996 will continue to be attributable to new store net sales. Accordingly, the continued growth of the Company is dependent, in large part, upon the Company's ability to execute its expansion program successfully, of which there can be no assurance.

LIQUIDITY AND CAPITAL RESOURCES

The Company has been able to finance both its normal operations and its expansion program principally through internally generated funds during the preceding five years. For the foreseeable future, the Company intends to retain all earnings for use in the operation and expansion of its business.

The Company's merchandise inventory has grown from $75.0 million at the end of 1993 to $108.4 million at the end of 1994, and to $148.4 million at the end of 1995. In each of the fiscal years, the increase in merchandise inventories was attributable to the addition of new store space.

The Company's working capital increased from $54.4 million at the end of 1993 to $71.9 million at the end of 1994, and to $87.7 million at the end of 1995. The increase between the end of 1994 and the end of 1995 was primarily reflected in an increase in merchandise inventories, which was partially offset by increases in accounts payable and accrued expenses and other current liabilities. The increase between the end of 1993 and the end of 1994 was primarily reflected in an increase in merchandise inventories and cash and cash equivalents, which was partially offset by increases in accounts payable and accrued expenses and other current liabilities.

The Company's expansion program requires the Company to make capital expenditures for furniture and fixtures and leasehold improvements on an ongoing basis. The Company's total capital expenditures were $24.5 million, $24.5 million and $19.7 million during 1995, 1994 and 1993, respectively. The Company's capital expenditures included $150,000 and $233,000 for lease purchases in 1995 and 1993, respectively. No lease purchases were made in 1994.

Under a credit agreement (the "Credit Agreement") concluded in November 1994, and subsequently amended in October 1995, the company may borrow up to

$45.0 million under a revolving credit

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commitment for loans and letters of credit. The Credit Agreement matures in October 1998, at which time any revolving credit loans outstanding may be converted to a term loan payable in twelve quarterly installments maturing in October 2001.

The Credit Agreement contains certain covenants which, among other things, place limitations on payment of dividends, capital expenditures and certain expenses. Additionally, there are restrictions on additional borrowings, and a requirement that the Company maintain certain financial ratios. The Company does not believe that any of these covenants have materially affected its business or will affect its expansion program as currently planned.

The Company borrowed under the Credit Agreement primarily in order to meet seasonal cash requirements as well as capital expenditures and inventory requirements for new store space opened during the year. The outstanding amounts of indebtedness under the Credit Agreement were $5.0 million, $16.8 million and $13.3 million and the weighted average interest rates on such indebtedness were 7.27%, 6.96% and 5.41% at the end of 1995, 1994 and 1993, respectively. During fiscal 1995, the outstanding amount of indebtedness did not exceed $30.1 million.

The Company believes that during fiscal 1996, internally generated funds, supplemented by borrowings under the Credit Agreement, will be sufficient to fund both its normal operations and its expansion program.

As of March 22, 1996, the Company had already leased sites for sixteen new superstores planned for opening in fiscal 1996, including four new stores already opened in Independence, Missouri (the Company's first store in that state); Northridge, California; Alpharetta, Georgia; and Houston, Texas. Other new stores expected to open during fiscal 1996 will be located in Ontario and Tustin, California; Denver, Colorado; Atlanta, Georgia; Rockford, Illinois; Burlington, Massachusetts; Munsey Park, New York; Canton, Ohio; Memphis, Tennessee; and Charlottesville, Chesapeake and Virginia Beach, Virginia.

Approximate aggregate costs for the sixteen leased stores are $38.5 million for merchandise inventories, $11.0 million for furniture and fixtures and leasehold improvements, and $3.9 million for preopening expenses (which will be expensed as incurred). In addition to the foregoing sixteen locations, the Company expects to open an additional eight to ten locations. The costs that the Company is expected to incur in connection with the anticipated opening of other superstores for which sites have not yet been leased, cannot presently be determined.

RECENT ACCOUNTING PRONOUNCEMENTS

In October 1995, Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (SFAS 123) was issued. SFAS 123 encourages companies to adopt a fair value based method of accounting for stock-based compensation plans in place of the intrinsic value based method provided for by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25). Companies which continue to apply the provisions of APB 25 must make pro forma disclosures in the notes to their financial statements of net income and earnings per share as if the fair value based method of accounting defined in SFAS 123 had been applied. The Company plans to adopt SFAS 123 in fiscal 1996 on a pro forma disclosure basis.

In March 1995, Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" (SFAS 121) was issued. SFAS 121 establishes accounting standards for the impairment of long-lived assets, certain identifiable intangibles and goodwill related to those assets to be held and used, or to be disposed of. The Company does not believe the adoption of SFAS 121 in fiscal year 1996 will have a significant impact on the Company's financial condition or results of operations.

FORWARD LOOKING STATEMENTS

This Annual Report contains forward looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. The Company's actual results of operations 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 beyond the Company's control. Such factors include, without limitation: overall economic conditions, changes in the retail environment, demographics and other macroeconomic factors that may impact the level of spending for the types of merchandise sold by the Company; unusual weather patterns; pricing pressures; competition from existing and potential competitors; the availability of trained qualified management personnel to support the Company's expansion; and the cost of labor, merchandise, and other costs and expenses.

INFLATION AND SEASONALITY

The Company does not believe that its operating results have been materially affected by inflation during the three preceding years. There can be no assurance, however, that the Company's operating results will not be affected by inflation in the future.

The Company's business exhibits less seasonality than many other retail businesses, although sales levels are generally higher in August, November and December, and generally lower in February and March.

CONSOLIDATED BALANCE SHEETS

BED BATH & BEYOND INC. AND SUBSIDIARIES

(IN THOUSANDS, EXCEPT SHARE DATA)	FEBRUARY 25, 1996	FEBRUARY 26, 1995
ASSETS		
Current assets:		
Cash and cash equivalents	$ 10,267	$ 6,463
Merchandise inventories	148,383	108,388
Prepaid expenses and other current assets	1,630	3,160
Total current assets	160,280	118,011
Property and equipment, net (note 2)	66,635	52,201
Other assets (notes 5 and 6)	8,895	6,466
	$235,810	$176,678
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 39,025	$ 27,503
Accrued expenses and other current liabilities (note 3)	26,947	14,824
Income taxes payable	6,581	3,782
Total current liabilities	72,553	46,109
Long-term debt (note 4)	5,000	16,800
Deferred rent	6,811	4,830
	84,364	67,739
Commitments and contingencies (notes 4, 7 and 9)		
Shareholders' equity:		
Preferred stock -- $0.01 par value; authorized - 1,000,000 shares; no shares issued or outstanding	--	--
Common stock -- $0.01 par value; authorized - 100,000,000 shares; issued and outstanding - February 25, 1996, 68,067,972 shares and February 26, 1995, 67,768,882 shares	681	339
Additional paid-in capital	46,254	43,548
Retained earnings	104,511	65,052
Total shareholders' equity	151,446	108,939
	$235,810	$176,678

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF EARNINGS

BED BATH & BEYOND INC. AND SUBSIDIARIES

(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)	FISCAL YEAR ENDED FEBRUARY 25, 1996	FEBRUARY 26, 1995	FEBRUARY 27, 1994
Net sales	$ 601,252	$ 440,261	$ 305,767
Cost of sales, including buying, occupancy and indirect costs	351,216	256,442	177,795
Gross profit	250,036	183,819	127,972
Selling, general and administrative expenses	182,451	132,134	91,066
Operating profit	67,585	51,685	36,906
Interest (expense) income, net	(705)	(816)	34
Earnings before provision for income taxes	66,880	50,869	36,940
Provision for income taxes (note 5)	27,421	20,856	15,053
Net earnings	$ 39,459	$ 30,013	$ 21,887
Net earnings per share	$ .57	$ .43	$ .32
Weighted average shares outstanding	69,412,170	69,138,766	68,820,980

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN
SHAREHOLDERS' EQUITY
BED BATH & BEYOND INC. AND SUBSIDIARIES

(IN THOUSANDS)	COMMON STOCK SHARES	COMMON STOCK AMOUNT	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	TOTAL
Balance at February 28, 1993	67,500	$169	$41,322	$ 13,152	$ 54,643
Net earnings				21,887	
Shares sold under employee stock option plan (note 9)	92		775		
Reclassification of additional paid-in capital to common stock in connection with the 2 for 1 stock split (note 1 (i))		169	(169)		
Balance at February 27, 1994	67,592	338	41,928	35,039	77,305
Net earnings				30,013	
Shares sold under employee stock option plan (note 9)	177	1	1,620		
Balance at February 26, 1995	67,769	339	43,548	65,052	108,939
Net earnings				39,459	
Shares sold under employee stock option plan (note 9)	299	2	3,046		
Reclassification of additional paid-in capital to common stock in connection with the 2 for 1 stock split (note 1 (i))		340	(340)		
BALANCE AT FEBRUARY 25, 1996	68,068	$681	$46,254	$104,511	$151,446

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
BED BATH & BEYOND INC. AND SUBSIDIARIES

(IN THOUSANDS)	FISCAL YEAR ENDED FEBRUARY 25, 1996	FEBRUARY 26, 1995	FEBRUARY 27, 1994
Cash Flows from Operating Activities:			
Net earnings	$ 39,459	$ 30,013	$ 21,887
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:			
Depreciation and amortization	9,902	7,193	4,200
Loss from disposal of property and equipment	192	29	288
(Increase) decrease in assets:			
Merchandise inventories	(39,995)	(33,406)	(31,893)
Prepaid expenses and other current assets	1,530	1,163	(3,651)
Other assets	(2,429)	(1,875)	(1,438)
Increase (decrease) in liabilities:			
Accounts payable	11,522	10,498	7,201
Accrued expenses and other current liabilities	12,123	5,673	3,450
Income taxes payable	2,799	2,393	(2,461)
Deferred rent	1,981	1,512	662
Net cash provided by (used in) operating activities	37,084	23,193	(1,755)
Cash Flows from Investing Activities:			
Capital expenditures-leasehold purchases	(150)	--	(233)
Capital expenditures-leasehold improvements and furniture and fixtures	(24,378)	(24,523)	(19,510)
Net cash used in investing activities	(24,528)	(24,523)	(19,743)
Cash Flows from Financing Activities:			
Proceeds from long-term debt	55,060	64,500	35,250
Repayment of long-term debt	(66,860)	(61,000)	(21,950)
Proceeds from exercise of stock options	3,048	1,621	775
Net cash (used in) provided by financing activities	(8,752)	5,121	14,075
Net increase (decrease) in cash and cash equivalents	3,804	3,791	(7,423)
Cash and cash equivalents:			
Beginning of period	6,463	2,672	10,095
End of period	$ 10,267	$ 6,463	$ 2,672

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED MATTERS

A. PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of Bed Bath & Beyond Inc. and its subsidiaries, all of which are wholly owned.

All significant intercompany balances and transactions have been eliminated in consolidation.

B. FISCAL YEAR

The Company's fiscal year is the 52 or 53 week period ending the Sunday nearest February 28. Fiscal years 1995, 1994 and 1993 (all 52 week periods) ended on February 25, 1996, February 26, 1995 and February 27, 1994, respectively.

C. CASH EQUIVALENTS

The Company considers all highly liquid instruments purchased with maturities of three months or less to be cash equivalents.

D. MERCHANDISE INVENTORIES

Merchandise inventories are stated at the lower of cost or market, determined by means of the retail inventory method of accounting.

E. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation of furniture, fixtures and equipment is computed primarily by the straight-line method over the estimated useful lives of the assets, generally five to ten years. Leasehold costs are amortized by the straight-line method over the life of the lease and leasehold improvements are amortized by the straight-line method over the lesser of their estimated useful life or the life of the lease.

The cost of maintenance and repairs is charged to earnings as incurred; significant renewals and betterments are capitalized. Maintenance and repairs amounted to $6.9 million, $4.7 million and $3.1 million for fiscal 1995, 1994 and 1993, respectively.

F. PREOPENING EXPENSES

Expenses associated with new, relocated or expanded stores are charged to earnings as incurred.

G. OCCUPANCY COSTS

The Company accounts for scheduled rent increases contained in its leases on a straight-line basis over the noncancelable lease term. At February 25, 1996 and February 26, 1995, the accompanying consolidated balance sheets include deferred rent liabilities of $6.8 million and $4.8 million, respectively, relating to such scheduled rent increases.

H. INCOME TAXES

The Company files a consolidated Federal income tax return. Separate state income tax returns are filed with each state in which the Company conducts business.

Effective March 1, 1993, the Company adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS No. 109"). The cumulative effect of the adoption of SFAS No. 109 was not material to the Company's consolidated financial statements and, therefore, not presented separately.

Under the asset and liability method of SFAS No. 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. Under SFAS No. 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date.

I. STOCK SPLITS

On June 7, 1993, the Board of Directors of the Company approved a two-for-one split of the Company's common stock in the form of a 100% stock dividend. The stock split was distributed on July 8, 1993, to shareholders of record on June 21, 1993.

On March 28, 1996, the Board of Directors of the Company approved a two-for-one split of the Company's common stock in the form of a 100% stock dividend. The stock split was distributed on April 30, 1996, to shareholders of record on April 10, 1996.

Share and per share data have been adjusted to give effect to the stock splits.

J. EARNINGS PER SHARE

Earnings per share is calculated using the weighted average shares and dilutive common equivalent shares (stock options) outstanding during the period.

K. FAIR VALUE OF FINANCIAL INSTRUMENTS

In fiscal 1994, the Company adopted SFAS No. 107 "Disclosures about Fair Value of Financial Instruments" which requires all entities to disclose the fair value of financial instruments for which it is practicable to estimate fair value.

The Company's financial instruments include cash and cash equivalents, accounts payable, accrued expenses and other current liabilities, and long-term debt. The book value of cash and cash equivalents, accounts payable, and accrued expenses and other current liabilities are representative of their fair values due to the short-term maturity of these instruments. The book value of the Company's long-term debt is considered to approximate its fair value, based on current market rates and conditions.

L. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

2. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

(IN THOUSANDS)	FEBRUARY 25, 1996	FEBRUARY 26, 1995
Furniture, fixtures and equipment	$ 47,495	$ 33,505
Leasehold improvements	43,507	33,729
Leasehold purchases	4,331	4,181
	95,333	71,415
Less: Accumulated depreciation and amortization	(28,698)	(19,214)
	$ 66,635	$ 52,201

Depreciation and amortization expense was $9.9 million, $7.2 million and $4.2 million for fiscal 1995, 1994 and 1993, respectively.

3. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consist of the following:

(IN THOUSANDS)	FEBRUARY 25, 1996	FEBRUARY 26, 1995
Sales and payroll taxes payable	$ 4,934	$ 2,989
Merchandise credits	2,945	2,044
Other	19,068	9,791
	$26,947	$14,824

4. LONG-TERM DEBT

Under a credit agreement (the "Credit Agreement") concluded in November 1994, and subsequently amended in October 1995, the Company may borrow up to $45.0 million under a revolving credit commitment for loans and letters of credit. The Credit Agreement matures in October 1998, at which time any revolving credit loans outstanding may be converted to a term loan payable in twelve quarterly installments maturing in October 2001. Interest on all borrowing is determined based upon several alternative rates as stipulated in the Credit Agreement. During fiscal 1995, 1994 and 1993, interest rates on outstanding debt ranged from 5.92% to 9.00%, 5.00% to 9.00% and 4.88% to 6.25%, respectively. As of February 25, 1996, there was $5.0 million in outstanding borrowings and approximately $125,000 in outstanding letters of credit.

The Credit Agreement contains certain covenants which, among other things, place limitations on payment of dividends, capital expenditures and certain expenses; restrict additional borrowings; and require maintenance of certain financial ratios.

Under the terms of these covenants approximately $20.0 million was available for the payment of dividends at February 25, 1996.

5. PROVISION FOR INCOME TAXES

The components of the provision for income taxes are as follows:

(IN THOUSANDS)	FISCAL YEARS 1995	1994	1993
Historical income taxes:			
Current:			
Federal	$22,383	$17,156	$13,019
State and local	6,901	5,410	3,459
	29,284	22,566	16,478
Deferred:			
Federal	(1,635)	(1,557)	(1,244)
State and local	(228)	(153)	(181)
	(1,863)	(1,710)	(1,425)
Income taxes	$27,421	$20,856	$15,053

Included in other assets are deferred income taxes which reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The significant components of the Company's deferred tax assets consist of the following:

(IN THOUSANDS)	FEBRUARY 25, 1996	FEBRUARY 26, 1995
Deferred tax assets:		
Deferred rent	$2,816	$2,028
Inventories	2,679	1,870
Other	1,200	935
Deferred tax assets	$6,695	$4,833

Reconciliations of the Federal statutory income tax rate to the effective tax rates are as follows:

(IN THOUSANDS)	FISCAL YEARS 1995	1994	1993
Federal statutory income tax rate	35.00%	35.00%	35.00%
State income taxes, net of Federal tax benefit	6.48	6.72	5.77
Other	(.48)	(.72)	(.02)
Effective tax rate	41.00%	41.00%	40.75%

6. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a. The Company has an interest in certain life insurance policies on the lives of its Chairman and President. The beneficiaries of these policies are related to the aforementioned individuals. The Company's interest in these policies is equivalent to the net premiums paid by the Company. At February 25, 1996 and February 26, 1995, other assets include $1.8 million and $1.3 million, respectively, representing the Company's interest in the life insurance policies.

b. The Company obtains certain payroll services from a related party. The Company paid fees for such services of $161,000, $121,000 and $95,000 for fiscal years 1995, 1994 and 1993, respectively.

c. The Company made charitable contributions to the Mitzi and Warren Eisenberg Family Foundation, Inc. (the "Eisenberg Foundation") and the Feinstein Family Foundation, Inc. (the "Feinstein Foundation") in the aggregate amounts of $190,000, $179,000 and $115,000 for fiscal 1995, 1994 and 1993, respectively. The Eisenberg Foundation and the Feinstein Foundation are each not-for-profit corporations of which Messrs. Eisenberg and Feinstein and their family members are the trustees and officers.

7. LEASES

The Company leases retail stores, as well as warehouses, office facilities, and equipment under agreements expiring at various dates through 2013. Certain leases provide for contingent rents (based upon store sales exceeding stipulated amounts), scheduled rent increases and renewal options ranging from five to fifteen years. The Company is obligated under a majority of the leases to pay for taxes, insurance, and common area maintenance charges.

As of February 25, 1996, future minimum lease payments under noncancelable operating leases are as follows:

FISCAL YEAR (IN THOUSANDS)	AMOUNTS
1996	$ 40,140
1997	38,648
1998	37,511
1999	35,900
2000	34,814
Thereafter	226,273
Total minimum lease payments	$413,286

As of March 22, 1996, the Company had executed leases for sixteen stores planned for opening in fiscal 1996.

Expenses for all operating leases were $37.3 million, $26.1 million and $17.5 million for fiscal years 1995, 1994 and 1993, respectively.

8. EMPLOYEE BENEFIT PLAN

Effective January 1, 1991, the Company established a defined contribution 401(k) savings plan (the "Plan") covering all eligible employees. Participants may defer between 1% and 15% of annual pre-tax compensation not to exceed $9,500, $9,240 and $9,240 for calendar years 1996, 1995 and 1994, respectively; the Company has an option to contribute an amount as determined by the Board of Directors. In addition, each participant may elect to make voluntary, non-tax deductible contributions in excess of the pre-tax compensation limit up to 15% of compensation. As of February 25, 1996, the Company has made no contributions to the Plan.

9. EMPLOYMENT AGREEMENTS AND STOCK OPTION PLAN

A. EMPLOYMENT AGREEMENTS

Under terms of employment agreements with its Chairman and President extending through June 1997, the Company is required to pay each a base salary (which may be increased by the Board of Directors) of $750,000 per annum. The agreements also provide for other terms and conditions of employment, including termination payments.

B. STOCK OPTION PLAN

The 1992 Stock Option Plan (the "Stock Option Plan"), provides for the granting of options to purchase not more than an aggregate of 5,600,000 shares of the Company's common stock, subject to adjustment under certain circumstances. Some or all of such options may be "incentive stock options" within the meaning of the Internal Revenue Code of 1986. Options have been granted at market value and are exercisable at a rate of 20% per year over a five-year period commencing with the date of grant, or one or two years thereafter.

The following table summarizes stock option transactions:

	NUMBER OF SHARES	OPTION PRICE PER SHARE
Balance at February 28, 1993	1,855,800	$ 4.13 -$ 7.94
Options granted	1,015,400	7.38 - 16.38
Options exercised	(91,770)	4.13 - 6.00
Options canceled	(136,920)	4.25 - 15.38
Balance at February 27, 1994	2,642,510	4.13 - 16.38
Options granted	848,800	12.19 - 16.00
Options exercised	(177,080)	4.13 - 11.00
Options canceled	(201,140)	4.25 - 15.88
Balance at February 26, 1995	3,113,090	4.13 - 16.38
Options granted	1,121,500	9.47 - 20.03
Options exercised	(299,090)	4.13 - 16.38
Options canceled	(279,640)	4.25 - 15.88
Balance at February 25, 1996	3,655,860	$ 4.13 -$20.03
Options exercisable at February 25, 1996	679,540	$ 4.13 -$16.38

The stock option committees appointed pursuant to the Stock Option Plan determine the number of shares and the option price per share for any additional options issued under the Stock Option Plan.

10. SUPPLEMENTAL CASH FLOW INFORMATION

The Company paid income taxes of $25.2 million, $19.5 million and $18.6 million in fiscal 1995, 1994 and 1993, respectively.

The Company also paid interest of $991,000, $823,000 and $103,000 in fiscal 1995, 1994 and 1993, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

11. SUMMARY OF QUARTERLY RESULTS (UNAUDITED)

	FISCAL 1995 QUARTER ENDED			
(IN THOUSANDS, EXCEPT PER SHARE DATA)	MAY 28, 1995	AUGUST 27, 1995	NOVEMBER 26, 1995	FEBRUARY 25, 1996
Net sales	$113,452	$150,110	$161,789	$175,901
Gross profit	46,864	62,224	66,944	74,004
Operating profit	9,787	18,936	17,101	21,761
Earnings before provision for income taxes	9,594	18,602	16,959	21,725
Provision for income taxes	3,934	7,627	6,953	8,907
Net earnings	$ 5,660	$ 10,975	$ 10,006	$ 12,818
Net earnings per share	$ .08	$ .16	$ .14	$ .19

	FISCAL 1994 QUARTER ENDED			
(IN THOUSANDS, EXCEPT PER SHARE DATA)	MAY 29, 1994	AUGUST 28, 1994	NOVEMBER 27, 1994	FEBRUARY 26, 1995
Net sales	$ 85,853	$111,535	$115,024	$127,849
Gross profit	35,503	46,503	47,821	53,992
Operating profit	7,955	14,820	13,071	15,839
Earnings before provision for income taxes	7,833	14,660	12,799	15,577
Provision for income taxes	3,212	6,010	5,248	6,386
Net earnings	$ 4,621	$ 8,650	$ 7,551	$ 9,191
Net earnings per share	$ .07	$ .12	$ .11	$ .13

INDEPENDENT AUDITORS' REPORT

[KPMG LOGO]

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF BED BATH & BEYOND INC.:

We have audited the accompanying consolidated balance sheets of Bed Bath & Beyond Inc. and subsidiaries as of February 25, 1996 and February 26, 1995, and the related consolidated statements of earnings, changes in shareholders' equity and cash flows for each of the fiscal years in the three-year period ended February 25, 1996. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bed Bath & Beyond Inc. and subsidiaries as of February 25, 1996 and February 26, 1995, and the results of their operations and their cash flows for each of the fiscal years in the three-year period ended February 25, 1996 in conformity with generally accepted accounting principles.

New York, New York   Sig. KPMG PEAT MARWICK LLP
March 22, 1996

CORPORATE DATA

EXECUTIVE OFFICERS & DIRECTORS

Warren Eisenberg
Chairman, Co-Chief Executive Officer and Director

Leonard Feinstein
President, Co-Chief Executive Officer and Director

Ronald Curwin
Chief Financial Officer and Treasurer

Klaus Eppler
Director - Partner, Proskauer Rose Goetz & Mendelsohn LLP, New York, New York

Robert S. Kaplan
Director - General Partner, Goldman, Sachs & Co., New York, New York

Robert J. Swartz
Director - Independent Consultant

KEY MANAGERS

Matthew Fiorilli
Director of Store Operations - Eastern Region

Harold Kislik
General Merchandise Manager - Domestics Merchandise

Phillip Kornbluh
Director of Store Planning

Jonathan Rothstein
General Merchandise Manager - Home Furnishings

Arthur Stark
Director of Store Operations - Western Region

Steven H. Temares
Director of Real Estate and General Counsel

CORPORATE HEADQUARTERS

Bed Bath & Beyond Inc.
715 Morris Avenue
Springfield, New Jersey 07081
Telephone: 201/379-1520

SHAREHOLDER INFORMATION

You may obtain, at no cost, copies of Bed Bath & Beyond Inc.'s 1995 Form 10-K report (excluding exhibits) and quarterly reports by writing to:
Chief Financial Officer and Treasurer
Bed Bath & Beyond Inc.
650 Liberty Avenue
Union, New Jersey 07083
Telephone: 908/688-0888
Fax: 908/810-8813

STOCK LISTING

The Common Stock of Bed Bath & Beyond Inc. is traded through the NASDAQ National Market System under the symbol "BBBY."

STOCK ACTIVITY

This table sets forth by fiscal quarter the high and low reported sales prices of the Company's Common Stock on the NASDAQ National Market System during fiscal 1994 and fiscal 1995.

	HIGH	LOW
FISCAL 1994		
First Quarter	$16 3/8	$11 1/2
Second Quarter	16 1/2	12 1/2
Third Quarter	15 3/8	11 3/8
Fourth Quarter	15 3/4	12 7/8
FISCAL 1995		
First Quarter	13 1/4	9
Second Quarter	16 1/2	10 5/16
Third Quarter	18 7/16	12 1/2
Fourth Quarter	22 7/16	15

At April 10, 1996, there were approximately 380 shareholders of record. This number excludes individual shareholders holding stock under nominee security position listings.

TRANSFER AGENT

The Transfer Agent should be contacted on questions of change of address, name or ownership, lost certificates and consolidation of accounts.

Chemical Mellon Shareholder Services
Overpeck Centre
85 Challenger Road
Ridgefield Park, New Jersey 07660
Telephone: 800/851-9677

INDEPENDENT AUDITORS

KPMG Peat Marwick LLP
345 Park Avenue
New York, New York 10154

ANNUAL MEETING

The Annual Meeting of Shareholders will be held at 9:00 A.M. Thursday, June 27, 1996, at the Headquarters Plaza Hotel, Three Headquarters Plaza, Morristown, New Jersey.

Designed and produced by Frankston Associates

[BED BATH & BEYOND LOGO]
715 MORRIS AVENUE
SPRINGFIELD, NEW JERSEY 07081
201/379-1520

Exhibit 21

SUBSIDIARIES OF THE COMPANY

This list does not include certain subsidiaries which in the aggregate are not significant.

NAME	STATE
Bed Bath & Beyond of Riverchase Inc.	Alabama
Bed Bath & Beyond of Tucson Inc.	Arizona
Bed Bath & Beyond of Paradise Valley Inc.	Arizona
Bed Bath & Beyond of Chandler Inc.	Arizona
Bed Bath & Beyond of Beverly Center Inc.	California
Bed Bath & Beyond of Northridge Inc.	California
Bed Bath & Beyond of La Jolla Inc.	California
Bed Bath & Beyond of Tarzana Inc.	California
Bed Bath & Beyond of San Francisco Inc.	California
Bed Bath & Beyond of Palm Desert Inc.	California
Bed n Bath of Westlake Inc.	California
Bed n Bath of Santa Rosa Inc.	California
Bed n Bath of Huntington Beach Inc.	California
Bed n Bath of Redondo Beach Inc.	California
Bed n Bath of Oakland Inc.	California
Bed n Bath of Studio City Inc.	California
Bed n Bath of Woodland Hills Inc.	California
Bed & Bath of San Diego Inc.	California
Bed & Bath of Topanga Inc.	California
Bed Bath & Beyond of Mission Valley Inc.	California
Bed Bath & Beyond of Lake Forest Inc.	California
Bed Bath & Beyond of Citrus Heights Inc.	California
Bed Bath & Beyond of Cherry Creek Inc.	Colorado
Bed Bath & Beyond of Park Meadows Inc.	Colorado
Bed n Bath Warehouse Corp.	Connecticut
Bed n Bath of Stamford Inc.	Connecticut
Bed n Bath of Norwalk Inc.	Connecticut
Bed n Bath of Danbury Square Inc.	Connecticut
Bed n Bath of Hartford Inc.	Connecticut
Bed n Bath of Danbury Inc.	Connecticut
Bed Bath & Beyond of Ridgeway Inc.	Connecticut
Bed Bath & Beyond of Connecticut Inc.	Connecticut
BBBTX, Inc.	Delaware
BBBL, Inc.	Delaware
Bed Bath & Beyond of Brandywine Inc.	Delaware
Bed Bath & Beyond of Sawgrass Inc.	Florida
Bed Bath & Beyond of Orlando Inc.	Florida
Bed Bath & Beyond of Kendall Inc.	Florida
Bed Bath & Beyond of Hialeah Inc.	Florida
Bed Bath & Beyond of West Palm Beach Inc.	Florida

SUBSIDIARIES OF THE COMPANY, continued

NAME	STATE
Bed Bath & Beyond of Brandon Inc.	Florida
Bed Bath & Beyond of Boca Raton Inc.	Florida
Bed Bath & Beyond of West Kendall Inc.	Florida
Bed Bath & Beyond of Carrollwood Inc.	Florida
Bed Bath & Beyond of Dadeland Station Inc.	Florida
Bed Bath & Beyond of International Drive Inc.	Florida
Bed Bath & Beyond of Naples Inc.	Florida
Bed Bath & Beyond of Cobb Place Inc.	Georgia
Bed Bath & Beyond of Gwinnett Inc.	Georgia
Bed Bath & Beyond of Perimeter Inc.	Georgia
Bed Bath & Beyond of Buckhead Inc.	Georgia
Bed Bath & Beyond of Alpharetta Inc.	Georgia
Bed Bath & Beyond of Gurnee Inc.	Illinois
Bed Bath & Beyond of Deerfield Inc.	Illinois
Bed Bath & Beyond of Schaumburg Inc.	Illinois
Bed Bath & Beyond of Downers Grove Inc.	Illinois
Bed Bath & Beyond Lincoln Park Inc.	Illinois
Bed Bath & Beyond of Wilmette Inc.	Illinois
Bed Bath & Beyond of Rockford Inc.	Illinois
Bed Bath & Beyond of Indianapolis Inc.	Indiana
Bed Bath & Beyond of Hobart Inc.	Indiana
Indiana Bed Bath & Beyond L.P.	Indiana
Bed Bath & Beyond of Overland Park Inc.	Kansas
Bed Bath & Beyond of Columbia Inc.	Maryland
Bed Bath & Beyond of Annapolis Inc.	Maryland
Bed Bath & Beyond of Rockville Inc.	Maryland
Bed Bath & Beyond of Gaithersburg Inc.	Maryland
Bed Bath & Beyond of Towson Inc.	Maryland
Bed Bath & Beyond of Montgomery Inc.	Maryland
Bed Bath & Beyond of Worcester Inc.	Massachusetts
BB & Beyond of Burlington Inc.	Massachusetts
BB & Beyond of Framingham Inc.	Massachusetts
Bed Bath & Beyond of Farmington Hills Inc.	Michigan
Bed Bath & Beyond of Troy Inc.	Michigan
Bed Bath & Beyond of Sterling Heights Inc.	Michigan
Bed Bath & Beyond of Auburn Inc.	Michigan
Bed Bath & Beyond of Northville Inc.	Michigan
Bed Bath & Beyond of Westland Inc.	Michigan
Bed Bath & Beyond of Independence Inc.	Missouri
Bed Bath & Beyond of Fashion Center Inc.	New Jersey
Bed n Bath of Flemington Inc.	New Jersey
Bed n Bath of Lawrenceville Inc.	New Jersey
Bed n Bath of Secaucus Inc.	New Jersey
Bed n Bath of Cherry Hill Inc.	New Jersey

SUBSIDIARIES OF THE COMPANY, continued

NAME	STATE
Bed n Bath of Short Hills Inc.	New Jersey
Bed n Bath of Paramus Inc.	New Jersey
B & B of Seventeen Inc.	New Jersey
Bed Bath & Beyond of Ellisburg Circle Inc.	New Jersey
New Jersey Bed Bath & Beyond L.P.	New Jersey
BBBY Management Corp.	New Jersey
Bed n Bath Stores, Inc.	New Jersey
Bed Bath & Beyond of Edgewater Inc.	New Jersey
Bed Bath & Beyond of Watchung Inc.	New Jersey
Bed Bath & Beyond of Five Towns Inc.	New York
Bed Bath & Beyond of Farmingdale Inc.	New York
Bed Bath & Beyond of Lake Grove Inc.	New York
Bed Bath & Beyond of Colonie Inc.	New York
Bed Bath & Beyond of Manhattan Inc.	New York
Bed Bath & Beyond of 110 Inc.	New York
Bed n Bath of New York Inc.	New York
Bed n Bath of Spring Valley Inc.	New York
Bed n Bath of Huntington Inc.	New York
Bed n Bath of Hartsdale Inc.	New York
Bed n Bath Inc.	New York
Bed n Bath of White Plains Inc.	New York
Bed n Bath of Nanuet Inc.	New York
B & B Warehouse Corp.	New York
CBH of Great Neck Inc.	New York
Bed Bath & Beyond of West Nyack Inc.	New York
Bed Bath & Beyond of Manhasset Inc.	New York
Bed Bath & Beyond of Munsey Park Inc.	New York
Bed Bath & Beyond of Pittsford Inc.	New York
Bed Bath & Beyond of Beachwood Inc.	Ohio
Bed Bath & Beyond of Westlake Inc.	Ohio
Bed Bath & Beyond of Fair Lawn Inc.	Ohio
Bed Bath & Beyond of Canton Inc.	Ohio
Bed Bath & Beyond of Tulsa Inc.	Oklahoma
Bed n Bath of Liberty Mills Inc.	Pennsylvania
Bed Bath & Beyond of King of Prussia Inc.	Pennsylvania
Bed Bath & Beyond of Memphis Inc.	Tennessee
Bed Bath & Beyond of Meyerland Inc.	Texas
Bed Bath & Beyond of Plano Inc.	Texas
Katy Bed Bath & Beyond Inc.	Texas
Willowbrook Bed Bath & Beyond Inc.	Texas
Baybrook Bed Bath & Beyond Inc.	Texas
Bed Bath & Beyond of Addison Inc.	Texas
Bed Bath & Beyond of Austin Inc.	Texas
Bed Bath & Beyond of CP Dallas Inc.	Texas

SUBSIDIARIES OF THE COMPANY, continued

NAME	STATE
Stafford Bed Bath & Beyond Inc.	Texas
Sunset Valley Bed Bath & Beyond Inc.	Texas
Texas Bed Bath & Beyond L.P.	Texas
West Oaks Bed Bath & Beyond Inc.	Texas
San Antonio Bed Bath & Beyond Inc.	Texas
South Arlington Bed Bath & Beyond Inc.	Texas
Bed Bath & Beyond of Fairfax Inc.	Virginia
Bed Bath & Beyond of Fair City Inc.	Virginia
Bed Bath & Beyond of Falls Church Inc.	Virginia
Bed n Bath of Baileys Crossroads Inc.	Virginia
Bed Bath & Beyond of Tyson's Corner Inc.	Virginia
Bed Bath & Beyond of Virginia Beach Inc.	Virginia
Bed Bath & Beyond of Charlottesville Inc.	Virginia
Bed Bath & Beyond of Chesapeake Inc.	Virginia
Bed Bath & Beyond of Auburn Inc.	Washington

Exhibit 23

INDEPENDENT AUDITORS' CONSENT

The Board of Directors and Shareholders
Bed Bath & Beyond Inc.:

We consent to incorporation by reference in the registration statements (No. 33-63902 and 33-87602) on Forms S-8 of Bed Bath & Beyond Inc. of our report dated March 22,1996, relating to the consolidated balance sheets of Bed Bath & Beyond Inc. and subsidiaries as of February 25, 1996 and February 26, 1995, and the related consolidated statements of earnings, changes in shareholders' equity, and cash flows for each of the fiscal years in the three-year period ended February 25, 1996, which report appears in the February 25, 1996 annual report on Form 10-K of Bed Bath & Beyond Inc.

/S/ KPMG PEAT MARWICK LLP

New York, New York
May 22, 1996

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