

2000

ANNUAL REPORT

**BED BATH &
BEYOND®**
Beyond any store of its kind.®

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Beyond any site of its kind.™

Selected Financial Data

	FISCAL YEAR ENDED (1)								
<i>(in thousands, except per share and selected operating data)</i>	March 3, 2001	February 26, 2000	February 27, 1999	February 28, 1998	March 1, 1997	February 25, 1996	February 26, 1995	February 27, 1994	February 28, 1993
STATEMENT OF EARNINGS DATA:									
Net sales (2)	\$ 2,396,655	\$ 1,857,505	\$ 1,382,345	\$ 1,057,135	\$ 816,912	\$ 597,352	\$ 437,807	\$ 304,571	\$ 216,411
Gross profit (2)	986,459	766,801	576,125	441,016	341,168	250,036	183,819	127,972	90,528
Operating profit	272,838	209,340	158,052	118,914	90,607	67,585	51,685	36,906	26,660
Net earnings	171,922	131,229	97,346	73,142	55,015	39,459	30,013	21,887	15,960
Net earnings per share –									
Diluted (3)	\$.59	\$.46	\$.34	\$.26	\$.20	\$.14	\$.11	\$.08	\$.06
SELECTED OPERATING DATA:									
Number of stores open (at period end)	311	241	186	141	108	80	61	45	38
Total square feet of store space (at period end)	12,204,000	9,815,000	7,688,000	5,767,000	4,347,000	3,214,000	2,339,000	1,512,000	1,128,000
Percentage increase in comparable store net sales	5.0%	9.2%	7.6%	6.4%	6.1%	3.8%	12.0%	10.6%	7.2%
BALANCE SHEET DATA (AT PERIOD END):									
Working capital	\$ 532,524	\$ 360,585	\$ 267,557	\$ 188,293	\$ 127,333	\$ 91,331	\$ 74,390	\$ 56,001	\$ 34,842
Total assets	1,195,725	865,800	633,148	458,330	329,925	235,810	176,678	121,468	76,654
Long-term debt	–	–	–	–	–	5,000	16,800	13,300	–
Shareholders' equity	\$ 817,018	\$ 559,045	\$ 411,087	\$ 295,397	\$ 214,361	\$ 151,446	\$ 108,939	\$ 77,305	\$ 54,643

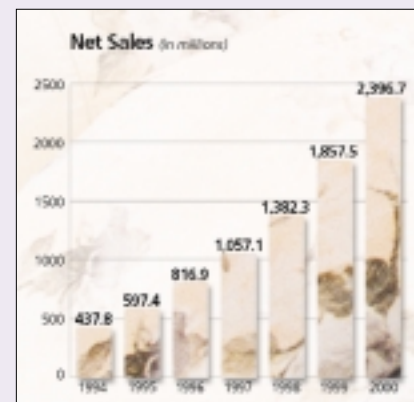
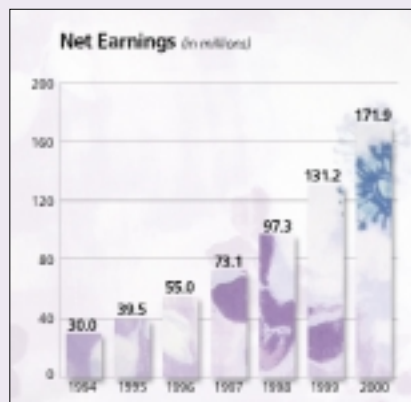
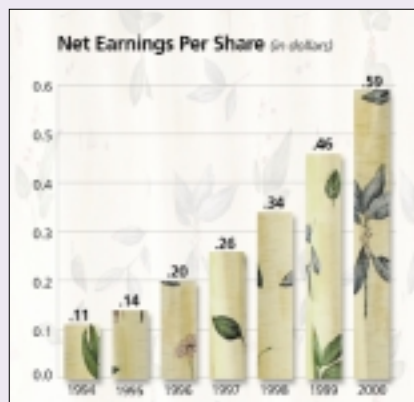
(1) Each fiscal year represents 52 weeks, except for fiscal 2000 (ended March 3, 2001) which represents 53 weeks and fiscal 1996 which represents 52 weeks and 6 days.

(2) Certain reclassifications have been made to selected financial data from prior years to conform to the fiscal 2000 presentation.

(3) 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 in fiscal 2000, 1998, 1996 and 1993. The Company has not declared any cash dividends in any of the fiscal years noted above.

Corporate Profile

Founded in 1971, Bed Bath & Beyond Inc. is a nationwide chain of "superstores" selling predominantly better quality domestics merchandise and home furnishings. The Company's 316 stores (as of May 1, 2001) principally range in size from 30,000 to 50,000 square feet, with some stores exceeding 80,000 square feet. They combine superior service and a huge selection of items (a few of which are pictured in this report) at everyday low prices within a constantly evolving shopping environment that has proven to be both fun and exciting for customers. Bed Bath & Beyond Inc.'s stock is traded on the NASDAQ National Market under the symbol BBBY and is included in the Standard & Poor's 500 Index and the NASDAQ-100 Index.



To Our Fellow Shareholders:

Fiscal 2000 was a great year for us. Bed Bath & Beyond produced outstanding results during the year despite a challenging retailing environment. The dedication, determination and skills of our associates in our stores,

customer service call center, fulfillment center and our corporate and buying offices provided our valued customers with the finest possible shopping experience and enabled our

Company to produce record results in what was, for many in our industry, a difficult year. We continued to take advantage of the public's enthusiasm for our Company's innovative and lively merchandising style by opening our greatest ever number of new superstores in fiscal 2000, each offering a vast selection of better quality domestics merchandise and home furnishings,

in attractive settings and at everyday low prices. While we are pleased that our efforts continue to be well-received in all the markets we serve, we continue to challenge ourselves in order to produce the much larger, more successful Company which we envision and which we are, in fact, rapidly becoming.



Warren Eisenberg
Co-Chairman and Co-Chief
Executive Officer



Leonard Feinstein
Co-Chairman and Co-Chief
Executive Officer



Steven H. Temares
President & Chief Operating Officer
and Member of the Board of
Directors

Fiscal 2000

Highlights:

Net earnings for the fiscal year (fifty-three weeks) ended March 3, 2001 totaled \$171.9 million (\$.59 per share), exceeding

fiscal 1999 (fifty-two weeks) net earnings of \$131.2 million (\$.46 per share) by approximately 31.0%. This was the 9th consecutive year of record earnings since our Company's 1992 initial public offering.

Net sales for fiscal 2000 (fifty-three weeks) were \$2.397 billion, an increase of approximately 29.0% from the prior



fiscal year (fifty-two weeks). Comparable store sales for fiscal 2000 increased by approximately 5.0%.

We are pleased that in each of the 35 fiscal quarters since becoming a publicly-held Company, net earnings have met, or exceeded, the operating plan, and that the Company distributed its fourth two-for-one stock split since "going public" in 1992.

The balance sheet as of March 3, 2001 was strong, flexible and, for over five years now, debt-free. Cash and cash equivalents were \$239 million compared to \$144 million a year earlier; shareholders' equity at year-end was \$817 million, up from \$559 million.

We opened 70 superstores, more than in any previous year, which resulted in our ending the year with 311 stores in 43 states. In addition, two existing stores were expanded.

Importantly, we continued the heavy investment in our infrastructure. This will position us to continue to achieve the

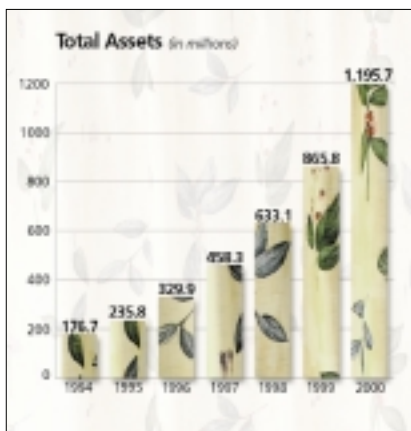
objectives that are most important to our shareholders.

Our Growth Continues:

As noted above, during fiscal 2000 we added 70 new stores and expanded 2 others, ending the year with 311 stores in 43 states. Included in the openings were our first stores in Idaho, Maine, Mississippi, North Dakota and Rhode Island, as well as a 90,000 square foot, three-level megastore on the Upper East Side of Manhattan, New York, which we opened at the end of October. All told, we added about 2.4 million square feet during the year, bringing total store space at fiscal year-end to over 12.2 million square feet.

In fiscal 2001, we expect to add approximately 80 new stores, leases for most of which have already been signed.

Despite our rapid growth, our share of the approximately \$75 billion market for



home goods remains under 4%, which continues to afford us substantial expansion opportunities. Industry growth demographics remain quite strong, and we now believe that we can operate more than 850 stores in the United States. We also continue to explore other profitable growth opportunities, including international expansion, and are pleased to note that a superstore in Bayamon, Puerto Rico is included in our 2001 opening plan.

Once Again, It's Our Corporate Culture:

We are frequently asked the question: "Why does Bed Bath & Beyond do so well in a business where so many others have experienced problems?" As discussed in previous shareholder communications, the answer lies in a successful business model which incorporates a unique corporate culture developed and evolved since our Company's founding in 1971. Our

culture is based upon a common sense approach to giving our customers the best possible shopping experience, bar none. We know we must strive to exceed our customers' expectations.

From inception, we've believed strongly in a decentralized organization. Our field personnel, regardless of any prior experience in retailing, begin their Bed Bath & Beyond careers on the sales floor, and are trained to be entrepreneurs and merchants. They are encouraged and expected to find ways to improve their stores' business. Before becoming store managers, they have developed the initiative and the ability to



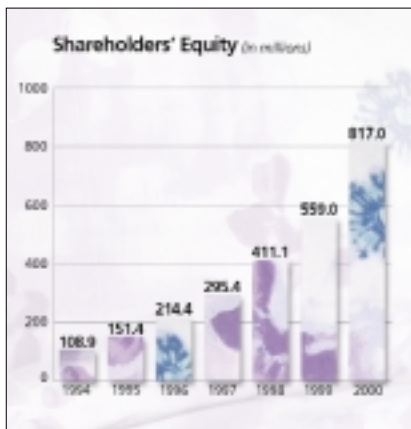
make merchandising and operating decisions not customary even for store managers in a centralized operation. Although this is a difficult and expensive way to operate, this operating culture not only distinguishes us from our direct competitors, but is largely responsible for the consistently superior, long-term results we've been able to achieve.

At Bed Bath & Beyond we recognize that in order to maintain our leadership position, we must constantly change and innovate. Whether it be new merchandise items, new departments, system and process enhancements, new customer service initiatives, or a new look in store fixturing or design, we continue to examine closely everything we do with a view towards doing it better, striving to improve constantly. Many of our most creative new ideas over the years have come from our store associates through their daily contact with our customers, who, put simply, are the only reason we exist.

We are quite proud that, over the years, we've been able to offer our customers the most extensive line of value-priced, nationally branded merchandise available

anywhere in our industry. Our stores also feature hundreds of items, sourced from all over the world, which are found exclusively at Bed Bath & Beyond. Through our everyday low pricing policy, we assure our customers of our best price every day, without resorting to promotional gimmicks or unsupportable claims. In fact, we've been able to maintain an extremely efficient, low cost advertising policy, and we continue to benefit from substantial "word-of-mouth" advertising.

Over the years we've spoken often about "merchandising the mix," which refers to our ability to identify or create good markup items, and to generate exceptional volume on these items. Our organization understands that skilled buying and pricing of the merchandise, combined with selling a better mix with increased unit volume, produces superior gross profit results. Here again, decentralization, which takes advantage of the merchandising talents in our stores, has enabled us to outperform the competition by a widening degree over the past three decades.



Management Resources:

Consistent with our culture, storeline positions are essentially filled through internal promotions. In addition, our dynamic, substantial growth has created opportunities for many experienced individuals from outside the Company, particularly for specialized areas of our business. Our talented, committed and diverse workforce, which is our greatest strength as

promotions of: Jim Brendle, Vice President-Construction and Store Development; Michael J. Callahan, Vice President-Corporate Counsel; Eugene A. Castagna, Vice President-Finance; Alan Jacobson-Vice President of Stores-Western Region; Rita Little, Vice President-Marketing; and Concetta Van Dyke, Vice President-Human Resources.

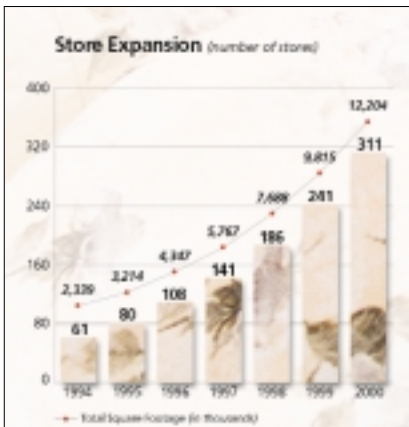
a Company, again demonstrated this past year that we can achieve our corporate objectives through their collective talents.

Since our last report to you a year ago, several key managers have been recognized for their continuing contribution to our success. Most significant were the

We are confident that the over 15,000 associates who comprise the Bed Bath & Beyond family will significantly add to their accomplishments in fiscal 2001.

Looking Ahead:

At Bed Bath & Beyond, we have always focused on the bottom line and improving upon our already solid financial condition.



We are pleased that our sales and earnings growth have been consistent, our cash flow positive, and our balance sheet strong and flexible.

The organization we've built continues to establish and achieve impressive goals. Important opportunities are being created for the top-tier operators in our industry. We're pleased to note that the performance gap between many of our direct competitors and ourselves has been widening, a trend which we will strive to accelerate.

We continue to be excited about new initiatives, addressing specific aspects of our business, which are now underway.

We are confident that through this focus on positive change we will continue to improve

our operations. One of these initiatives, e-service, which was launched a little over a year ago, continues to develop as still another important feature in our overall

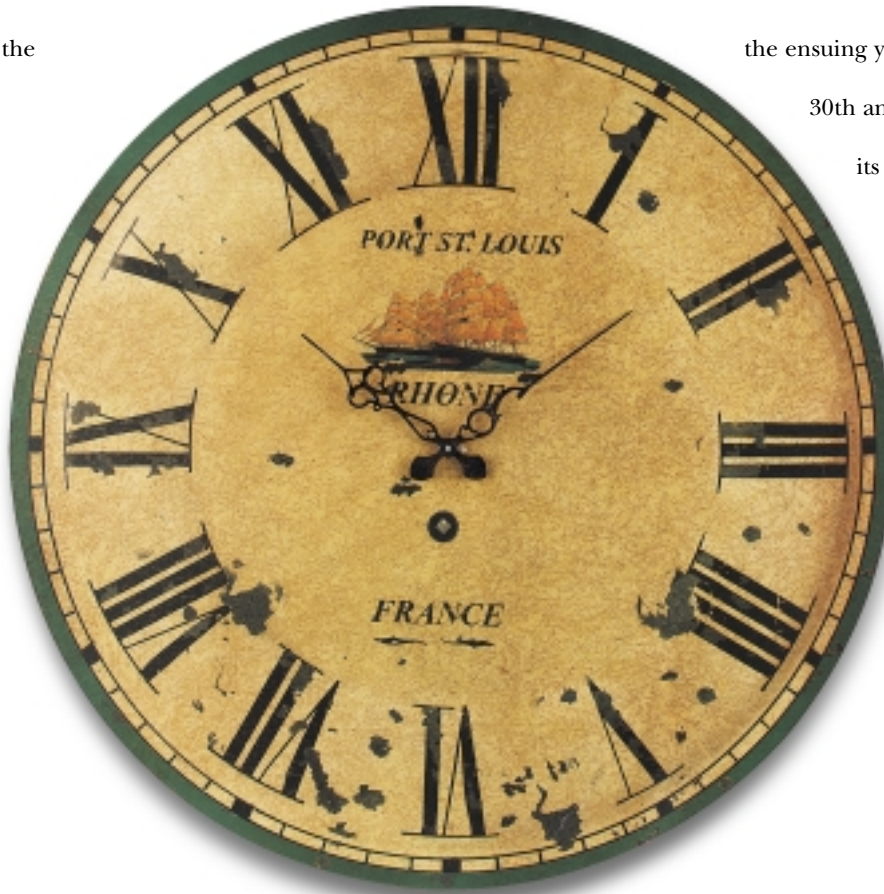
customer service. Over the past year we have publicized e-service to a growing audience, and we believe that customers who have visited us online have been extremely pleased.

Our decentralized culture, which places much of the decision-making closest to our customers, has been responsible for much of the success we have achieved since we began operations in 1971. We believe this operating philosophy and the entrepreneurial and dedicated associates it produces will continue to provide us with a unique



competitive advantage in the marketplace.

We acknowledge the ongoing support of all those who provide us with merchandise and services. We are grateful for the relationships we enjoy and look forward to building on these partnerships over



the ensuing years. As we enter our 30th anniversary year, with its opportunities and challenges, we remain steadfast in our dedication to serving our customers. By doing so, we expect to achieve all of our performance objectives in fiscal 2001, making it our best year ever.

WARREN EISENBERG
*Co-Chairman and
Co-Chief Executive Officer*

LEONARD FEINSTEIN
*Co-Chairman and
Co-Chief Executive Officer*

STEVEN H. TEMARES
*President & Chief Operating Officer
and Member of the Board of Directors*

May 1, 2001



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 statement of earnings data of the Company expressed as a percentage of net sales and (ii) the percentage change from the prior year in selected statement of earnings data:

	FISCAL YEAR ENDED				
	PERCENTAGE OF NET SALES			PERCENTAGE CHANGE FROM PRIOR YEAR	
	March 3, 2001	February 26, 2000	February 27, 1999	March 3, 2001	February 26, 2000
Net sales	100.0%	100.0%	100.0%	29.0%	34.4%
Cost of sales, including buying, occupancy and indirect costs	58.8	58.7	58.3	29.3	35.3
Gross profit	41.2	41.3	41.7	28.6	33.1
Selling, general and administrative expenses	29.8	30.0	30.2	28.0	33.3
Operating profit	11.4	11.3	11.4	30.3	32.5
Earnings before provision for income taxes	11.8	11.6	11.7	31.0	33.2
Net earnings	7.2	7.1	7.0	31.0	34.8

FISCAL 2000 COMPARED WITH FISCAL 1999

In fiscal 2000 (53 weeks), the Company expanded store space by 24.3%, from 9,815,000 square feet at fiscal year end 1999 (52 weeks) to 12,204,000 square feet at fiscal year end 2000. The 2,389,000 square feet increase was the result of opening 70 new superstores and expanding two existing stores.

Net sales in fiscal 2000 increased \$539.2 million to \$2.397 billion, representing an increase of 29.0% over the \$1.858 billion net sales in fiscal 1999 (see Recent Accounting Pronouncements). Approximately 83% of the increase was attributable to new store net sales and the balance to an increase in comparable store net sales.

Approximately 55% and 45% of net sales in fiscal 2000 were attributable to sales of domestics merchandise and home furnishings, respectively. The Company estimates that bed linens accounted for approximately 21% of net sales during both fiscal 2000 and fiscal 1999. No other individual product category accounted for 10% or more of net sales during either fiscal year.

Gross profit in fiscal 2000 was \$986.5 million or 41.2% of net sales, compared with \$766.8 million or 41.3% of net sales a year ago.

The percentage increase in comparable store net sales was 5.0% in fiscal 2000 compared with 9.2% in fiscal 1999. The fiscal 2000 increase in comparable store net sales primarily reflects a strong focus on customer service.

Selling, general and administrative expenses ("SG&A") were \$713.6 million or 29.8% of net sales in fiscal 2000 compared to \$557.5 million or 30.0% of net sales in fiscal 1999. The decrease in SG&A as a percentage of net sales primarily reflects a decrease in occupancy costs and costs associated with new store openings, partially offset by an increase in payroll and payroll related items. Preopening expenses associated with new or expanded stores are charged to earnings as incurred.

The difference between the increase in earnings before provision for income taxes of 31.0% from fiscal 1999 to fiscal 2000 compared to the year to year increase in operating profit of 30.3% was attributable to interest income.

FISCAL 1999 COMPARED WITH FISCAL 1998

In fiscal 1999, the Company expanded store space by 27.7%, from 7,688,000 square feet at fiscal year end 1998 to 9,815,000 square feet at fiscal year end 1999. The 2,127,000 square feet increase was the result of opening 55 new superstores and expanding four existing stores.

Net sales in fiscal 1999 increased \$475.2 million to \$1.858 billion, representing an increase of 34.4% over the \$1.382 billion net sales in fiscal 1998. Approximately 75% of the increase was attributable to new store net sales and the balance to an increase in comparable store net sales.

Approximately 55% and 45% of net sales in fiscal 1999 were attributable to sales of domestics merchandise and home furnishings, respectively. The Company estimates that bed linens accounted for approximately 21% of net sales during both fiscal 1999 and fiscal 1998. No other individual product category accounted for 10% or more of net sales during either fiscal year.

Gross profit in fiscal 1999 was \$766.8 million or 41.3% of net sales, compared with \$576.1 million or 41.7% of net sales in fiscal 1998. The decrease in gross profit as a percentage of net sales was primarily attributable to a different mix of sales during fiscal 1999 compared to the mix of sales during fiscal 1998, as well as a continued emphasis on providing value pricing to the customer.

The percentage increase in comparable store net sales was 9.2% in fiscal 1999 compared with 7.6% in fiscal 1998. The increase in comparable store net sales relative to fiscal 1998 reflected a number of factors, including the continued consumer acceptance of the Company's merchandise offerings, the continued emphasis on providing value pricing to the customer, a strong focus on customer service and the generally favorable retailing environment.

SG&A was \$557.5 million or 30.0% of net sales in fiscal 1999 compared to \$418.1 million or 30.2% of net sales in fiscal 1998. The decrease in SG&A as a percentage of net sales primarily reflected a decrease in payroll and payroll related items and occupancy costs. Preopening expenses associated with new or expanded stores were charged to earnings as incurred.

The difference between the increase in earnings before provision for income taxes of 33.2% from fiscal 1998 to fiscal 1999 compared to the year to year increase in operating profit of 32.5% was attributable to interest income.

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 larger stores. In the nine year period from the beginning of fiscal 1992 to the end of fiscal 2000, the chain has grown from 34 stores to 311 stores. Total square footage grew from 917,000 square feet at the beginning of fiscal 1992 to 12,204,000 square feet at the end of fiscal 2000.

The Company intends to continue its expansion program and currently anticipates that in fiscal 2001 it will open at least 80 new stores (see details under "Liquidity and Capital Resources" below). The Company believes that a predominant portion of any increase in its net sales in fiscal 2001 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. The Company's merchandise inventory has grown from \$360.3 million at the end of fiscal 1998, to \$470.4 million at the end of fiscal 1999 and to \$606.7 million at the end of fiscal 2000. The increases in inventory between the fiscal years were primarily attributable to the addition of new store space.

The Company's working capital increased from \$267.6 million at the end of fiscal 1998, to \$360.6 million at the end of fiscal 1999, and to \$532.5 million at the end of fiscal 2000. The increases between the fiscal years were primarily the result of increases in merchandise inventories and cash and cash equivalents, which were 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, leasehold improvements and computer equipment on an ongoing basis. The Company's total capital expenditures were \$140.4 million, \$90.1 million and \$62.3 million during fiscal 2000, 1999 and 1998, respectively.

Under the Company's revolving Credit Agreement (the "Credit Agreement") concluded in November 1994, and as subsequently amended, the Company may borrow up to \$25.0 million for loans and letters of credit. The Credit Agreement matures in October 2001.

Management's Discussion and Analysis of Financial Condition and Results of Operations

(Continued)

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 will materially affect its business or its expansion program as currently planned.

The Company did not borrow under the Credit Agreement during fiscal 2000, fiscal 1999 or fiscal 1998. The Company believes that during fiscal 2001, internally generated funds will be sufficient to fund both its normal operations and its expansion program.

As of March 30, 2001, the Company has leased sites for 62 new superstores planned for opening in fiscal 2001, including one new store already opened in Wilkes Barre, Pennsylvania.

Approximate aggregate costs for the 62 leased stores are estimated at \$91.8 million for merchandise inventories, \$39.3 million for furniture and fixtures and leasehold improvements and \$16.5 million for preopening expenses (which will be expensed as incurred). In addition to the 62 locations already leased, the Company expects to open approximately 18 additional locations during fiscal 2001. 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 the fourth quarter of fiscal 2000, the Company adopted the provisions of the Financial Accounting Standards Board's Emerging Issues Task Force ("EITF") Issue No. 00-14, "Accounting for Certain Sales Incentives", which provides that the value of point of sale coupons and rebates that result in a reduction of the price paid by the customer be recorded as a reduction of sales, and that free merchandise incentives be recorded as cost of sales. Prior to adoption, the Company recorded its point of sale coupons and rebates in cost of sales. Upon adoption, the Company has reclassified such sales incentives as a reduction of sales in its consolidated statements of earnings for fiscal 2000, 1999 and 1998. The reclassification had no impact on gross profit, operating profit or net earnings.

In the fourth quarter of fiscal 2000, the Company also adopted the provisions of EITF Issue No. 00-10, "Accounting for Shipping and Handling Fees and Costs", which provides that amounts billed to a customer in a sale transaction related to shipping and handling represent revenues. Prior to adoption, the Company recorded such revenues and costs in selling, general and administrative expense. Upon adoption, the Company has reclassified such shipping and handling fees to sales and shipping and handling costs to cost of sales in its consolidated statements of earnings for fiscal 2000, 1999 and 1998. The reclassification had no impact on operating profit or net earnings.

As a result of these reclassifications, previously reported net sales decreased by approximately \$20.5 million and \$14.9 million and cost of sales decreased by approximately \$20.4 million and \$14.9 million in fiscal 1999 and fiscal 1998, respectively.

FORWARD LOOKING STATEMENTS

This Annual Report and, in particular, Management's Discussion and Analysis of Financial Condition and Results of Operations, and the Shareholder Letter, contain 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: general economic conditions, changes in the retailing environment and consumer spending habits, demographics and other macroeconomic factors that may impact the level of spending for the types of merchandise sold by the Company; unusual weather patterns; competition from existing and potential competitors; competition from other channels of distribution; pricing pressures; the ability to find suitable locations at reasonable occupancy costs to support the Company's expansion program; the availability of trained qualified management personnel to support the Company's growth; and the cost of labor, merchandise and other costs and expenses.

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.

Consolidated Balance Sheets*Bed Bath & Beyond Inc. and Subsidiaries*

<i>(in thousands, except per share data)</i>	March 3, 2001	February 26, 2000
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 239,328	\$ 144,031
Merchandise inventories	606,704	470,433
Prepaid expenses and other current assets	39,681	32,904
Total current assets	885,713	647,368
Property and equipment, net	302,656	208,911
Other assets	7,356	9,521
	\$ 1,195,725	\$ 865,800
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 192,401	\$ 145,114
Accrued expenses and other current liabilities	128,800	108,079
Income taxes payable	31,988	33,590
Total current liabilities	353,189	286,783
Deferred rent and other liabilities	25,518	19,972
Total liabilities	378,707	306,755
Commitments and contingencies (notes 3, 6 and 8)		
Shareholders' equity:		
Preferred stock – \$0.01 par value; authorized – 1,000 shares; no shares issued or outstanding	–	–
Common stock – \$0.01 par value; authorized – 350,000 shares; issued and outstanding – March 3, 2001, 287,890 shares and February 26, 2000, 280,812 shares	2,879	2,808
Additional paid-in capital	180,974	94,994
Retained earnings	633,165	461,243
Total shareholders' equity	817,018	559,045
	\$ 1,195,725	\$ 865,800

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Earnings

Bed Bath & Beyond Inc. and Subsidiaries

	FISCAL YEAR ENDED		
	March 3, 2001	February 26, 2000	February 27, 1999
<i>(in thousands, except per share data)</i>			
Net sales	\$ 2,396,655	\$ 1,857,505	\$ 1,382,345
Cost of sales, including buying, occupancy and indirect costs	1,410,196	1,090,704	806,220
Gross profit	986,459	766,801	576,125
Selling, general and administrative expenses	713,621	557,461	418,073
Operating profit	272,838	209,340	158,052
Interest income	9,001	5,790	3,517
Earnings before provision for income taxes	281,839	215,130	161,569
Provision for income taxes	109,917	83,901	64,223
Net earnings	\$ 171,922	\$ 131,229	\$ 97,346
Net earnings per share – Basic	\$.61	\$.47	\$.35
Net earnings per share – Diluted	\$.59	\$.46	\$.34
Weighted average shares outstanding – Basic	283,925	279,930	277,684
Weighted average shares outstanding – Diluted	292,876	288,234	286,472

Consolidated Statements of Shareholders' Equity

Bed Bath & Beyond Inc. and Subsidiaries

	COMMON STOCK		ADDITIONAL	RETAINED	TOTAL
	SHARES	AMOUNT	PAID-IN CAPITAL	EARNINGS	
<i>(in thousands)</i>					
Balance at February 28, 1998	276,176	\$ 2,762	\$ 59,967	\$ 232,668	\$ 295,397
Net earnings				97,346	97,346
Shares sold under employee stock option plans	2,660	26	18,318		18,344
Balance at February 27, 1999	278,836	2,788	78,285	330,014	411,087
Net earnings				131,229	131,229
Shares sold under employee stock option plans	1,976	20	16,709		16,729
Balance at February 26, 2000	280,812	2,808	94,994	461,243	559,045
Net earnings				171,922	171,922
Shares sold under employee stock option plans	7,078	71	85,980		86,051
Balance at March 3, 2001	287,890	\$ 2,879	\$ 180,974	\$ 633,165	\$ 817,018

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

Bed Bath & Beyond Inc. and Subsidiaries

	FISCAL YEAR ENDED		
(in thousands)	March 3, 2001	February 26, 2000	February 27, 1999
Cash Flows from Operating Activities:			
Net earnings	\$ 171,922	\$ 131,229	\$ 97,346
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	46,650	31,625	23,217
Tax benefit from exercise of stock options	48,295	8,932	11,546
Deferred income taxes	(3,939)	(8,197)	(5,166)
(Increase) decrease in assets:			
Merchandise inventories	(136,271)	(110,096)	(89,980)
Prepaid expenses and other current assets	2,627	(2,347)	(2,223)
Other assets	(1,124)	96	(1,276)
Increase (decrease) in liabilities:			
Accounts payable	47,287	45,744	34,652
Accrued expenses and other current liabilities	20,721	18,354	16,115
Income taxes payable	(1,602)	16,980	4,595
Deferred rent	3,370	3,616	3,766
Net cash provided by operating activities	197,936	135,936	92,592
Cash Flows from Investing Activities:			
Capital expenditures	(140,395)	(90,098)	(62,274)
Net cash used in investing activities	(140,395)	(90,098)	(62,274)
Cash Flows from Financing Activities:			
Proceeds from exercise of stock options	37,756	7,797	6,798
Net cash provided by financing activities	37,756	7,797	6,798
Net increase in cash and cash equivalents	95,297	53,635	37,116
Cash and cash equivalents:			
Beginning of period	144,031	90,396	53,280
End of period	\$ 239,328	\$ 144,031	\$ 90,396

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED MATTERS

A. NATURE OF OPERATIONS

Bed Bath & Beyond Inc. (the "Company") is a nationwide chain of "superstores" selling predominantly better quality domestics merchandise and home furnishings. As the Company operates in the retail industry, its results of operations are affected by general economic conditions and consumer spending habits.

B. PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly owned.

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

C. FISCAL YEAR

The Company's fiscal year is comprised of the 52 or 53 week period ending on the Saturday nearest February 28. Accordingly, fiscal 2000 represented 53 weeks and ended on March 3, 2001; fiscal 1999 and fiscal 1998 represented 52 weeks and ended on February 26, 2000 and February 27, 1999, respectively.

D. RECENT ACCOUNTING PRONOUNCEMENTS

In the fourth quarter of fiscal 2000, the Company adopted the provisions of the Financial Accounting Standards Board's Emerging Issues Task Force ("EITF") Issue No. 00-14, "Accounting for Certain Sales Incentives", which provides that the value of point of sale coupons and rebates that result in a reduction of the price paid by the customer be recorded as a reduction of sales, and that free merchandise incentives be recorded as cost of sales. Prior to adoption, the Company recorded its point of sale coupons and rebates in cost of sales. Upon adoption, the Company has reclassified such sales incentives as a reduction of sales in its consolidated statements of earnings for fiscal 2000, 1999 and 1998. The reclassification had no impact on gross profit, operating profit or net earnings.

In the fourth quarter of fiscal 2000, the Company also adopted the provisions of EITF Issue No. 00-10, "Accounting for Shipping and Handling Fees and Costs", which provides that amounts billed to a customer in a sale transaction related to shipping and handling represent revenues. Prior to adoption, the Company recorded such revenues and costs in selling, general and administrative expense. Upon adoption, the Company has reclassified such shipping and handling fees to sales and shipping and handling costs to cost of sales in its consolidated statements of earnings for fiscal 2000, 1999 and 1998. The reclassification had no impact on operating profit or net earnings.

As a result of these reclassifications, previously reported net sales decreased by approximately \$20.5 million and \$14.9 million and cost of sales decreased by approximately \$20.4 million and \$14.9 million in fiscal 1999 and fiscal 1998, respectively.

E. EARNINGS PER SHARE

The Company presents earnings per share on a basic and diluted basis. Basic earnings per share has been computed by dividing net earnings by the weighted average number of shares outstanding. Diluted earnings per share has been computed by dividing net earnings by the weighted average number of shares outstanding including the dilutive effect of stock options.

F. STOCK-BASED COMPENSATION

As permitted under Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation", the Company has elected not to adopt the fair value based method of accounting for its stock-based compensation plans, but continues to apply the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB No. 25"). The Company has complied with the disclosure requirements of SFAS No. 123.

G. CASH AND CASH EQUIVALENTS

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

H. MERCHANDISE INVENTORIES

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

I. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation is computed primarily using the straight-line method over the estimated useful lives of the assets (five to ten years for furniture, fixtures and equipment and three to five years for computer equipment). Leasehold improvements are amortized using 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 \$28.4 million, \$24.2 million and \$17.3 million for fiscal 2000, 1999 and 1998, respectively.

J. DEFERRED RENT

The Company accounts for scheduled rent increases contained in its leases on a straight-line basis over the noncancelable lease term. Deferred rent amounted to \$23.3 million and \$20.0 million as of March 3, 2001 and February 26, 2000, respectively.

K. SHAREHOLDERS' EQUITY

In July 2000 and June 1998, the Board of Directors approved two-for-one splits of the Company's common stock effected in the form of 100% stock dividends. The stock dividends were distributed on August 11, 2000 and July 31, 1998, respectively, to shareholders of record on July 28, 2000 and July 10, 1998, respectively.

Unless otherwise stated, all references to common shares outstanding and net earnings per share are on a post-split basis.

L. REVENUE RECOGNITION

The Company recognizes revenue at the time of sale of merchandise to its customers. Revenues from the sale of gift cards, gift certificates and store credits are recognized when redeemed. A provision for merchandise returns is provided in the period that the related sales are recorded.

M. PREOPENING EXPENSES

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

N. ADVERTISING COSTS

Expenses associated with store advertising are charged to earnings as incurred.

O. 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.

The Company accounts for its income taxes using the asset and liability method. 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. 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.

P. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments include cash and cash equivalents, accounts payable and accrued expenses and other current liabilities. 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.

Q. IMPAIRMENT OF LONG-LIVED ASSETS

The Company periodically reviews long-lived assets for impairment by comparing the carrying value of the assets with their estimated future undiscounted cash flows. If it is determined that an impairment loss has occurred, the loss would be recognized during that period. The impairment loss is calculated as the difference between asset carrying values and the present value of the estimated net cash flows. The Company does not believe that any material impairment currently exists related to its long-lived assets.

R. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Notes to Consolidated Financial Statements

(Continued)

2. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<i>(in thousands)</i>	March 3, 2001	February 26, 2000
Furniture, fixtures and equipment	\$ 219,243	\$ 162,061
Leasehold improvements	168,370	114,549
Computer equipment	73,535	44,143
	461,148	320,753
Less: Accumulated depreciation and amortization	(158,492)	(111,842)
	\$ 302,656	\$ 208,911

3. CREDIT AGREEMENT

Under the Company's revolving Credit Agreement (the "Credit Agreement") concluded in November 1994, and as subsequently amended, the Company may borrow up to \$25.0 million for loans and letters of credit. The Credit Agreement matures in October 2001. Interest on all borrowings is determined based upon several alternative rates as stipulated in the Credit Agreement.

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. Under the terms of these covenants, approximately \$86.0 million was available for the payment of dividends at March 3, 2001.

The Company did not borrow under the Credit Agreement during fiscal 2000 or fiscal 1999. As of March 3, 2001 and February 26, 2000, there were approximately \$2.9 million and \$5.3 million in outstanding letters of credit, respectively.

4. PROVISION FOR INCOME TAXES

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

	FISCAL YEARS		
<i>(in thousands)</i>	2000	1999	1998
Current:			
Federal	\$ 102,178	\$ 82,652	\$ 61,098
State and local	11,678	9,446	8,291
	113,856	92,098	69,389
Deferred:			
Federal	(3,535)	(7,356)	(4,549)
State and local	(404)	(841)	(617)
	(3,939)	(8,197)	(5,166)
	\$ 109,917	\$ 83,901	\$ 64,223

Included in prepaid expenses and other current assets and in deferred rent and other liabilities are deferred income taxes of \$35.4 million and \$2.2 million, respectively, 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 and liabilities consist of the following:

<i>(in thousands)</i>	March 3, 2001	February 26, 2000
Deferred Tax Assets:		
Inventories	\$ 13,729	\$ 11,332
Deferred rent	9,103	7,789
Other	21,684	14,678
Deferred Tax Liability:		
Depreciation	(11,279)	(4,501)
	\$ 33,237	\$ 29,298

For fiscal 2000 and fiscal 1999, the effective tax rate is comprised of the Federal statutory income tax rate of 35.00% and the State income tax rate, net of Federal benefit, of 4.00%. For fiscal 1998, the effective tax rate is comprised of the Federal statutory income tax rate of 35.00% and the State income tax rate, net of Federal benefit, of 4.75%.

5. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

A. The Company has an interest in certain life insurance policies on the lives of its Co-Chairmen. 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 March 3, 2001 and February 26, 2000, other assets include \$4.5 million and \$4.0 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 \$366,000, \$557,000 and \$424,000 for fiscal 2000, 1999 and 1998, 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 \$634,000, \$488,000 and \$390,000 for fiscal 2000, 1999 and 1998, respectively. The Eisenberg Foundation and the Feinstein Foundation are each not-for-profit corporations of which Messrs. Eisenberg and Feinstein, the Co-Chairmen of the Company, and their family members are the trustees and officers.

6. LEASES

The Company leases retail stores, as well as warehouses, office facilities and equipment, under agreements expiring at various dates through 2021. Certain leases provide for contingent rents (which are based upon store sales exceeding stipulated amounts and are immaterial in fiscal 2000, 1999 and 1998), scheduled rent increases and renewal options generally 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 March 3, 2001, future minimum lease payments under noncancelable operating leases are as follows:

FISCAL YEAR	(in thousands)	AMOUNTS
2001		\$ 165,057
2002		175,353
2003		173,125
2004		168,773
2005		165,042
Thereafter		1,031,840
Total minimum lease payments		\$1,879,190

As of March 30, 2001, the Company had executed leases for 62 stores planned for opening in fiscal 2001.

Expenses for all operating leases were \$142.6 million, \$113.3 million and \$89.5 million for fiscal 2000, 1999 and 1998, respectively.

7. EMPLOYEE BENEFIT PLAN

The Company has 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 subject to statutory limitations. 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 March 3, 2001, the Company has made no contributions to the Plan.

8. COMMITMENTS AND CONTINGENCIES

Under terms of employment agreements with its Co-Chairmen extending through June 2002, which terms are subject to further extension, 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 and pension benefits.

The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity.

9. SUPPLEMENTAL CASH FLOW INFORMATION

The Company paid income taxes of \$68.0 million, \$67.2 million and \$53.5 million in fiscal 2000, 1999 and 1998, respectively.

10. STOCK OPTION PLANS

Options to purchase shares of the Company's common stock have been granted to employees under various stock option plans. The Company may grant options to purchase not more than an aggregate of 64.4 million shares of common stock, subject to adjustment under certain circumstances.

Notes to Consolidated Financial Statements

(Continued)

Option grants have been at market value, non-qualified and generally exercisable in five equal annual installments beginning one to three years after the date of grant and expire ten years from the date of grant.

The following table summarizes stock option transactions:

	NUMBER OF SHARES	WEIGHTED- AVERAGE EXERCISE PRICE
Outstanding at February 28, 1998	21,209,796	\$ 4.81
Options granted	5,540,400	11.77
Options exercised	(2,660,298)	2.55
Options canceled	(617,360)	6.10
Outstanding at February 27, 1999	23,472,538	6.67
Options granted	5,533,900	15.49
Options exercised	(1,975,374)	3.94
Options canceled	(807,064)	9.67
Outstanding at February 26, 2000	26,224,000	8.65
Options granted	6,149,700	12.73
Options exercised	(7,078,153)	5.33
Options canceled	(1,123,562)	12.02
Outstanding at March 3, 2001	24,171,985	\$10.51
Options exercisable:		
At February 27, 1999	5,077,618	\$ 3.84
At February 26, 2000	7,240,180	\$ 4.81
At March 3, 2001	4,904,297	\$ 7.12

The stock option committees determine the number of shares and the option price per share for all options issued under the stock option plans.

The following tables summarize information pertaining to stock options outstanding and exercisable at March 3, 2001:

OPTIONS OUTSTANDING			
RANGE OF EXERCISE PRICES	NUMBER OUTSTANDING	WEIGHTED-AVERAGE REMAINING CONTRACTUAL LIFE	WEIGHTED- AVERAGE EXERCISE PRICE
\$ 1.06 to 6.12	4,295,046	4.35	\$ 3.69
6.19 to 10.38	4,601,534	6.39	7.33
10.69 to 11.47	5,093,820	8.95	11.45
11.83 to 14.19	4,159,315	7.28	11.92
14.77 to 26.78	6,022,270	8.54	16.01
\$ 1.06 to 26.78	24,171,985	7.26	\$10.51

OPTIONS EXERCISABLE		
RANGE OF EXERCISE PRICES	NUMBER EXERCISABLE	WEIGHTED- AVERAGE EXERCISE PRICE
\$ 1.06 to 6.12	2,609,526	\$ 3.40
6.19 to 10.38	832,974	7.27
10.69 to 11.47	73,300	11.15
11.83 to 14.19	554,555	12.03
14.77 to 26.78	833,942	14.98
\$ 1.06 to 26.78	4,904,297	\$ 7.12

The Company applies APB No. 25 and related interpretations in accounting for its stock option plans. Accordingly, no compensation cost has been recognized in connection with the stock option plans. Set forth below are the Company's net earnings and net earnings per share "as reported", and as if compensation cost had been recognized in accordance with the fair value provisions of SFAS No. 123:

	FISCAL YEARS		
(in thousands, except per share data)	2000	1999	1998
NET EARNINGS:			
As reported	\$171,922	\$131,229	\$97,346
Pro forma	\$154,540	\$119,158	\$89,519
NET EARNINGS PER SHARE:			
Basic:			
As reported	\$ 0.61	\$ 0.47	\$ 0.35
Pro forma	\$ 0.54	\$ 0.43	\$ 0.32
Diluted:			
As reported	\$ 0.59	\$ 0.46	\$ 0.34
Pro forma	\$ 0.53	\$ 0.41	\$ 0.31

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions used for grants for fiscal 2000, 1999 and 1998, respectively: dividend yield of 0% for all years; expected volatility of 45%, 42% and 42%; risk free interest rates of 6.58%, 5.95% and 5.58%; and expected lives of seven years, seven years and six years. The weighted-average fair value of options granted during the year is \$7.25, \$8.34 and \$6.06 for fiscal 2000, 1999 and 1998, respectively.

11. SUMMARY OF QUARTERLY RESULTS (UNAUDITED)

(in thousands, except per share data)

	FISCAL 2000 QUARTER ENDED				FISCAL 1999 QUARTER ENDED			
	May 27, 2000	August 26, 2000	November 25, 2000	March 3, 2001	May 29, 1999	August 28, 1999	November 27, 1999	February 26, 2000
Net sales	\$ 459,163	\$ 589,381	\$ 602,004	\$ 746,107	\$ 356,633	\$ 451,715	\$ 480,145	\$ 569,012
Gross profit	187,293	241,284	246,080	311,802	146,214	185,570	196,784	238,233
Operating profit	36,339	70,009	64,592	101,898	28,015	53,580	50,607	77,138
Earnings before provision for income taxes	38,301	71,440	66,664	105,434	29,317	54,503	51,978	79,332
Provision for income taxes	14,937	27,862	25,999	41,119	11,434	21,256	20,271	30,940
Net earnings	\$ 23,364	\$ 43,578	\$ 40,665	\$ 64,315	\$ 17,883	\$ 33,247	\$ 31,707	\$ 48,392
EPS – Basic (1)	\$.09	\$.15	\$.14	\$.22	\$.07	\$.12	\$.11	\$.17
EPS – Diluted (1)	\$.08	\$.15	\$.14	\$.22	\$.06	\$.12	\$.11	\$.17

(1) Net earnings per share ("EPS") amounts for each quarter are required to be computed independently and may not equal the amount computed for the total year.

Independent Auditors' Report

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 March 3, 2001 and February 26, 2000, and the related consolidated statements of earnings, shareholders' equity, and cash flows for each of the fiscal years in the three-year period ended March 3, 2001. 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 auditing standards generally accepted in the United States of America. 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 March 3, 2001 and February 26, 2000, and the results of their operations and their cash flows for each of the fiscal years in the three-year period ended March 3, 2001 in conformity with accounting principles generally accepted in the United States of America.



New York, New York

March 30, 2001

Directors and Officers

DIRECTORS

Warren Eisenberg

Co-Chairman and Co-Chief Executive Officer,
Bed Bath & Beyond Inc.

Leonard Feinstein

Co-Chairman and Co-Chief Executive Officer,
Bed Bath & Beyond Inc.

Steven H. Temares

President and Chief Operating Officer,
Bed Bath & Beyond Inc.

Klaus Eppler

Partner, Proskauer Rose LLP,
New York, New York

Robert S. Kaplan

Managing Director, Goldman, Sachs & Co.,
New York, New York

Robert J. Swartz

Vice President, Alco Capital Group, Inc.,
New York, New York

OFFICERS

Warren Eisenberg

Co-Chairman and Co-Chief Executive Officer

Leonard Feinstein

Co-Chairman and Co-Chief Executive Officer

Steven H. Temares

President and Chief Operating Officer

Ronald Curwin

Chief Financial Officer and Treasurer

Arthur Stark

Chief Merchandising Officer and Senior Vice President

Matthew Fiorilli

Senior Vice President – Stores

Eugene A. Castagna

Vice President – Finance

Michael Honeyman

Vice President – Corporate Administration and Operations

Richard C. McMahon

Vice President and Chief Information Officer

Allan N. Rauch

Vice President – Legal and General Counsel

G. William Waltzinger, Jr.

Vice President – E-Service

Jim Brendle

Vice President – Construction and Store Development

P. Timothy Brewster

Vice President – Stores – N.Y.C. Region

Michael J. Callahan

Vice President – Corporate Counsel

Martin Eisenberg

Vice President – Stores – Northeast Region

Alan Jacobson

Vice President – Stores – Western Region

Leif Todd Johnson

Vice President – General Merchandising

Edward Kopil

Vice President – Stores – Southern Region

Phillip Kornbluh

Vice President – Visual Merchandising

Rita Little

Vice President – Marketing

Martin Lynch

Vice President – Merchandise Operations

Stephen J. Murray

Vice President – Information Technology

William Onksen

Vice President – Stores – MidAtlantic and Midwest Regions

Christine R. Pirog

Vice President – Store Operations

Concetta Van Dyke

Vice President – Human Resources

Corporate and Shareholder Information

CORPORATE OFFICE

650 Liberty Avenue
Union, New Jersey 07083
Telephone: 908/688-0888

BUYING OFFICE

110 Bi-County Boulevard, Suite 114
Farmingdale, New York 11735
Telephone: 631/420-7050

SHAREHOLDER INFORMATION

A copy of the Company's 2000 Annual Report as filed with the Securities and Exchange Commission may be obtained from the Investor Relations Department at the Corporate Office.
Fax: 908/810-8813

STOCK LISTING

NASDAQ National Market
Trading symbol BBBY.

TRANSFER AGENT

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

American Stock Transfer
& Trust Company
40 Wall Street, 46th Floor
New York, New York 10005
Telephone: 800/937-5449

STOCK ACTIVITY

The following table sets forth by fiscal quarter the high and low reported sales prices of the Company's Common Stock on the NASDAQ National Market during fiscal 2000 and fiscal 1999:

QUARTER	HIGH	LOW
FISCAL 2000		
First	\$ 21.81	\$ 11.38
Second	20.19	16.38
Third	26.44	17.44
Fourth	27.06	20.17
FISCAL 1999		
First	\$ 19.69	\$ 14.56
Second	19.47	12.75
Third	18.50	13.69
Fourth	18.00	11.22

At March 30, 2001, there were approximately 650 shareholders of record. This number excludes individual shareholders holding stock under nominee security position listings.

INDEPENDENT AUDITORS

KPMG 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 28, 2001, at the Headquarters Plaza Hotel, Three Headquarters Plaza, Morristown, New Jersey.

WEBSITE

www.bedbathandbeyond.com

Store Locations *(as of May 1, 2001)*

Alabama	4	Missouri	5
Arizona	5	Nebraska	1
Arkansas	2	Nevada	1
California	37	New Jersey	16
Colorado	8	New Mexico	1
Connecticut	6	New York	16
Delaware	1	North Carolina	7
Florida	27	North Dakota	1
Georgia	12	Ohio	12
Idaho	1	Oklahoma	3
Illinois	15	Oregon	3
Indiana	5	Pennsylvania	15
Iowa	2	Rhode Island	2
Kansas	4	South Carolina	5
Kentucky	2	Tennessee	6
Louisiana	3	Texas	23
Maine	1	Utah	4
Maryland	10	Vermont	1
Massachusetts	7	Virginia	14
Michigan	14	Washington	9
Minnesota	2	Wisconsin	2
Mississippi	1		
Total			316

For exact locations, visit us at
www.bedbathandbeyond.com
or call 1-800-GO BEYOND.®



We opened our second Manhattan store located at 61st Street and 1st Avenue in October 2000.



www.bedbathandbeyond.com
Beyond any site of its kind.™

650 Liberty Avenue
Union, NJ 07083
908-688-0888