UNION, N.J., Sept. 25, 2013 /PRNewswire/ -- **Bed Bath & Beyond Inc.** today reported net earnings of $1.16 per diluted share ($249.3 million) in the fiscal second quarter ended August 31, 2013 , an increase of approximately 18.4% versus net earnings of $0.98 per diluted share ($224.3 million) in the same quarter a year ago. Net sales for the fiscal second quarter of 2013 were approximately $2.824 billion , an increase of approximately 8.9% from net sales of approximately $2.593 billion reported in the fiscal second quarter of 2012. Comparable store sales in the fiscal second quarter of 2013 increased by approximately 3.7%, compared with an increase of approximately 3.5% in last year's fiscal second quarter.

During the fiscal second quarter of 2013, the Company repurchased approximately $257 million of its common stock, representing approximately 3.5 million shares. As of August 31, 2013 , the remaining balance of the existing share repurchase program authorized in December 2012 was approximately $1.8 billion .

For the fiscal first half ended August 31, 2013, the Company reported net earnings of $2.09 per diluted share ($451.8 million), an increase of approximately 11.8% over net earnings of $1.87 per diluted share ($431.2 million) in the corresponding period a year ago. Net sales for the fiscal first half of 2013 were approximately $5.436 billion , an increase of approximately 13.0% from net sales of approximately $4.811 billion in the corresponding period a year ago. Comparable store sales for the fiscal first half of 2013 increased by approximately 3.5%, compared with an increase of approximately 3.3% in last year's fiscal first half.

The Company is modeling net earnings per diluted share in 2013 to be approximately $1.11 to $1.16 for the fiscal third quarter, $1.70 to $1.77 for the fiscal fourth quarter, and to be approximately $4.88 to $5.01 for the full year, which will include Cost Plus, Inc. ("World Market") and Linen Holdings for all of fiscal 2013. The modeling of net earnings per diluted share is based upon a number of planning assumptions which will be described in the Company's second quarter of fiscal 2013 conference call. Information regarding access to the call is available in the Investor Relations section of the Company's website, www.bedbathandbeyond.com .

The accompanying consolidated financial information for fiscal 2013 includes the accounts of **Linen Holdings** and **World Market** from the beginning of the fiscal year and for fiscal 2012, includes the accounts of **Linen Holdings** since the date of its acquisition on June 1, 2012 and **World Market** since the date of its acquisition on June 29

, 2012.
Linen Holdings
is excluded from the comparable store sales calculations and will continue to be excluded on an ongoing basis as long as it does not meet the Company's definition of comparable store sales.
World Market
is excluded from the comparable store sales calculations through the end of the fiscal first half of 2013 and will be included beginning with the fiscal third quarter of 2013.

As of August 31, 2013, the Company had a total of 1,484 stores, including 1,009 **Bed Bath & Beyond** store
s in all 50 states, the
District of Columbia
,
Puerto Rico
and
Canada
, 266 stores under the names of
World Market,
Cost Plus World Market
or
Cost Plus
, 86
buybuy BABY
stores, 74 stores under a combination of the names of
Christmas Tree Shops
or
andThat!
, and 49 stores under the names of
Harmon
or
Harmon Face Values
. During the fiscal second quarter, the Company opened one
Bed Bath & Beyond
store, one
Christmas Tree Shops
store, three
buybuy BABY
stores and one
Harmon Face Values
store. Consolidated store space, net of openings and closings for all our concepts, as of
August 31, 2013
was approximately 42.3 million square feet. Since the beginning of the fiscal third quarter of 2013 on
September 1, 2013

, one **World Market** store and two **Bed Bath & Beyond** stores have been opened. In addition, the Company is a partner in a joint venture which operates three stores in the Mexico City market under the name **Bed Bath & Beyond**.

Bed Bath & Beyond Inc. and subsidiaries (the "Company") operates a chain of retail stores under the names of **Bed Bath & Beyond, World Market, Cost Plus World Market, Cost Plus, Christmas Tree Shops, andThat!, Harmon, Harmon Face Values** and **buybuy BABY**. The Company is also a partner in a joint venture which operates retail stores in Mexico under the name **Bed Bath & Beyond**. Through its retail stores, the Company sells a wide assortment of domestics merchandise and home furnishings. Domestics merchandise includes categories such as bed linens and related items, bath items and kitchen textiles. Home furnishings include categories such as kitchen and tabletop items, fine tabletop, basic housewares, general home furnishings, consumables and certain juvenile products. Additionally, the Company includes **Linen Holdings**, a provider of a variety of textile products, amenities and other goods to institutional customers in the hospitality, cruise line, food service, healthcare and other industries. Shares of **Bed Bath & Beyond Inc.** are traded on NASDAQ under the symbol "BBBY" and are included in the Standard and Poor's 500 and Global 1200 Indices and the NASDAQ-100 Index. The Company is counted among the Fortune 500 and the Forbes 2000.

This press release may contain forward-looking statements. Many of these forward-looking statements can be identified by use of words such as may, will, expect, anticipate, approximate, estimate, assume, continue, model, project, plan, and similar words and phrases. The Company's actual results and future financial condition may differ materially from those expressed in any such forward-looking statements as a result of many factors. Such factors include, without limitation: general economic conditions including the housing market, a challenging overall macroeconomic environment and related changes in the retailing environment, consumer preferences and spending habits; demographics and other macroeconomic factors that may impact the level of spending for the types of merchandise sold by the Company; civil disturbances and terrorist acts; unusual weather patterns and natural disasters; competition from existing and potential competitors; competition from other channels of distribution; pricing pressures; the ability to attract and retain qualified employees in all areas of the organization; the cost of labor, merchandise and other costs and expenses; the ability to find suitable locations at acceptable occupancy costs and other terms to support the Company's expansion program; uncertainty in financial markets; disruptions to the Company's information technology systems including but not limited to security breaches of the Company's systems protecting consumer and employee information; reputational risk arising from the acts of third parties; changes to statutory, regulatory and legal requirements; new, or developments in existing, litigation, claims or assessments; changes to, or new, tax laws or interpretation of existing tax laws; changes to, or new, accounting standards including, without limitation, changes to lease accounting standards; and the integration of acquired businesses. The Company does not undertake any obligation to update its forward-looking statements.

BED BATH & BEYOND INC. AND SUBSIDIARIES

Consolidated Statements of Earnings

(in thousands, except per share data)

(unaudited)

Three Months Ended

Six Months Ended

August 31,

August 25,

August 31,

August 25,

2013

2012

2013

2012

Net sales

$

2,823,672

$

2,593,015

$

5,435,812

$

4,811,307

Cost of sales

1,710,188

1,560,346

3,289,357

2,891,439

Gross profit

1,113,484

1,032,669

2,146,455

1,919,868

Selling, general and administrative expenses

723,718

667,532

1,433,588

1,241,333

Operating profit

389,766

365,137

712,867

678,535

Interest (expense) income, net

(1,675)

269

(1,900)

(787)

Earnings before provision for income taxes

388,091

365,406

710,967

677,748

Provision for income taxes

138,787

141,076

259,173

246,582

Net earnings

$

249,304

$

224,330

$

451,794

$

431,166

Net earnings per share - Basic

$

1.18

$

0.99

$

2.11

$

1.89

Net earnings per share - Diluted

$

1.16

$

0.98

$

2.09

$

1.87

Weighted average shares outstanding - Basic

212,134

226,313

213,792

227,699

Weighted average shares outstanding - Diluted

214,697

229,308

216,516

230,995

BED BATH & BEYOND INC. AND SUBSIDIARIES

Consolidated Balance Sheets

(in thousands, unaudited)

August 31,

August 25,

2013

2012

Assets

Current assets:

Cash and cash equivalents

$

383,336

$

744,465

Short term investment securities

455,579

164,261

Merchandise inventories

2,591,247

2,430,907

Other current assets

434,299

381,410

Total current assets

3,864,461

3,721,043

Long term investment securities

81,552

82,463

Property and equipment, net

1,477,336

1,403,520

Goodwill

486,279

471,393

Other assets

398,345

429,063

$

6,307,973

$

6,107,482

Liabilities and Shareholders' Equity

Current liabilities:

Accounts payable

$

1,033,709

$

940,958

Accrued expenses and other current liabilities

389,689

422,736

Merchandise credit and gift card liabilities

264,281

233,458

Current income taxes payable

18,616

4,451

Total current liabilities

1,706,295

1,601,603

Deferred rent and other liabilities

493,199

485,485

Income taxes payable

81,767

100,298

Total liabilities

2,281,261

2,187,386

Total shareholders' equity

4,026,712

3,920,096

$

6,307,973

$

6,107,482

BED BATH & BEYOND INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(in thousands, unaudited)

Six Months Ended

August 31,

August 25,

2013

2012

Cash Flows from Operating Activities:

Net earnings

$

451,794

$

431,166

Adjustments to reconcile net earnings to net cash

provided by operating activities:

Depreciation

105,160

90,486

Stock-based compensation

28,439

23,805

Tax benefit from stock-based compensation

12,036

12,716

Deferred income taxes

(13,722)

(16,862)

Other

(666)

(517)

Increase in assets, net of effect of acquisitions:

Merchandise inventories

(125,033)

(163,100)

Trading investment securities

(5,696)

(2,305)

Other current assets

(46,977)

(11,478)

Other assets

(3,624)

(10,718)

Increase (decrease) in liabilities, net of effect of acquisitions:

Accounts payable

135,589

143,582

Accrued expenses and other current liabilities

(1,886)

13,074

Merchandise credit and gift card liabilities

12,800

18,865

Income taxes payable

(57,031)

(65,128)

Deferred rent and other liabilities

4,412

8,537

Net cash provided by operating activities

495,595

472,123

Cash Flows from Investing Activities:

Purchase of held-to-maturity investment securities

(652,342)

(281,130)

Redemption of held-to-maturity investment securities

646,875

881,249

Redemption of available-for-sale investment securities

-

8,525

Capital expenditures

(130,322)

(158,064)

Payment for acquisitions, net of cash acquired

-

(643,269)

Payment for acquisition of trademarks

-

(40,000)

Net cash used in investing activities

(135,789)

(232,689)

Cash Flows from Financing Activities:

Proceeds from exercise of stock options

36,230

29,174

Excess tax benefit from stock-based compensation

3,590

3,776

Payment for credit facility assumed in acquisition

-

(25,511)

Repurchase of common stock, including fees

(581,261)

(505,574)

Net cash used in financing activities

(541,441)

(498,135)

Net decrease in cash and cash equivalents

(181,635)

(258,701)

Cash and cash equivalents:

Beginning of period

564,971

1,003,166

End of period

$

383,336

$

744,465

SOURCE Bed Bath & Beyond Inc.

RELATED LINKS http://www.bedbathandbeyond.com