

Tuesday Morning Corporation Announces Third Quarter Sales

DALLAS, Oct. 5 /PRNewswire/ -- Tuesday Morning Corporation (Nasdaq: TUES), North America's largest operator of first quality deep-discount and closeout home furnishings and gift stores, today reported sales for its third quarter ended September 30, 2000, of \$141.4 million, a 24.5% increase compared with \$113.5 million in the corresponding period of the prior year. Sales for the nine-month period increased 24.4% to \$364.4 million compared to \$292.9 million in 1999. Comparable store sales increased 5.5% for the Company's fourth and fifth sales events, which began August 3rd and ended September 16th. Comparable store sales rose 10.9% for the year-to-date period.

Mark E. Jarvis, Chief Financial Officer, commented, "While we are pleased to report 5.5% comparable sales for the quarter on top of 16.7% in the same period last year, we expect that our bottom line will be impacted by increased distribution costs. We are in the process of reviewing our results for the quarter and based on currently available information, we anticipate earnings per share to be at least equal to \$0.11 posted to last year's third quarter. The Company has taken measures designed to address the recent trend in its distribution costs."

Tuesday Morning Corporation operates the largest chain (currently 431 stores) of deep-discount closeout home furnishings and gift stores in North America. These stores open eight times a year for four-week to six-week "events" during the retail industry's peak selling seasons. A broad variety of closeout items are available in such product categories as gifts, crystal, luggage, linens, toys and seasonal items. The Company specializes in famous-maker, first-quality merchandise, which is often found in prestigious department and specialty stores. Such merchandise is sold by Tuesday Morning at prices 50%-80% below traditional retail levels.

This press release contains forward-looking statements, which are made pursuant to the "safe harbor" provisions of the Private Securities Litigation Act of 1995. Actual results may differ substantially from such forward-looking statements. Forward-looking statements involve risks and uncertainties including, but not limited to, continued acceptance of the Company's products in the marketplace, the success of new store openings and the availability of new store locations, competitive factors, access to merchandise in a variety of foreign countries, economic trends, and other risks detailed in the Company's periodic report filings with the Securities and Exchange Commission.

SOURCE Tuesday Morning Corporation

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"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release regarding Tuesday Morning Corporation's business which are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in the Company's Annual Report or Form 10-K for the most recently ended fiscal year.