

Tuesday Morning Corporation Reports Strong Second Quarter Results - Second Quarter Net Income Increases 81%

DALLAS, Aug. 1 /PRNewswire/ -- Tuesday Morning Corporation (Nasdaq: TUES), North America's largest operator of deep-discount closeout home furnishings and gift stores, today announced financial results for the second quarter and six months ended June 30, 2000.

For the second quarter of 2000, net income increased 81% to \$4.5 million, or \$0.11 per fully diluted share, compared to \$2.5 million, or \$0.06 per fully diluted share on a pro forma basis for the same period a year ago. For the six months ended June 30, 2000, the Company's net income grew 95% to \$6.8 million from last year's net income of \$3.5 million. During the second quarter, net sales rose 23% to \$132.6 million compared to net sales of \$107.7 million for the same period last year. For the six months period, net sales grew 24% to \$223.1 million from net sales of \$179.4 million posted in the year ago period. Comparable store sales increased 12.8% for the quarter and 13.7% for the six months ended June 30, 2000.

Mark E. Jarvis, Chief Financial Officer, commented, "We are very pleased with the results of our second quarter. Our customers responded enthusiastically to the exciting mix of merchandise, which featured lawn and garden as well as summer living themes. We are also very encouraged by the continued improvement in our operating performance which is being driven by our strong sales performance and low operating costs."

Tuesday Morning Corporation operates the largest chain (currently 415 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.

Tuesday Morning Corporation common shares are traded on Nasdaq's National Market System under the symbol "TUES".

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.