



## Ross Stores First Quarter EPS Increases 27%

May 17, 2000

NEWARK, Calif., May 17 /PRNewswire/ -- Ross Stores, Inc. (Nasdaq: ROST) today reported record net earnings for the 13 weeks ended April 29, 2000 of \$40.8 million, compared to \$34.2 million for the 13 weeks ended May 1, 1999. Earnings per share for the same period increased 27% to \$.47, compared to \$.37 per share in the prior year. Current year first quarter sales totaled \$633 million, up 15% from the \$551 million in sales for the quarter ended May 1, 1999. Comparable store sales for the same period rose 7%.

In commenting, Michael Balmuth, Vice Chairman and Chief Executive Officer, stated, "We are pleased with the strength of our business during the first quarter. Solid increases in sales were broadbased throughout most geographic regions and merchandise categories. We believe these results show that we remain on track with our value-focused strategies."

Mr. Balmuth continued, "During the first quarter, our focus on more opportunistic buying, as well as ongoing strict controls of both inventories and expenses, enabled Ross to deliver a 44 basis point increase in operating income to 10.6% of sales, compared to 10.2% in the prior year period. As a percent of sales, gross margin increased by 29 basis points while general, selling and administrative expenses declined by 11 basis points."

"Our expansion program also remained on schedule during the quarter. We opened seven new stores, all in existing markets. These locations are the first of approximately 30 net new stores we plan to open in 2000. We currently expect to end the year with about 408 stores in 17 states," said Mr. Balmuth.

In conclusion, Mr. Balmuth said, "Delivering value to stockholders remains a top priority at Ross as evidenced by our share repurchase program. During the first three months of 2000, we repurchased 5.9 million shares of common stock for an aggregate investment of \$99.4 million, representing about 33% of the two-year \$300 million repurchase program authorization announced early in the year. We ended the quarter with 83.4 million shares of common stock outstanding."

The company will provide additional details concerning its first quarter results and business outlook on a conference call to be held on Wednesday, May 17, 2000 at 11:00 a.m. EDT. Participants may listen to a real time audio webcast of the conference call by visiting the company's newly renovated web site located at [www.rossstores.com](http://www.rossstores.com). A recorded version of the call will remain available at the same location through Wednesday, May 24, 2000.

**Forward-Looking Statements:** This press release contains certain forward-looking statements which are subject to risks and uncertainties that could cause the company's actual results to differ materially from management's current expectations. The words "expect," "anticipate," "estimate," "believe" and similar expressions identify forward-looking statements. Risk factors include obtaining acceptable new store locations, competitive pressures in the apparel industry, changes in the level of consumer spending on or preferences in apparel or home-related merchandise, unseasonable weather trends, and greater than planned operating costs. Other risk factors are detailed in the company's Form 10-K for fiscal 1999. The company does not undertake to publicly update or revise these forward-looking statements even if experience or future changes indicate that any projected results expressed or implied therein will not be realized.

Ross Stores, Inc. operates a national chain of off-price retail stores offering first quality, in-season, branded apparel and apparel-related merchandise for the entire family at prices that average 20% to 60% less than department and specialty stores, as well as merchandise for the home at similar savings. The company had 385 stores in operation April 29, 2000, compared to 355 stores at the end of the same period last year.

NOTE TO EDITORS: Ross Stores, Inc. press releases are available on the Internet via the company's home page at <http://www.rossstores.com>.

ROSS STORES, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(\$000, except per share data, unaudited)	Three Months Ended	
	April 29, 2000	May 1, 1999
Sales	\$633,428	\$550,825
Costs and Expenses		
Cost of goods sold and occupancy	434,425	379,378
General, selling and administrative	121,446	106,192
Depreciation and amortization	10,478	9,320
Interest expense (income)	5	(162)
Earnings before income taxes	566,354	494,728
	67,074	56,097
Provision for taxes on earnings	26,226	21,934
Net earnings	\$40,848	\$34,163

Earnings per share		
Basic	\$0.48	\$0.37
Diluted	\$0.47	\$0.37
Weighted average shares outstanding		
Basic	85,287	91,928
Diluted	86,177	93,480
Stores open end of period	385	355

ROSS STORES, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS

	April 29,	May 1,
(\$000, unaudited)	2000	1999
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$32,632	\$33,307
Accounts receivable	17,003	15,199
Merchandise inventory	555,619	516,107
Other current assets	19,068	16,301
Total Current Assets	\$624,322	\$580,914
Property and equipment, net	276,142	249,793
Lease rights, deferred income taxes and other assets	63,666	50,439
	\$964,130	\$881,146
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities		
Accounts payable, accrued expenses and other	\$445,076	\$386,051
Income taxes payable	24,803	21,233
Total Current Liabilities	\$469,879	\$407,284
Long-term debt	20,000	0
Other liabilities	54,762	45,570
Stockholders' Equity	419,489	428,292
	\$964,130	\$881,146

SOURCE Ross Stores, Inc.

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