



## Ross Stores Reports June Sales and Outlook for Second Quarter and Fiscal 2000 EPS

July 6, 2000

NEWARK, Calif., July 6 /PRNewswire/ -- Ross Stores, Inc. (Nasdaq: ROST) today reported sales of \$251 million for the five week period ended July 1, 2000, a 7% increase above the \$235 million in sales for the five weeks ended July 3, 1999. Comparable store sales for the same period declined 1% vs. a 7% increase in the prior year.

For the five months through July 1, 2000, sales were \$1.095 billion, a 12% increase above the \$977 million in sales for the prior year's comparable period ended July 3, 1999. Comparable store sales for the five months increased 4% over the same period in the prior year, vs. a 7% increase in the prior year.

In commenting, Vice Chairman and Chief Executive Officer Michael Balmuth said, "Business in June underperformed our expectations, showing a slowdown from our year-to-date trend. The 1% decline in same store sales during June followed a 3% increase in May and a 7% gain in the first quarter. We believe our sales results have been impacted by a slowdown in consumer spending combined with a more promotional climate compared to last year."

Looking ahead, Mr. Balmuth continued, "If same store sales are flat to slightly up during July, we now estimate that earnings per share for the second quarter would be in the range of \$.43 to \$.44, compared to \$.42 during the second quarter of 1999. As a result of the change in sales momentum during the second quarter, we also have adopted a more cautious outlook for the back half of the year. Our inventory and expense plans are now based on third quarter same store sales that are flat to slightly up, and fourth quarter same store sales that are relatively even with the prior year. If sales during July and the second half of fiscal 2000 perform in line with these forecasted ranges, then we estimate that earnings per share for fiscal 2000 would be in the range of \$1.90 to \$1.95, compared to earnings per share before non-recurring legal expenses of \$1.70 in 1999."

The company will report final results for the 13 weeks ending July 29, 2000 on Wednesday, August 16, 2000. Additional recorded information concerning today's press release can be accessed by calling 719-457-0820, passcode #883427, from 8:30 a.m. EDT on July 6, 2000 through 8:00 p.m. EDT on July 7, 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 at July 1, 2000, compared to 355 stores at the end of the same period last year. SOURCE Ross Stores, Inc.

/NOTE TO EDITORS: Ross Stores, Inc. press releases are available at no charge through the company's web site at [www.rossstores.com/](http://www.rossstores.com/)

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