



Ross Stores Reports October Sales, Estimated Third Quarter Results

November 2, 2000

NEWARK, Calif., Nov. 2 /PRNewswire/ -- Ross Stores, Inc. (Nasdaq: ROST) today reported sales of \$210 million for the four weeks ended October 28, 2000, a 10% increase above the \$191 million in sales for the four weeks ended October 30, 1999. Comparable store sales for the same period increased 1% on top of a 4% increase in the prior year.

For the 13 weeks ended October 28, 2000, sales were \$639 million, a 5% increase above the \$609 million in sales for the prior year's comparable period ended October 30, 1999. Comparable store sales for the third quarter declined 2% vs. a 7% gain in the prior year.

For the nine months ended October 28, 2000, sales totaled \$1.930 billion, a 9% increase above the \$1.774 billion in sales for the nine months ended October 30, 1999. Comparable store sales for the first nine months of 2000 increased 1% on top of a 7% increase in the prior year.

Preliminary Third Quarter Results

Michael Balmuth, Vice Chairman and Chief Executive Officer, said, "We are encouraged by the improved trend of business in October, even though we are clearly disappointed in our overall third quarter sales performance. Sales results for the most recent month benefited from stronger than expected sell-through of full margin product and higher than planned sales from the 19 new stores we opened during October. However, a more difficult external environment combined with some internal execution issues to negatively impact both sales and earnings growth in the quarter. As a result, we now expect third quarter earnings per share to be in the range of \$.35 to \$.36, compared to \$.38 in the third quarter of 1999."

Fourth Quarter Outlook

Mr. Balmuth continued, "Looking ahead, we are maintaining our cautious outlook for the fourth quarter, particularly since the retail environment remains uncertain. Our current forecast calls for same store sales to be flat to down 3% in November, December and January. If sales perform in line with these projections, then we estimate that earnings per share will be in the range of \$.52 to \$.57 for the fourth quarter and \$1.77 to \$1.83 for the year. The company reported earnings per share of \$.54 in the fourth quarter of 1999 and \$1.70 for the 1999 fiscal year, before non-recurring legal costs. It should be noted that fiscal 2000 is a 53-week year. The 53rd week is estimated to add approximately \$35 million to revenue and about \$.05 to \$.06 to earnings per share to the fourth quarter and the fiscal year. Revenue and earnings expectations for the 53rd week are included in the guidance provided in this press release."

Additional recorded information concerning today's press release and the company's future outlook can be accessed by calling 706-645-9291, passcode #962102, from 8:30 a.m. EST on November 2, 2000 through 8:00 p.m. EST on November 3, 2000. A transcript of these comments also will be made available on the press release page of the company's web site at www.rossstores.com.

The company expects to report final third quarter results at approximately 8:30 a.m. EST on Wednesday, November 15, 2000. A conference call is scheduled to follow on the same date at 11:00 a.m. EST to communicate additional details concerning the quarter's results and management's future outlook. Anyone may listen to a real time audio webcast of the conference call by visiting the company's web site at www.rossstores.com. A recorded version of the call will remain available at the same location through the end of November.

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," "forecast," "projected" and similar expressions identify forward-looking statements. The estimated range for earnings in the third quarter of 2000 is preliminary and subject to adjustment. 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 and/or adjustments that may be made in determining final results for the third quarter of 2000. Other risk factors are detailed in the company's Form 10-K for fiscal 1999. The factors underlying our forecasts are dynamic and subject to change. As a result, our forecasts speak only as of the date they are given and do not necessarily reflect the company's outlook at any other point in time. The company does not undertake to update or revise these forward-looking statements.

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 411 stores at October 28, 2000, compared to 381 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 home page on the internet at www.rossstores.com/

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