



Ross Stores Reports January Sales, Forecasted Earnings per Share Range for Fiscal 2001 And Quarterly Cash Dividend Increase

February 8, 2001

NEWARK, Calif., Feb. 8 /PRNewswire/ -- Ross Stores, Inc. (ROST) reported sales for the five weeks ended February 3, 2001 of \$183 million, up 35% from the \$136 million reported for the four weeks ended January 29, 2000. The fifth week of the month added \$40 million in sales. Comparable store sales for the four weeks ended January 27, 2001 declined 3% vs. a 7% increase in the prior year period.

For the 14 weeks ended February 3, 2001, sales increased 12% to \$779 million from \$695 million for the 13 weeks ended January 29, 2000. Comparable store sales for the 13 weeks ended January 27, 2001 declined 1% vs. a 2% increase in the prior year period.

For the 53 weeks ended February 3, 2001, sales totaled \$2.709 billion, a 10% increase above the \$2.469 billion in sales for the 52 weeks ended January 29, 2000. Comparable store sales for the 52 weeks ended January 27, 2001 increased 1% on top of a 6% increase in the prior year period.

Michael Balmuth, Vice Chairman and Chief Executive Officer, commented, "Same store sales in January were within the forecasted sales range we provided at the beginning of the month. As expected, business during January, which is typically a post-holiday clearance driven period, was affected by a significant amount of promotional activity from the department store sector. Our inventories, however, remain in good shape, with in-store levels down about 1% from the prior year at month-end. Our focus moving into 2001 is to stimulate stronger sales trends by improving the mix of exciting and recognizable name brand merchandise throughout our stores."

Expected Results for Fourth Quarter and Fiscal 2000

Based on this performance, the Company expects to report earnings per share for the 14 weeks ended February 3, 2001 in the range of \$.54 to \$.56, compared to proforma earnings per share of \$.54 for the 13 weeks ended January 29, 2000. Earnings per share for the 53 weeks ended February 3, 2001 are expected to be in the range of \$1.80 to 1.82, compared to proforma earnings per share of \$1.70 for the 52 weeks ended January 29, 2000. Fiscal 1999 results are reported proforma for the exclusion of a pre-tax charge of \$9.0 million, or \$.06 per share, for non-recurring costs related to litigation. The 53rd week in fiscal 2000 is estimated to add about \$.07 in earnings per share, which is included in these estimates. The company expects to report its full earnings results for the fourth quarter and fiscal 2000 on Wednesday, March 14, 2001.

Dividend Increase and Stock Repurchase Program

In other news, Ross announced that its Board of Directors approved a 13% increase in the quarterly cash dividend to \$.0425 per common share, the seventh consecutive annual increase in quarterly dividend payments since the program began in early 1994. The quarterly cash dividend declared by the Board at the new higher rate will be paid on or about April 2, 2001 to stockholders of record as of March 2, 2001.

In addition, the company reported that for the fiscal year ended February 3, 2001, it had repurchased a total of 10.1 million shares of common stock for an aggregate purchase price of \$169 million. These shares were repurchased under a two-year \$300 million stock repurchase program announced in February 2000. The company expects to complete the remaining buyback authorization under this program in fiscal 2001.

"We are pleased that the company's strong financial position and operating cash flows provide the resources to enhance stockholder returns through our share repurchase and dividend programs," said Mr. Balmuth.

Outlook for 2001 Earnings

Consistent with information provided in its January 4, 2001 press release, the company continues to estimate that earnings per share for the year ending February 2, 2002 will be in the range of \$1.90 to \$2.00, with quarterly forecasted ranges as follows:

- First quarter ending May 5, 2001 in the range of \$.44 to \$.47 per share
- Second quarter ending August 4, 2001 in the range of \$.49 to \$.51 per share
- Third quarter ending November 3, 2001 in the range of \$.43 to \$.45 per share
- Fourth quarter ending February 2, 2002 in the range of \$.54 to \$.57 per share

Additional recorded information concerning today's press release and the company's future outlook for fiscal 2001 sales and earnings can be accessed by calling 706-645-9291, passcode #962102, from 8:30 a.m. EST on February 8, 2001 through 8:00 p.m. EST on February 9, 2001. 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.

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 per share for the fourth quarter and fiscal 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. 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 409 stores at February 3, 2001, compared to 378 stores at the end of the same period last year. SOURCE Ross Stores, Inc.

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