



Ross Stores Reports June Sales and Updated Outlook for Second Quarter And Fiscal 2001 EPS

July 12, 2001

NEWARK, Calif., July 12 /PRNewswire/ -- Ross Stores, Inc. (Nasdaq: ROST) today reported sales of \$268 million for the five weeks ended July 7, 2001, a 9% increase above the \$247 million in sales for the five weeks ended July 8, 2000. Comparable store sales for the same period were even with the prior year compared to a 1% decline for the five weeks ended July 1, 2000.

For the five months through July 7, 2001, sales were \$1.163 billion, a 5% increase above the \$1.103 billion in sales for the prior year's comparable period ended July 8, 2000. Comparable store sales for the five months declined 2% compared to a 4% increase for the five months ended July 1, 2000.

In commenting, Vice Chairman and Chief Executive Officer Michael Balmuth said, "We are making progress with our merchandise offerings, with our same store sales results improving each month this year. The flat comparable store sales we reported for June, however, were below our expected increase of 2% to 4% vs. a 1% decline in the prior year. Although our sales trend is improving, we believe it is happening at a slower rate than we anticipated due to the continued difficult economic environment and broadbased weakness in the department and specialty apparel store channels, both of which are contributing to a tougher, more competitive climate."

Mr. Balmuth continued, "As a result, like many other retailers, we have adopted a more cautious outlook for sales and earnings over the balance of 2001. We now expect same store sales for the remainder of the year to be in the following ranges: (i) flat to up 2% for the month ending August 4, 2001, vs. our prior forecast of up 3% to 5%; (ii) flat to up 3% for the third quarter ending November 3, 2001, vs. our prior forecast of up 4% to 5%; and (iii) down 1% to up 2% for the fourth quarter ending February 2, 2002, vs. our prior forecast of up 2% to 3%. If sales perform in line with these newly forecasted ranges, then we estimate that earnings per share for the fiscal year ending February 2, 2002 will be in the range of \$1.65 to \$1.75. Based on these new sales assumptions, earnings per share by quarter now are forecast to be in the following ranges for the balance of the year:

- \$.39 to \$.40 for the second quarter ending August 4, 2001, vs. \$.43 for the second quarter ended July 29, 2000.
- \$.35 to \$.39 for the third quarter ending November 3, 2001, vs. \$.36 for the third quarter ended October 28, 2000.
- \$.48 to \$.53 for the fourth quarter ending February 2, 2002, vs. \$.56 for the fourth quarter ended February 3, 2001."

Mr. Balmuth concluded, "Today's uncertain economic climate increases the lack of visibility and the difficulty in forecasting both sales and earnings. An improvement in current sales trends during the balance of the year would improve the earnings outlook for the second half of 2001."

The company will report final results for the 13 weeks ending August 4, 2001 on Wednesday, August 22, 2001. Additional recorded information concerning today's press release and the company's future outlook for the second quarter and fiscal year can be accessed by calling 402-220-5900, PIN #2363, from 8:30 a.m. eastern time on July 12, 2001 through 8:00 p.m. eastern time on July 13, 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 "plan," "expect," "believe," "anticipate," "forecast," "estimate," "projected" and similar expressions identify forward-looking statements. The estimated earnings per share for the second, third and fourth quarters and fiscal 2001 are preliminary and subject to risk factors and adjustments. Risk factors include obtaining acceptable new store locations, competitive pressures in the apparel industry, changes in economic conditions, changes in the level of consumer spending on or preferences in apparel or home-related merchandise, the availability of dependable energy resources at reasonable costs, unseasonable weather trends, and greater than planned operating costs. Other risk factors are detailed in the company's Form 10-K for fiscal 2000. 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 423 stores in operation at July 7, 2001, compared to 385 stores at the end of the same period last year.

SOURCE Ross Stores, Inc.

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