



Ross Stores Reports Strong January Sales and Forecasted EPS Targets

February 7, 2002

Board Approves New \$300 Million Stock Repurchase Program and 12% Dividend Increase

NEWARK, Calif., Feb 7, 2002 /PRNewswire/ -- Ross Stores, Inc. (Nasdaq: ROST) reported sales for the four weeks ended February 2, 2002 of \$183 million, up 22% from the \$150 million reported for the four weeks ended February 3, 2001. Comparable store sales for the four weeks ended February 2, 2002 rose 12% over the prior year period on a day-for-day basis.

For the 13 weeks ended February 2, 2002, sales increased 17% to \$848 million from \$723 million for the 13 weeks ended February 3, 2001. Comparable store sales for the 13 weeks ended February 2, 2002 rose 8% over the prior year period on a day-for-day basis.

For the 52 weeks ended February 2, 2002, sales totaled \$2.987 billion, a 12% increase above the \$2.670 billion in sales for the 52 weeks ended February 3, 2001. Comparable store sales for the 52 weeks ended February 2, 2002 increased 3% on a day-for-day basis over the prior year period.

Michael Balmuth, Vice Chairman and Chief Executive Officer, commented, "We are very pleased with our strong sales results for January and the fourth quarter, especially considering the difficult retail environment. Our sales continue to benefit from an improved flow of fresh and exciting name brand fashions for the family and the home at compelling discounts, resulting in broadbased strength throughout most markets and merchandise categories."

Expected Results for Fourth Quarter and Fiscal 2001

Mr. Balmuth continued, "Based on this performance, we are now forecasting earnings per share of \$.62 and \$1.91, respectively, for the 13 and 52 week periods ended February 2, 2002. These projected results would represent an earnings per share increase of 27% for the fourth quarter and 9% for the year on a 52-week basis. The company reported earnings per share of \$.56 and \$1.82 for the 14 and 53 week periods ended February 3, 2001. The 53rd week last year added an estimated \$40 million in sales and \$.07 in earnings per share." The company expects to report its full earnings results for the fourth quarter and fiscal 2001 on Wednesday, March 13, 2002.

Stock Repurchase and Dividend Programs

Ross also announced that its Board of Directors approved a new stock repurchase program, authorizing the buyback of up to \$300 million of the company's common stock over the next two years. At current market prices, this authorization represents over 10% of the company's issued and outstanding shares. The purchases will be effected from time to time through open market or privately arranged transactions. The company recently completed its prior two-year \$300 million repurchase program authorized in early 2000, ending fiscal 2001 with an estimated 79.0 million shares of common stock outstanding.

In other news, Ross reported that its Board of Directors approved a 12% increase in the quarterly cash dividend, to \$.0475 per common share, the eighth consecutive annual increase in quarterly dividend payments since the program began in early 1994. A quarterly cash dividend declared by the Board at the new higher rate will be paid on or about April 1, 2002 to stockholders of record as of March 1, 2002.

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

Estimated Annual and First Quarter 2002 Earnings per Share

The company estimates that earnings per share for the year ending February 1, 2003 will increase 15% to approximately \$2.20 compared to forecasted earnings per share of \$1.91 for the year ending February 2, 2002. Earnings per share for the first quarter ending May 4, 2002 are estimated to be about \$.50, a forecasted increase of 16% above the \$.43 earned in the quarter ended May 5, 2001.

Additional recorded information concerning today's press release and the company's future outlook can be accessed by calling 402-220-5900, PIN #2363, from 8:30 a.m. eastern time on February 7, 2002 through 8:00 p.m. eastern time on February 8, 2002. 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 2001 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 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 452 stores at February 2, 2002, compared to 409 stores at the end of the same period last year.

SOURCE Ross Stores, Inc.

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