



Ross Stores Reports Record First Quarter Results

May 22, 2002

NEWARK, Calif., May 22, 2002 /PRNewswire-FirstCall via COMTEX/ -- Ross Stores, Inc. (Nasdaq: ROST) today reported that earnings per share for the 13 weeks ended May 4, 2002 increased 37% to a record \$.59, compared to \$.43 for the 13 weeks ended May 5, 2001. Net earnings in the first quarter of 2002 grew 37% to \$47.7 million, compared to \$34.7 million in the prior year period. Sales for the first quarter ended May 4, 2002 increased 22% to \$820 million, from \$674 million for the quarter ended May 5, 2001. Comparable store sales for the same period increased 10% over the prior year.

Michael Balmuth, Vice Chairman and Chief Executive Officer, commented, "We are very pleased with our record first quarter results, which continue to benefit from our ability to offer a wide assortment of fresh and exciting national name brand fashions at competitive discounts for the family and the home."

Mr. Balmuth continued, "The combination of a double digit increase in same store sales, healthy new store productivity and 12% unit growth resulted in a 22% increase in total sales. Operating margin expanded approximately 90 basis points during the quarter to 9.6%, leveraging earnings per share growth.

"Our accelerated expansion program remains on schedule, as we opened a record of 20 new stores for the first quarter. These are the first of about 55 net new stores we plan to add in 2002. After closing two older locations, we ended the period with 470 stores in 22 states," noted Mr. Balmuth.

Mr. Balmuth continued, "In early February, we announced that our Board of Directors approved a new two-year \$300 million stock repurchase program. During the first three months of 2002, we repurchased 1.1 million shares of common stock for an aggregate investment of \$42.1 million under this new authorization, ending the quarter with 78.6 million shares of common stock outstanding."

The company will provide additional details concerning its first quarter results and business outlook on a conference call to be held on Wednesday, May 22, 2002 at 11:00 a.m. Eastern Daylight Time. Participants may listen to a real time audio webcast of the conference call by visiting the company's web site located at www.rossstores.com. A recorded version of the call will also be available until the end of the month at the web site address and via a telephone recording through May 29, 2002 at 402-220-5900, PIN #2342.

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," "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, the ability to successfully open its new distribution centers in a timely and cost effective manner, and greater than planned operating costs. Other risk factors are detailed in the company's Form 10-K for fiscal 2001. 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 470 stores in operation as of May 4, 2002, compared to 419 stores at the end of the same period last year.

ROSS STORES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(\$000, unaudited)	May 4, 2002	May 5, 2001
ASSETS		
Current Assets		
Cash and cash equivalents	\$72,630	\$38,282
Accounts receivable	24,464	20,658
Merchandise inventory	674,033	607,252
Other current assets	26,940	21,992
Total Current Assets	\$798,067	\$688,184
Property and equipment, net	344,623	306,332
Lease rights, deferred income		

taxes and other assets	38,984	40,110
	\$1,181,674	\$1,034,626

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities

Accounts payable, accrued expenses and other	\$535,966	\$447,941
Income taxes payable	30,568	21,577
Total Current Liabilities	\$566,534	\$469,518
Long-term debt	0	50,000
Other liabilities	43,675	41,371
Deferred income taxes	7,646	0
Stockholders' Equity	563,819	473,737
	\$1,181,674	\$1,034,626

ROSS STORES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(\$000, except per share data, unaudited)	Three Months Ended	
	May 4, 2002	May 5, 2001
Sales	\$819,611	\$674,359
Costs and Expenses		
Cost of goods sold and occupancy	556,030	464,529
General, selling and administrative	172,221	139,237
Depreciation and amortization	12,861	11,999
Interest expense	224	1,655
	741,336	617,420
Earnings before income taxes	78,275	56,939
Provision for taxes on earnings	30,606	22,263
Net earnings	\$47,669	\$34,676
Earnings per share		
Basic	\$0.60	\$0.43
Diluted	\$0.59	\$0.43
Weighted average shares outstanding		
Basic	78,865	80,276
Diluted	80,585	81,051
Stores open end of period	470	419

SOURCE Ross Stores, Inc.

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