



Ross Stores Reports July Sales and Reconfirms an Estimated 41% Gain In Second Quarter Earnings Per Share

August 8, 2002

NEWARK, Calif., Aug. 8 /PRNewswire-FirstCall/ -- Ross Stores, Inc. (Nasdaq: ROST) today reported sales of \$269 million for the four-week period ended August 3, 2002, a 14% increase above the \$236 million in sales reported for the four weeks ended August 4, 2001. Comparable store sales for the same period increased 4% on top of a 5% increase in the prior year.

For the 13 weeks ended August 3, 2002, sales were \$877 million, a 21% increase from the \$725 million in sales reported for the 13 weeks ended August 4, 2001. Comparable store sales for the second quarter increased 9% on top of a 1% increase in the prior year.

For the six months ended August 3, 2002, sales totaled \$1.697 billion, up 21% from the \$1.399 billion in sales for the six months ended August 4, 2001. Comparable store sales for the first six months of 2002 grew 10% on top of a 1% decline in the prior year.

Michael Balmuth, Vice Chairman and Chief Executive Officer said, "We remain very pleased with our overall performance in July and the second quarter. We did, however, underestimate the impact of Florida's decision not to anniversary a sales tax holiday that has been held the last week of July for the past several years. Without this calendar change, same store sales in July would have increased 5%, in line with our plan at the beginning of the month."

Mr. Balmuth continued, "We expect healthy gains in second quarter operating margins, driven by improvements in both gross margin and expense trends, and continue to forecast earnings per share of \$.62 for the 13 weeks ended August 3, 2002, in line with our earlier estimate at the beginning of July. These forecasted results would represent a 41% increase over earnings per share of \$.44 for the prior year's second quarter."

Looking ahead, Mr. Balmuth concluded, "As we enter the fall season, our merchants are finding an abundance of fresh and exciting name brand product in the marketplace for the family and the home at compelling values. In addition, our recent comparable store sales results remain geographically broadbased, and our back-to-school businesses of Juniors, Young Men's and Shoes, as well as the home categories, continue to post solid gains. As a result, we remain optimistic about achieving our targeted sales and earnings goals in the second half of 2002."

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 August 8, 2002 through 8:00 p.m. eastern time on August 9, 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.

Ross Stores will report final results for the second quarter ended August 3, 2002 on Tuesday, August 20, 2002. The earnings press release will be issued at approximately 8:30 a.m. Eastern Daylight Time (EDT). A conference call is scheduled to follow on the same date at 11:00 a.m. EDT to communicate additional details concerning the quarter's results and management's future outlook. Anyone may listen to a real time audio broadcast of the conference call by visiting the company's web site at www.rossstores.com. A recorded version of the call will also be available at the same location.

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 quarter ended August 3, 2002 are preliminary and subject to adjustments. Risk factors include obtaining acceptable new store locations, competitive pressures in the apparel industry, changes in general economic conditions, changes in the level of consumer spending on or preferences in apparel or home-related merchandise, the company's ability to successfully implement various new supply chain, financial and merchandising systems, unseasonable weather trends, and greater than planned operating costs. Other risk factors are detailed in the company's Form 10-K for fiscal 2001. 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 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 487 stores at August 3, 2002, compared to 431 stores at the end of the same period last year.

SOURCE Ross Stores, Inc.

08/08/2002

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