



## Ross Stores Reports February Sales and Updates First Quarter and Fiscal 2004 EPS Guidance

March 4, 2004

NEWARK, Calif., March 4 /PRNewswire-FirstCall/ -- Ross Stores, Inc. (Nasdaq: ROST) today reported sales of \$266 million for the four weeks ended February 28, 2004, a 9% increase above the \$243 million for the four weeks ended March 1, 2003. Comparable store sales for the four week period were flat, compared to the Company's previously forecasted increase of 4% to 5%.

Michael Balmuth, Vice Chairman and Chief Executive Officer said, "We are disappointed with our February results, which were impacted by substantially lower than planned in-store inventories throughout the month. As previously announced, our Fort Mill, South Carolina distribution center was closed for six days in January. We had expected to recover quickly from this situation, but did not anticipate the full effects on distribution capacity caused by a short-term lack of flexibility at our two other distribution centers. Our Carlisle, Pennsylvania facility has been undergoing a planned retrofit expected to be complete by the end of March, and our Perris, California center is still in a ramp-up mode after opening in late 2003. In addition, an unusually heavy snowstorm during the last week of the month resulted in another two-day closure of the South Carolina facility."

Mr. Balmuth continued, "With the ongoing progress of our Carlisle retrofit and the addition of a second operating shift early this month at our Southern California center, total distribution capacity has increased significantly since February. In-store inventories are now expected to be fully recovered and in line with plan by the third week of March. At this point, however, we believe it is prudent to be conservative with our projections for the balance of the quarter. We currently expect comparable store sales increases of 1% to 2% for March and 4% to 5% for April. These lower sales assumptions, combined with higher distribution costs to return in-store inventories to targeted levels, are expected to impact fiscal 2004 first quarter and full year earnings by about \$.07 per share. As a result, our updated forecast for earnings per share guidance is \$.29 to \$.30 for the 13 weeks ending May 1, 2004 and \$1.57 to \$1.63 for the 52 weeks ending January 29, 2005."

Mr. Balmuth concluded, "Our short-term operational issues have been addressed; but more importantly, the long-term fundamentals of our business remain vibrant and healthy. We continue to be confident in our ability to deliver forecasted low-to-mid-teen earnings per share growth in subsequent quarters. Our fiscal 2004 projections for the second, third and fourth quarters remain unchanged and assume forecasted same store sales gains of 4% to 5%, 3% to 4% and 2% to 3%, respectively."

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 March 4, 2004 through 8:00 p.m. Eastern time on March 5, 2004. 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](http://www.rossstores.com).

**Forward-Looking Statements:** This press release contains certain forward-looking statements regarding expected sales and earnings growth, 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," "forecast," "project," "guidance" and similar expressions identify forward-looking statements. Risk factors for Ross Stores and dd's DISCOUNTS(SM) include obtaining acceptable new store locations, competitive pressures in the apparel industry, changes in geopolitical and general economic conditions, changes in the level of consumer spending on or preferences for apparel or home-related merchandise and the Company's ability to successfully implement various new supply chain and merchandising systems in a timely and cost effective manner, unseasonable weather trends, greater than planned operating costs and a potential non-cash, non-recurring charge to write-down the value of the Company's Newark headquarters and distribution center to current fair market value. Other risk factors are detailed in the Company's Form 10-K for fiscal 2002. 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 585 stores at February 28, 2004, compared to 520 stores at March 1, 2003. Additional information is available at [www.rossstores.com](http://www.rossstores.com).

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