



## **Ross Stores Announces January Sales, Expected 1998 Results, New Stock Repurchase Program, and Dividend Increase**

February 4, 1999

NEWARK, Calif., Feb. 4 /PRNewswire/ -- Ross Stores, Inc. (Nasdaq: ROST) today released sales for the 4, 13 and 52 week periods ending January 30, 1999 as well as expected fourth quarter and fiscal 1998 earnings per share results. In addition, the company announced a \$120 million stock repurchase program and an 18% increase in the quarterly cash dividend.

### **January, Fourth Quarter and Fiscal 1998 Sales**

Ross Stores reported that sales for the four weeks ended January 30, 1999 totaled \$120 million, a 14% increase above the \$105 million in sales for the four weeks ended January 31, 1998. Comparable store sales for the month increased 8% vs. a 4% increase in the prior year. For the 13 weeks ended January 30, 1999, sales totaled \$630 million, a 10% increase above the \$572 million in sales for the 13 weeks ended January 31, 1998. Comparable store sales for the quarter rose 3% vs. a 7% increase in the prior year. For the 52 weeks ended January 30, 1999, sales totaled \$2.182 billion, a 10% increase above the \$1.989 billion in sales for the 52 weeks ended January 31, 1998. Comparable store sales for the 52 weeks increased 3% vs. a 10% increase in 1997.

### **Estimated Fourth Quarter and Fiscal 1998 EPS**

In commenting on these sales, Michael Balmuth, Vice-Chairman and Chief Executive Officer, stated, "We now estimate diluted earnings per share for the 13 weeks ended January 30, 1999 to be in the range of \$.95 to \$.97, possibly up as much as 17% over diluted earnings per share of \$.83 for the 13 weeks ended January 31, 1998. As a result, diluted earnings per share for the 52 weeks ended January 30, 1999 are now estimated to be in the range of \$2.78 to \$2.80, potentially up as much as 19% over diluted earnings per share of \$2.35 for the 52 weeks ended January 31, 1998."

Mr. Balmuth continued, "We are pleased with the respectable gains in both sales and earnings we expect to report for fiscal 1998, especially considering the record increases achieved over the past two years. Earnings per share grew 49% in 1997 on top of an 82% increase in 1996, and comparable store sales increased 10% and 13%, respectively, in 1997 and 1996. Our focus on offering customers an increasingly wide assortment of recognizable brands at large discounts, combined with our ability to effectively manage both inventories and expense, has been the key driver of our performance." Final earnings results for the fourth quarter and fiscal 1998 will be reported on Tuesday, March 16, 1999.

### **Stock Repurchase Program**

In other news, the company announced that the Board of Directors approved a new stock repurchase program authorizing the buyback of up to \$120 million of the company's common stock over the next year. At current market prices, this authorization represents approximately 6% 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 completed a separate \$110 million repurchase program during fiscal 1998, purchasing a total of 2.8 million shares and ending the fiscal year with an estimated 46.2 million shares of common stock outstanding.

### **Dividend Increase**

The Board of Directors also approved an 18% increase in the quarterly cash dividend to \$.065 per common share, the fifth consecutive annual increase in quarterly dividend payments since the program began in early 1994. This quarterly cash dividend will be paid on or about April 5, 1999 to stockholders of record as of March 5, 1999.

Mr. Balmuth commented on these actions, saying, "We are pleased that the company's strong financial position and operating cash flows provide the resources to enhance stockholder returns through this new repurchase program and dividend increase."

**Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995:** 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. These factors include competitive pressures in the apparel industry, changes in the level of consumer spending on or preferences in apparel or home-related merchandise, obtaining acceptable store locations, the company's ability to continue to purchase attractive name brand merchandise at desirable discounts, unseasonable weather trends, and larger than planned operating costs including those that could be related to necessary modifications to the company's computer hardware and software systems to enable them to process information with dates or date ranges spanning the year 2000 and beyond. Other risk factors are detailed in the company's Form 10-K for fiscal 1997.

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 349 stores in operation January 30, 1999, compared to 325 stores at the end of the same period last year.

SOURCE Ross Stores, Inc.