



## Ross Sept. Sales Updates; 3rd Quarter and 4th Quarter Earnings Projections

October 7, 2004

PLEASANTON, Calif., Oct. 7 /PRNewswire-FirstCall/ -- Ross Stores, Inc. (Nasdaq: ROST) today reported sales of \$374 million for the five week period ended October 2, 2004, a 3% increase above the \$363 million in sales for the five weeks ended October 4, 2003. Comparable store sales for the same period declined 5% from the prior year.

For the eight month period ended October 2, 2004, sales were \$2.687 billion, a 7% increase above the \$2.523 billion in sales for the prior year's comparable period ended October 4, 2003. Comparable store sales for the eight months declined 2% from the prior year.

Michael Balmuth, Vice Chairman and Chief Executive Officer, commented, "Sales trends in September were within our forecast for a 2% to 5% decline in comparable store sales, despite the impact of three hurricanes in Florida, where we operate 74 locations. These results were on top of a 5% gain in same store sales in the prior year. We estimate that comparable store sales would have been down 3% without the effect on business from these storms."

Mr. Balmuth said, "We continued to make progress during September in remedying the issues related to our Core Merchandising System. As previously reported, by the end of August we were able to provide the majority of the information and trend data requirements we consider most important to the buying process. The improved visibility that resulted from this information, however, now indicates that our projected markdown exposure from the merchandise imbalances that have developed over the past six months is greater than we previously forecasted."

Mr. Balmuth continued, "While overall comparable store sales trends improved for the month as anticipated, recent lackluster trends in our home businesses, which grow in importance during the holiday season, are causing us to adopt a slightly more conservative outlook for fourth quarter sales. In addition, lower-than-expected productivity rates in our distribution centers as associates work to become more familiar and proficient with our new systems are putting pressure on distribution costs."

Mr. Balmuth concluded, "As a result, we now estimate that earnings per share will be in the range of \$.21 to \$.23 for the third quarter ending October 30, 2004 and in the range of \$.31 to \$.37 for the fourth quarter ending January 29, 2005. Underlying assumptions include forecasted same store sales of down 2% to up 1% in October 2004, on top of a 2% decline in the prior year, and down 1% to down 4% in the fourth quarter of 2004, on top of a 4% increase in the prior year. The Company reported earnings per share of \$.33 and \$.48, respectively, for the third and fourth quarters of fiscal 2003."

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 October 7, 2004 through 8:00 p.m. Eastern time on October 8, 2004. A transcript of these comments also will be made available on the press release page of the Company's website at [www.rossstores.com](http://www.rossstores.com). The Company expects to report October sales results on Thursday, November 4th and fiscal 2004 third quarter earnings results on Tuesday, November 16th.

**Forward-Looking Statements:** This press release and the recorded comments and transcript on the Company's website contain forward-looking statements regarding planned new store growth and expected sales and earnings levels and forward-looking statements regarding the time needed to remedy ongoing difficulties with new core merchandising systems and the severity, duration and financial impact of resulting in-store inventory imbalances, all of which are subject to risks and uncertainties that could cause the Company's actual results to differ materially from management's current expectations. The Company is continuing to assess the new information systems, and cannot be certain that all problems have currently been discovered or that their scope is understood. The words "plan," "expect," "anticipate," "estimate," "believe," "forecast," "project," "guidance," "looking ahead" and similar expressions identify forward-looking statements. Risk factors for Ross Stores and dd's DISCOUNTS(SM) include, without limitation, the Company's ability to successfully and quickly implement, integrate and correct difficulties in various new supply chain and core merchandising systems, including generation of all necessary information in a timely and cost effective manner, obtaining acceptable new store locations, competitive pressures in the apparel industry, changes in the level of consumer spending on or preferences for apparel or home-related merchandise, changes in geopolitical and general economic conditions, unseasonable weather trends, lower than planned gross margin and greater than planned operating costs. Other risk factors are detailed in the Company's Form 10-K for fiscal 2003. 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., a Fortune 500 and Nasdaq 100 (ROST) company headquartered in Pleasanton, California, is the nation's second-largest off-price company with 2003 revenues of \$3.9 billion. The Company had a total of 641 Ross stores in operation as of October 2, 2004, compared to 571 locations at the end of the same period last year. In addition, the first nine dd's DISCOUNTS(SM) opened in Northern California during August and September. Ross Stores offers first-quality, in-season, name brand and designer apparel, accessories, footwear and home fashions for the entire family at everyday savings of 20 to 60 percent off department and specialty store regular prices. dd's DISCOUNTS(SM) features a more moderate assortment of first-quality, in-season, name brand apparel, accessories, footwear and home fashions for the entire family at everyday savings of 20 to 70 percent off moderate department and discount store regular prices. Additional information is available on the Company's website at [www.rossstores.com](http://www.rossstores.com).

SOURCE Ross Stores, Inc.

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