



Ross Stores Reports December Same Store Sales Up 2%

January 6, 2005

Forecasts Estimated Fourth Quarter and Fiscal 2004 EPS and Issues Preliminary EPS Growth Rate Targets for Fiscal 2005

PLEASANTON, Calif., Jan. 6 /PRNewswire-FirstCall/ -- Ross Stores, Inc. (Nasdaq: ROST) today reported that sales grew 13% to \$579 million for the five weeks ended January 1, 2005, compared to \$513 million for the five weeks ended January 3, 2004. December comparable store sales grew 2% in 2004 on top of a 4% gain in the prior year period.

For the 48 weeks ended January 1, 2005, sales rose 8% to \$3.998 billion, compared to \$3.699 billion for the 48 weeks ended January 3, 2004. Comparable store sales for the same year-to-date period declined 1%.

In commenting, Michael Balmuth, Vice Chairman and Chief Executive Officer, said, "We are pleased to report that December sales were stronger than planned, benefiting from strength in the Accessories, Shoes and Home businesses as well as strong sell-through of clearance product throughout the store. Based on recent trends, we are now forecasting relatively flat same store sales in January on top of a 4% gain in the prior year. Earnings per share for the 13 weeks ending January 29, 2005 are now projected to be approximately \$.33 to \$.35, compared to \$.48 for the 13 weeks ended January 31, 2004. We also forecast that earnings per share for the 52 weeks ending January 29, 2005 will be approximately \$1.12 to \$1.14, inclusive of the \$.06 write-down expense related to the Company's former corporate office and distribution center in Newark, California. Earnings per share for the 52 weeks ended January 31, 2004 were \$1.47. We expect to report final fourth quarter and fiscal 2004 results on Wednesday, March 16, 2005."

Looking ahead to fiscal 2005, Mr. Balmuth continued, "Our preliminary forecast is for earnings per share growth of approximately 20% to 25% for the 2005 fiscal year ending January 28, 2006, on top of forecasted earnings per share in fiscal 2004 of \$1.18 to \$1.20 before the aforementioned \$.06 write-down. Our projections for the 2005 fiscal year include a 4% to 5% increase in same store sales, about 12% unit expansion for Ross, and the opening of another 10 dd's DISCOUNTS(SM) stores. We plan to provide more detailed operating statement assumptions for fiscal 2005 and the first quarter ending April 30, 2005 with the January sales release on Thursday, February 3, 2005."

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 January 6, 2005 through 8:00 p.m. Eastern time on January 7, 2005. A transcript of these comments also will be made available on the press release page of the Company's website at www.rossstores.com.

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, achieving and maintaining targeted levels of productivity and efficiency in its distribution centers, 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. As of January 1, 2005, the Company operated 642 Ross stores and ten dd's DISCOUNTS(SM), compared to 573 Ross locations at the end of the same period last year. 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.

SOURCE Ross Stores, Inc.

CONTACT: John G. Call, Senior Vice President, Chief Financial Officer,
+1-925-965-4315, or
Katie Loughnot, Vice President, Investor Relations,
+1-925-965-4509, or
katie.loughnot@ros.com, both of Ross Stores, Inc.
Web site: <http://www.rossstores.com>

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