

Ross Stores, Inc.
Condensed Consolidated Statements of Earnings

| (\$000, except stores and per share data, unaudited) | Three Months Ended | |
|--|---------------------|-------------------|
| | April 28, 2012 | April 30, 2011 |
| Sales | \$ 2,356,841 | \$ 2,074,576 |
| Costs and Expenses | | |
| Costs of goods sold | 1,679,127 | 1,481,206 |
| Selling, general and administrative | 337,811 | 309,160 |
| Interest expense, net | 2,232 | 2,495 |
| Total costs and expenses | 2,019,170 | 1,792,861 |
| Earnings before taxes | 337,671 | 281,715 |
| Provision for taxes on earnings | 129,058 | 108,742 |
| Net earnings | \$ 208,613 | \$ 172,973 |
| Earnings per share (1) | | |
| Basic | \$ 0.94 | \$ 0.75 |
| Diluted | \$ 0.93 | \$ 0.74 |
| Weighted average shares outstanding (000) (1) | | |
| Basic | 221,104 | 229,528 |
| Diluted | 224,929 | 233,547 |
| Dividends (1) | | |
| Cash dividends declared per share | \$ - | \$ - |
| Stores open at end of period | 1,146 | 1,068 |

(1) All share and per share amounts have been adjusted for the two-for-one stock split effective December 15, 2011.

Ross Stores, Inc.
Condensed Consolidated Balance Sheets

| (\$000, unaudited) | April 28, 2012 | April 30, 2011 |
|---|---------------------|-------------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 741,117 | \$ 671,005 |
| Short-term investments | 463 | 3,275 |
| Accounts receivable | 66,632 | 61,683 |
| Merchandise inventory | 1,134,703 | 1,172,716 |
| Prepaid expenses and other | 104,216 | 72,900 |
| Deferred income taxes | 11,854 | 15,662 |
| Total current assets | 2,058,985 | 1,997,241 |
| Property and equipment, net | 1,246,601 | 1,005,674 |
| Long-term investments | 5,614 | 12,191 |
| Other long-term assets | 146,286 | 86,888 |
| Total assets | \$ 3,457,486 | \$ 3,101,994 |
| Liabilities and Stockholders' Equity | | |
| Current Liabilities | | |
| Accounts payable | \$ 830,044 | \$ 742,600 |
| Accrued expenses and other | 284,108 | 265,586 |
| Accrued payroll and benefits | 148,770 | 141,268 |
| Income taxes payable | 107,715 | 89,340 |
| Total current liabilities | 1,370,637 | 1,238,794 |

| | | |
|-----------------------------|---------|---------|
| Long-term debt | 150,000 | 150,000 |
| Other long-term liabilities | 211,777 | 200,575 |
| Deferred income taxes | 114,437 | 106,519 |

Commitments and contingencies

| | | |
|--|---------------------|---------------------|
| Stockholders' Equity | 1,610,635 | 1,406,106 |
| Total liabilities and stockholders' equity | \$ 3,457,486 | \$ 3,101,994 |

Ross Stores, Inc.
Condensed Consolidated Statements of Cash Flows

| (\$000, unaudited) | Three Months Ended | |
|---|---------------------------|---------------------------|
| | April 28, 2012 | April 30, 2011 |
| Cash Flows From Operating Activities | | |
| Net earnings | \$ 208,613 | \$ 172,973 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 43,136 | 39,934 |
| Stock-based compensation | 11,587 | 9,894 |
| Deferred income taxes | (339) | 9,657 |
| Tax benefit from equity issuance | 23,123 | 10,021 |
| Excess tax benefit from stock-based compensation | (22,662) | (9,727) |
| Change in assets and liabilities: | | |
| Merchandise inventory | (4,633) | (85,799) |
| Other current assets | (28,890) | (25,392) |
| Accounts payable | 100,177 | 1,120 |
| Other current liabilities | (33,792) | (80,429) |
| Other long-term, net | 1,010 | (1,201) |
| Net cash provided by operating activities | <u>297,330</u> | <u>41,051</u> |
| Cash Flows From Investing Activities | | |
| Additions to property and equipment | (57,993) | (70,096) |
| Increase in restricted cash and investments | (13,410) | - |
| Purchases of investments | (424) | - |
| Proceeds from investments | 618 | 1,814 |
| Net cash used in investing activities | <u>(71,209)</u> | <u>(68,282)</u> |
| Cash Flows From Financing Activities | | |
| Excess tax benefit from stock-based compensation | 22,662 | 9,727 |
| Issuance of common stock related to stock plans | 7,955 | 5,827 |
| Treasury stock purchased | (23,123) | (12,837) |
| Repurchase of common stock | (110,614) | (112,500) |
| Dividends paid | (31,719) | (25,905) |
| Net cash used in financing activities | <u>(134,839)</u> | <u>(135,688)</u> |
| Net increase (decrease) in cash and cash equivalents | 91,282 | (162,919) |
| Cash and cash equivalents: | | |
| Beginning of period | 649,835 | 833,924 |
| End of period | <u>\$ 741,117</u> | <u>\$ 671,005</u> |
| Supplemental Cash Flow Disclosures | | |
| Interest paid | \$ - | \$ - |
| Income taxes paid | \$ 30,258 | \$ 54,705 |
| Non-Cash Investing Activities | | |
| Decrease in fair value of investment securities | \$ (13) | \$ (4) |

SOURCE Ross Stores, Inc.