

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of report (date of earliest event reported):
May 22, 2014

ROSS STORES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

0-14678
(Commission File No.)

94-1390387
(I.R.S. Employer Identification No.)

5130 Hacienda Drive, Dublin, California 94568
(Address of principal executive offices)

Registrant's telephone number, including area code:
(925) 965-4400

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ROSS STORES, INC. 5130 Hacienda Drive, Dublin, California 94568 (925) 965-4400

Item 2.02 Results of Operations and Financial Condition.

On May 22, 2014, the Company issued a press release regarding the Company’s financial results for its fiscal quarter ended May 3, 2014. The full text of the Company’s press release is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(c) **Exhibits.**

| <u>Exhibit</u> <u>No.</u> | <u>Description</u> |
|------------------------------|--|
| 99.1 | May 22, 2014 Press Release by Ross Stores, Inc.* |

*Pursuant to Item 2.02 of Form 8-K, Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 22, 2014

ROSS STORES, INC.
Registrant

By: /s/Michael J. Hartshorn
Michael J. Hartshorn
Senior Vice President, Chief Financial Officer, and
Principal Accounting Officer



FOR IMMEDIATE RELEASE

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**ROSS STORES REPORTS FIRST QUARTER EARNINGS,
ISSUES SECOND QUARTER 2014 GUIDANCE**

Dublin, California, May 22, 2014 -- Ross Stores, Inc. (Nasdaq: ROST) today reported earnings per share for the 13 weeks ended May 3, 2014 of \$1.15, up from \$1.07 for the 13 weeks ended May 4, 2013. These results represent a 7% increase on top of 15% and 26% gains in the first quarters of 2013 and 2012, respectively. Net earnings for the 2014 first quarter were \$243.9 million, up from \$234.6 million in the prior year.

First quarter 2014 sales increased 6% to \$2.681 billion, up from \$2.540 billion in the first quarter of 2013. Comparable store sales for the 13 weeks ended May 3, 2014 rose 1% on top of 3% and 9% gains in the first quarters of 2013 and 2012, respectively.

Michael Balmuth, Vice Chairman and Chief Executive Officer, commented, "First quarter earnings per share performed at the high end of our guidance as strict inventory and expense controls offset the impact from unfavorable weather and a more challenging retail environment. Sales trends improved in April with more seasonal Spring weather that coincided with the later Easter shopping period. Operating margin for the quarter was better than forecasted, declining 25 basis points to 14.6%. A 35 basis point increase in cost of goods sold was partially offset by a 10 basis point improvement in selling, general and administrative costs."

Mr. Balmuth continued, "During the first three months of fiscal 2014, we repurchased 2.0 million shares of common stock for an aggregate price of \$139 million. We expect to buy back a total of \$550 million in common stock during fiscal 2014, which will complete the two-year \$1.1 billion authorization approved by our Board of Directors in January 2013."

Looking ahead, Mr. Balmuth said, “For the 13 weeks ending August 2, 2014, we are forecasting same store sales to increase 1% to 2% on top of 4% and 7% gains in the second quarters of 2013 and 2012, respectively. Earnings per share for the 2014 second quarter are projected to be in the range of \$1.05 to \$1.09, up from \$.98 last year.”

Mr. Balmuth concluded, “Based on our first quarter results and guidance for the second quarter, we now project earnings per share for the 52 weeks ending January 31, 2015 to be in the range of \$4.09 to \$4.21, compared to \$3.88 for the 52 weeks ended February 1, 2014.”

The Company will provide additional details about its first quarter results and management’s outlook for the second quarter on a conference call to be held on Thursday, May 22, 2014 at 4:15 p.m. Eastern time. Participants may listen to a real-time audio webcast of the conference call by visiting the Investors section of the Company’s website located at www.rossstores.com. A recorded version of the call will also be available at the website address, and via a telephone recording through 8:00 p.m. Eastern time on Thursday, May 29, 2014 at 404-537-3406, ID #41229493.

Forward-Looking Statements: *This press release contains forward-looking statements regarding expected sales, earnings levels and other financial results in future periods that are subject to risks and uncertainties which could cause our actual results to differ materially from management's current expectations. The words "plan," "expect," "target," "anticipate," "estimate," "believe," "forecast," "projected," "guidance," "looking ahead" and similar expressions identify forward-looking statements. Risk factors for Ross Dress for Less® ("Ross") and dd's DISCOUNTS® include without limitation, competitive pressures in the apparel or home-related merchandise retailing industry; changes in the level of consumer spending on or preferences for apparel or home-related merchandise; impacts from the macro-economic environment and financial and credit markets that affect consumer disposable income and consumer confidence, including but not limited to interest rates, recession, inflation, deflation, energy costs, tax rates and policy, unemployment trends, and fluctuating commodity costs; changes in geopolitical and geoeconomic conditions; unseasonable weather trends; potential disruptions in supply chain or information systems; lower than planned gross margin, including higher than planned markdowns and higher than expected inventory shortage; greater than planned operating costs; our ability to continue to purchase attractive brand name merchandise at desirable discounts; attracting and retaining personnel with the retail talent necessary to execute our strategies; effectively operating and continually upgrading our various supply chain, core merchandising and other information systems; improving our merchandising and transaction processing capabilities and the reliability and security of our data communications systems through the implementation of new processes and systems enhancements; protecting against security breaches, including cyber-attacks on our transaction processing and computer information systems, that could result in the theft, transfer or unauthorized disclosure of customer, credit card, employee or other private and valuable information that we collect and process in the ordinary course of our business, and avoiding resulting damage to our reputation, loss of customer confidence, exposure to litigation and regulatory action, unanticipated costs and disruption of our operations; obtaining acceptable new store locations and improving new store sales and profitability, especially in newer regions and markets; adding capacity to our existing distribution centers and building out planned additional distribution centers timely and cost effectively; and achieving and maintaining targeted levels of productivity and efficiency in our existing and new distribution centers. Other risk factors are set forth in our SEC filings including without limitation, the Form 10-K for fiscal 2013 and 8-Ks for fiscal 2014. 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 our outlook at any other point in time. We do not undertake to update or revise these forward-looking statements.*

Ross Stores, Inc. is an S&P 500, Fortune 500 and Nasdaq 100 (ROST) company headquartered in Dublin, California, with fiscal 2013 revenues of \$10.2 billion. The Company operates Ross Dress for Less® ("Ross"), the largest off-price apparel and home fashion chain in the United States with 1,172 locations in 33 states, the District of Columbia and Guam as of May 3, 2014. Ross 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% off department and specialty store regular prices. The Company also operates 137 dd's DISCOUNTS® in ten states as of May 3, 2014 that feature a more moderately-priced 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% off moderate department and discount store regular prices. Additional information is available at www.rossstores.com.

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Ross Stores, Inc.
Condensed Consolidated Statements of Earnings

| (\$000, except stores and per share data, unaudited) | Three Months Ended | |
|--|--------------------|--------------|
| | May 3, 2014 | May 4, 2013 |
| Sales | \$ 2,680,593 | \$ 2,539,914 |
| Costs and Expenses | | |
| Costs of goods sold | 1,908,184 | 1,798,811 |
| Selling, general and administrative | 379,802 | 361,968 |
| Interest (income) expense, net | (104) | 209 |
| Total costs and expenses | 2,287,882 | 2,160,988 |
| Earnings before taxes | 392,711 | 378,926 |
| Provision for taxes on earnings | 148,798 | 144,314 |
| Net earnings | \$ 243,913 | \$ 234,612 |
| Earnings per share | | |
| Basic | \$ 1.17 | \$ 1.09 |
| Diluted | \$ 1.15 | \$ 1.07 |
| Weighted average shares outstanding (000) | | |
| Basic | 208,949 | 215,408 |
| Diluted | 211,515 | 218,496 |
| Dividends | | |
| Cash dividends declared per share | \$ 0.20 | \$ — |
| Stores open at end of period | 1,309 | 1,227 |

Ross Stores, Inc.
Condensed Consolidated Balance Sheets

| (\$000, unaudited) | May 3, 2014 | May 4, 2013 |
|---|--------------|--------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 595,950 | \$ 714,174 |
| Short-term investments | — | 1,038 |
| Accounts receivable | 84,492 | 77,284 |
| Merchandise inventory | 1,250,759 | 1,226,449 |
| Prepaid expenses and other | 118,751 | 111,405 |
| Deferred income taxes | 13,070 | 22,846 |
| Total current assets | 2,063,022 | 2,153,196 |
| Property and equipment, net | 1,924,038 | 1,526,564 |
| Long-term investments | 3,670 | 4,302 |
| Other long-term assets | 160,864 | 158,699 |
| Total assets | \$ 4,151,594 | \$ 3,842,761 |
| Liabilities and Stockholders' Equity | | |
| Current Liabilities | | |
| Accounts payable | \$ 930,576 | \$ 859,595 |
| Accrued expenses and other | 352,559 | 328,690 |
| Accrued payroll and benefits | 171,535 | 168,088 |
| Income taxes payable | 121,683 | 110,829 |
| Total current liabilities | 1,576,353 | 1,467,202 |
| Long-term debt | 150,000 | 150,000 |
| Other long-term liabilities | 286,672 | 261,301 |
| Deferred income taxes | 63,291 | 88,997 |
| Commitments and contingencies | | |
| Stockholders' Equity | 2,075,278 | 1,875,261 |
| Total liabilities and stockholders' equity | \$ 4,151,594 | \$ 3,842,761 |

Ross Stores, Inc.
Condensed Consolidated Statements of Cash Flows

| (\$000, unaudited) | Three Months Ended | |
|---|--------------------|-------------|
| | May 3, 2014 | May 4, 2013 |
| Cash Flows From Operating Activities | | |
| Net earnings | \$ 243,913 | \$ 234,612 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 56,465 | 48,726 |
| Stock-based compensation | 12,035 | 11,788 |
| Deferred income taxes | 1,577 | 2,257 |
| Tax benefit from equity issuance | 23,141 | 20,341 |
| Excess tax benefit from stock-based compensation | (22,943) | (20,114) |
| Change in assets and liabilities: | | |
| Merchandise inventory | 6,396 | (17,212) |
| Other current assets | (36,623) | (31,197) |
| Accounts payable | 157,254 | 89,620 |
| Other current liabilities | 71,446 | 8,077 |
| Other long-term, net | (8,084) | 5,961 |
| Net cash provided by operating activities | 504,577 | 352,859 |
| Cash Flows From Investing Activities | | |
| Additions to property and equipment | (148,700) | (97,552) |
| Increase in restricted cash and investments | (6,980) | (12,254) |
| Proceeds from investments | 12,022 | 107 |
| Net cash used in investing activities | (143,658) | (109,699) |
| Cash Flows From Financing Activities | | |
| Excess tax benefit from stock-based compensation | 22,943 | 20,114 |
| Issuance of common stock related to stock plans | 5,668 | 5,766 |
| Treasury stock purchased | (35,471) | (25,848) |
| Repurchase of common stock | (138,696) | (138,304) |
| Dividends paid | (42,581) | (37,475) |
| Net cash used in financing activities | (188,137) | (175,747) |
| Net increase in cash and cash equivalents | 172,782 | 67,413 |
| Cash and cash equivalents: | | |
| Beginning of period | 423,168 | 646,761 |
| End of period | \$ 595,950 | \$ 714,174 |
| Supplemental Cash Flow Disclosures | | |
| Interest paid | \$ — | \$ — |
| Income taxes paid | \$ 28,936 | \$ 59,232 |