

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended October 28, 1995

OR

TRANSITION REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 0-14678

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

Delaware (State or other jurisdiction of incorporation or organization)	94-1390387 (I.R.S. Employer Identification No.)
8333 Central Avenue, Newark, California (Address of principal executive offices)	94560-3433 (Zip Code)
Registrant's telephone number, including area code	(510) 505-4400
Former name, former address and former fiscal year, if changed since last report.	N/A

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to
such filing requirements for the past 90 days.

Yes No

The number of shares of Common Stock, with \$.01 par value, outstanding on
November 25, 1995 was 24,354,817.

2

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

ROSS STORES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(\$000)	October 28, 1995	January 28, 1995	October 29, 1994
ASSETS	(Unaudited)	(Note A)	(Unaudited)

Current Assets

Cash	\$23,599	\$23,581	\$17,384
Accounts receivable	9,197	5,360	23,755
Merchandise inventory	344,004	275,183	327,264
Prepaid expenses and other	11,750	12,157	12,870
Total Current Assets	388,550	316,281	381,273
Property And Equipment			
Land and buildings	24,102	23,723	23,726
Fixtures and equipment	149,923	145,427	134,980
Leasehold improvements	116,956	111,615	103,685
Construction-in-progress	13,654	12,490	9,080
	304,635	293,255	271,471
Less accumulated depreciation and amortization	133,581	122,004	115,507
	171,054	171,251	155,964
Intangible and other assets	17,558	18,709	20,581
	\$577,162	\$506,241	\$557,818
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts payable	\$172,809	\$109,589	\$129,153
Accrued expenses and other	47,097	48,472	39,175
Accrued payroll and benefits	25,364	21,705	19,168
Income taxes payable	2,007	4,739	6,102
Total Current Liabilities	247,277	184,505	193,598
Long-term debt	37,874	46,069	102,230
Deferred income taxes and other liabilities	21,465	21,116	20,196
Stockholders' Equity			
Capital stock	244	244	243
Additional paid-in capital	127,567	125,451	122,490
Retained earnings	142,735	128,856	119,061
	270,546	254,551	241,794
	\$577,162	\$506,241	\$557,818

See notes to condensed consolidated financial statements.

3

ROSS STORES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(\$000 except per share data, unaudited)	Three Months Ended		Nine Months Ended	
	October 28, 1995	October 29, 1994	October 28, 1995	October 29, 1994
Sales	\$330,682	\$294,960	\$979,319	\$871,464
Costs and Expenses				
Cost of goods sold and occupancy	237,555	214,910	710,403	632,448
General, selling and administrative	72,634	64,626	209,329	188,695
Depreciation and amortization	6,834	6,127	20,277	17,418
Interest	473	1,234	2,452	2,748
Insurance proceeds	0	(10,412)	0	(10,412)
	317,496	276,485	942,461	830,897
Earnings before taxes	13,186	18,475	36,858	40,567
Provision for taxes on earnings	5,277	7,390	14,745	16,227
Net earnings	\$7,909	\$11,085	\$22,113	\$24,340
Net earnings per share:				
Primary	\$.32	\$.45	\$.89	\$.98
Fully diluted	\$.32	\$.45	\$.89	\$.98
Weighted average shares outstanding:				

Primary	24,863	24,570	24,734	24,776
Fully diluted	24,870	24,570	24,851	24,799
Stores open at end of period			293	276

See notes to condensed consolidated financial statements.

4

ROSS STORES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(\$000, unaudited)	Nine Months Ended	
	October 28, 1995	October 29, 1994
Cash Flows From Operating Activities		
Net earnings	\$22,113	\$24,340
Adjustments to reconcile net earnings to net cash used in operating activities:		
Depreciation and amortization of property and equipment	20,277	17,418
Other amortization	3,799	3,725
Change in current assets and current liabilities:		
(Increase) in merchandise inventory	(68,821)	(98,335)
(Increase) in other current assets - net	(3,431)	(17,388)
Increase in accounts payable	64,691	40,821
Increase in other current liabilities - net	6,548	5,259
Other	3,624	(7,449)
Net cash provided by (used in) operating activities	<u>48,800</u>	<u>(31,609)</u>
Cash Flows From Investing Activities		
Additions to property and equipment	(29,871)	(36,943)
Net cash used in investing activities	<u>(29,871)</u>	<u>(36,943)</u>
Cash Flows From Financing Activities		
Borrowing under line of credit agreement	5,000	42,100
Proceeds (repayment) of long-term debt	(13,241)	26,778
Issuance of common stock related to stock plan	1,812	1,290
Repurchase of common stock	(8,054)	(12,855)
Dividends paid	(4,428)	(3,684)
Net cash provided by (used in) financing activities	<u>(18,911)</u>	<u>53,629</u>
Net Increase (Decrease) In Cash	<u>18</u>	<u>(14,923)</u>
Cash		
Beginning of year	23,581	32,307
End of quarter	<u>\$23,599</u>	<u>\$17,384</u>

See notes to condensed consolidated financial statements.

5

ROSS STORES, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three and Nine Months Ended October 28, 1995 and October 29, 1994
(Unaudited)

NOTE A - BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared from the records of the company without audit and, in the

opinion of management, include all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position at October 28, 1995 and October 29, 1994; the interim results of operations for the three and nine months ended October 28, 1995 and October 29, 1994; and cash flows for the nine months then ended. The balance sheet at January 28, 1995, presented herein, has been derived from the audited financial statements of the company for the fiscal year then ended.

Accounting policies followed by the company are described in Note A to the audited consolidated financial statements for the fiscal year ended January 28, 1995. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted for purposes of the interim condensed consolidated financial statements. The interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements, including notes thereto, for the year ended January 28, 1995.

The results of operations for the three and nine month periods herein presented are not necessarily indicative of the results to be expected for the full year.

The condensed consolidated financial statements at October 28, 1995 and October 29, 1994, and for the three and nine months then ended have been reviewed, prior to filing, by the registrant's independent accountants whose report covering their review of the financial statements is included in this report on page 6.

NOTE B - STATEMENTS OF CASH FLOWS SUPPLEMENTAL DISCLOSURES

Total cash paid for interest and income taxes is as follows:

	Nine Months Ended	
(\$000, unaudited)	October 28, 1995	October 29, 1994
Interest	\$2,822	\$2,715
Income Taxes	\$17,476	\$16,528

NOTE C - BUSINESS INTERRUPTION INSURANCE PROCEEDS

During the third quarter of fiscal 1994, the company recorded \$10.4 million in pre-tax income from the settlement agreement with its insurance carrier for claims related to the impact on business during the first half of 1994 that resulted from the roof collapse of its distribution center in Carlisle, Pennsylvania. These insurance proceeds were received in November 1994.

INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors and Stockholders of Ross Stores, Inc.
Newark, California

We reviewed the accompanying condensed consolidated balance sheets of Ross Stores, Inc. (the "Company") as of October 28, 1995 and October 29, 1994, and the related condensed consolidated statements of earnings for the three-month and nine-month periods then ended and cash flows for the nine-month periods then ended. These condensed consolidated financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical

procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to such condensed consolidated financial statements for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of Ross Stores, Inc. as of January 28, 1995, and the related consolidated statements of earnings, stockholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated March 13, 1995, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of January 28, 1995 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Deloitte & Touche LLP
San Francisco, CA

November 17, 1995

7

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

RESULTS OF OPERATIONS

PERCENTAGE OF SALES

	Three Months Ended		Nine Months Ended	
	October 28, 1995	October 29, 1994	October 28, 1995	October 29, 1994
SALES				
Sales (\$000)	\$330,682	\$294,960	\$979,319	\$871,464
Sales growth	12.1%	12.5%	12.4%	12.1%
Comparable store sales growth	4%	1%	2%	3%
COSTS AND EXPENSES				
Cost of goods sold and occupancy	71.8%	72.9%	72.5%	72.6%
General, selling and administrative	22.0%	21.9%	21.4%	21.7%
Depreciation and amortization	2.1%	2.1%	2.1%	2.0%
Interest	0.1%	0.4%	0.3%	0.3%
Insurance proceeds	0%	(3.5%)	0%	(1.2%)
NET EARNINGS	2.4%	3.8%	2.3%	2.8%

Sales

The results of operations for the three and nine months ended October 28, 1995, over the same periods last year, reflect an increase in the level of operations which was due to the greater number of open stores during the current period as well as an increase in comparable store sales.

Costs and Expenses

The declines from the prior year in the cost of goods sold and occupancy

percentage for the three and nine month periods were primarily due to (i) an increase in the initial mark-up from purchasing more opportunistically and (ii) lower markdowns as a percentage of sales which when combined more than offset an increase in freight costs.

General, selling and administrative expenses as a percentage of sales increased incrementally from the prior year during the three months ended October 28, 1995. Higher variable incentive accruals during the quarter offset the favorable year-to-date leverage in advertising and store expenses which contributed to a decline in this ratio for the nine months ended October 28, 1995.

Net earnings for the three months ended October 28, 1995, totaled \$7.9 million, or \$.32 per share, compared to net earnings of \$4.8 million, or \$.20 per share, for the three months ended October 29, 1994, which excludes the prior year's one-time, after-tax, insurance proceeds of approximately \$6.2 million or \$.25 per share.

During the third quarter of 1994, the company entered into a settlement agreement with its insurance carrier for claims related to the impact on business during the first half of 1994 that

8

resulted from the roof collapse of its distribution center in Carlisle, Pennsylvania in March 1994. The insurance proceeds from this settlement were included in accounts receivable at the end of the 1994 third quarter and were received in November 1994.

Taxes on Earnings

The company's effective tax rate for the second quarter of 1995 and 1994 was 40%. The rate for both periods reflects the applicable statutory tax rates.

LIQUIDITY AND CAPITAL RESOURCES

The primary uses of cash during the first nine months of fiscal 1995 were for (i) an increase in inventory partially offset by a corresponding increase in accounts payable, (ii) capital expenditures for new stores and improvements to existing locations, (iii) reduction in long-term debt and (iv) repurchase of the company's common stock. Total inventories were up 5% at the end of the third quarter from last year driven primarily by an increase in the number of open stores over the prior year. The accounts payable increase was primarily a timing issue due to receipts of merchandise inventories later in the period than in the prior year, resulting in a fresher inventory mix at the end of the quarter. Lower borrowings and lower interest rates resulted in a decline in interest expense.

On May 8, 1995, the company announced a continuation of its prior stock repurchase program by authorizing the buyback of an additional one million shares of its common stock. It is the company's intention to repurchase the shares over time through open market purchases and/or through other transactions.

The company believes it can fund its capital needs for the remainder of the fiscal year and the next twelve months and the current stock repurchase program through internally generated cash, trade credit, established bank lines and lease financing.

9

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

3.1 Certificate of Incorporation, as amended, incorporated by

reference to Exhibit 3.1 to the Registration Statement on Form 8-B (the "Form 8-B") filed September 1, 1989 by Ross Stores, Inc., a Delaware corporation ("Ross Stores").

- 3.2 Amended By-laws, dated August 25, 1994, incorporated by reference to Exhibit 3.2 to the Form 10-Q filed by Ross Stores for its quarter ended July 30, 1994.
- 10.1 Agreement of Lease, dated November 24, 1986, for Ross Stores' corporate headquarters and distribution center in Newark, CA, incorporated by reference to Exhibit 10.5 on Form 8-B.
- 10.2 Revolving Credit Agreement, dated July 31, 1993, among Ross Stores; Wells Fargo Bank, National Association, Bank of America, N.T. & S.A., Nationsbank of Texas, N.A., and Banque Nationale de Paris ("Banks"); and Wells Fargo Bank, National Association, as agent for Banks ("Revolving Credit Agreement"), incorporated by reference to Exhibit 10.17 on the Form 10-Q filed by Ross Stores for its quarter ended July 31, 1993.
- 10.3 First Amendment to Revolving Credit Agreement, effective on July 31, 1994 by and among Ross Stores, Banks and Wells Fargo, National Association, as agent for Banks, incorporated by reference to Exhibit 10.5 to the Form 10-Q filed by Ross Stores for its quarter ended July 30, 1994.
- 10.4 Second Amendment to Revolving Credit Agreement, effective on June 15, 1995 by and among Ross Stores, Banks and Wells Fargo, National Association, as agent for Banks, incorporated by reference to Exhibit 10.4 to the Form 10-Q filed by Ross Stores for its quarter ended July 29, 1995.
- 10.5 Credit Agreement, dated as of June 22, 1994, among Ross Stores, Bank of America National Trust and Savings Association as Agent, the Industrial Bank of Japan as Co-Agent and the other financial institutions party thereto ("Credit Agreement"), incorporated by reference to Exhibit 10.6 to the Form 10-Q filed by Ross Stores for its quarter ended July 30, 1994.
- 10.6 First Amendment to Credit Agreement, dated as of June 20, 1995, among Ross Stores, Bank of America National Trust and Savings Association as Agent, the Industrial Bank of Japan as Co-Agent and the several financial institutions party to the Credit Agreement, incorporated by reference to Exhibit 10.6 to the Form 10-Q filed by Ross Stores for its quarter ended July 29, 1995.

MANAGEMENT CONTRACTS AND COMPENSATORY PLANS
(EXHIBITS 10.7 - 10.25)

- 10.7 Amended and Restated 1992 Stock Option Plan, incorporated by reference to the appendix to the Proxy Statement filed by Ross Stores on April 24, 1995 for its Annual Stockholders Meeting held May 25, 1995.
- 10.8 Third Amended and Restated Ross Stores Employee Stock Purchase Plan, incorporated by reference to the appendix to the Proxy Statement filed by Ross Stores on April 24, 1995 for its Annual Stockholders Meeting held May 25, 1995.
- 10.9 Third Amended and Restated Ross Stores 1988 Restricted Stock Plan, incorporated by reference to the appendix to the Proxy Statement filed by Ross Stores on April 24, 1995 for its Annual Stockholders Meeting held May 25, 1995.
- 10.10 1991 Outside Directors Stock Option Plan, incorporated by reference to Exhibit 10.13 to the 1991 Form 10-K filed by Ross Stores for its year ended February 1, 1992.

- 10.11 Ross Stores Executive Medical Plan, incorporated by reference to Exhibit 10.13 to the 1993 Form 10-K filed by Ross Stores for its year ended January 29, 1994 ("1993 Form 10-K").
- 10.12 Third Amended and Restated Ross Stores Executive Supplemental Retirement Plan, incorporated by reference to Exhibit 10.14 to the 1993 Form 10-K.
- 10.13 Ross Stores Non-Qualified Deferred Compensation Plan, incorporated by reference to Exhibit 10.15 to the 1993 Form 10-K.
- 10.14 Ross Stores Incentive Compensation Plan, incorporated by reference to Exhibit 10.16 to the 1993 Form 10-K.
- 10.15 Employment Agreement by and between Ross Stores and Norman A. Ferber, effective as of June 8, 1994, incorporated by reference to Exhibit 10.15 to the Form 10-Q filed by Ross Stores for its quarter ended July 30, 1994.
- 10.16 Amendment to Employment and Stock Grant Agreements by and between Ross Stores and Norman A. Ferber, effective as of March 16, 1995.
- 10.17 Amended and Restated Employment Agreement by and between Ross Stores and Norman A. Ferber, effective as of June 1, 1995.
- 10.18 Agreement between Ross Stores and Norman A. Ferber, dated August 22, 1995.
- 10.19 Employment Agreement by and between Ross Stores and Melvin A. Wilmore, effective as of March 15, 1994, incorporated by reference to Exhibit 10.20 to the Form 10-Q filed by Ross Stores for its quarter ended April 30, 1994.
- 10.20 Amendment to Employment and Stock Grant Agreements by and between Ross Stores and Melvin A. Wilmore, effective as of March 16, 1995.
- 10.21 Second Amendment to Employment Agreement by and between Ross Stores and Melvin A. Wilmore, effective as of June 1, 1995.
- 10.22 Agreement between Ross Stores and Melvin A. Wilmore, dated August 22, 1995.
- 10.23 Employment Agreement by and between Ross Stores and Michael Balmuth, effective as of February 1, 1995, incorporated by reference to Exhibit 10.15 to the Form 10-Q filed by Ross Stores for its quarter ended April 29, 1995.
- 10.24 Amendment to Employment Agreement by and between Ross Stores and Michael Balmuth, effective as of June 1, 1995.
- 11
- 10.25 Consulting Agreement between Ross Stores and Stuart G. Moldaw, effective as of March 16, 1995, incorporated by reference to Exhibit 10.16 to the Form 10-Q filed by Ross Stores for its quarter ended April 29, 1995.
- 11 Statement re: Computation of Per Share Earnings.
- 15 Letter re: Unaudited Interim Financial Information.
- 27 Financial Data Schedule (submitted for SEC use only).
- (b) Reports on Form 8-K

None.

SIGNATURES

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

ROSS STORES, INC.
Registrant

Date: December 8, 1995 /s/John Vuko
John M. Vuko, Senior Vice President, Controller
and Principal Accounting Officer

INDEX TO EXHIBITS

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10.5	Credit Agreement, dated as of June 22, 1994, among Ross Stores, Bank of America National Trust and Savings Association as Agent, the Industrial Bank of Japan as Co-Agent and the other financial institutions party thereto ("Credit Agreement"), incorporated by reference to Exhibit 10.6 to the Form 10-Q filed by Ross Stores for its quarter

ended July 30, 1994.

- 10.6 First Amendment to Credit Agreement, dated as of June 20, 1995, among Ross Stores, Bank of America National Trust and Savings Association as Agent, the Industrial Bank of Japan as Co-Agent and the several financial institutions party to the Credit Agreement, incorporated by reference to Exhibit 10.6 to the Form 10-Q filed by Ross Stores for its quarter ended July 29, 1995.

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14

Exhibit
Number Exhibit

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15

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- 11 Statement re: Computation of Per Share Earnings.
- 15 Letter re: Unaudited Interim Financial Information.
- 27 Financial Data Schedule (submitted for SEC use only).

AMENDMENT TO EMPLOYMENT AND STOCK GRANT AGREEMENTS

THIS AMENDMENT TO EMPLOYMENT AND STOCK GRANT AGREEMENTS (the "Amendment") is made effective as of March 16, 1995, by and between Ross Stores, Inc. (the "Company") and Norman A. Ferber (the "Executive"). The Executive and the Company previously entered into an Employment Agreement of June 8, 1994 (the "Agreement") and the Ross Stores, Inc. Stock Grant Agreement dated March 15, 1994 (the "Grant"), and it is now the intention of the Executive and the Company to amend the Agreement and the Grant as set forth below. Accordingly, the Executive and the Company now enter into this Amendment.

I. The Executive and the Company hereby amend the Agreement as follows:

A. Salary. The Executive's salary, referenced in paragraph 4(a) of the Agreement, shall be not less than \$522,000 per annum.

B. Termination by Death. Paragraph 7(a) of the Agreement is amended to read in its entirety as follows: "Death. The Executive's employment shall terminate upon his death".

C. Compensation and Benefits Upon Death.

(1) In the event of the Executive's death, he (or his designee or his estate) shall not be entitled to receive any of the compensation or benefits set forth in paragraph 9(a) of the Agreement, which paragraph is amended to read in its entirety as follows:

Disability, Without Cause or For Good Reason. If the Executive's employment terminates pursuant to paragraph 7(b) [Disability], (d) [Without Cause] or (e) [For Good Reason], the Company shall:

(i) Salary: continue to pay the Executive his then-current salary through the remaining term of this Agreement as defined in paragraph 1;

(ii) Bonus: continue to pay the Executive an annual bonus(es) throughout such remaining term; each such bonus shall be in an amount equal to the greater of (A) the Executive's bonus during the year prior to his termination or (B) the bonus that the Executive would have earned under the Company's bonus plan in the year that he was terminated had he remained in its employment; provided, however, that such post-termination bonuses shall not exceed the lesser of the 100% targeted amounts for those bonus payments in the prior and then-current year, and such bonuses shall not be paid until due under the Company's present bonus plan;

2

(iii) Stock Options: with respect to any stock options granted to the Executive by the Company, the Executive shall immediately become vested in any unvested stock options upon such termination; and

(iv) Restricted Stock: with respect to any restricted stock granted to the Executive by the Company which has not become vested as of such termination, the Executive shall immediately become vested in a pro rata portion of such unvested stock in accordance with the terms of the applicable stock grant agreements. The Company shall have no further obligations to the Executive as a result of such termination except as set forth in paragraphs 9(f) and 12.

(2) Paragraph 9(d) of the Agreement is amended to read in its entirety as follows:

Death or Voluntary Termination. If the Executive's employment terminates pursuant to paragraph 7(a) [Death] or 7(g) [Voluntary Termination], he (or his designee or his estate) shall be paid his salary through his termination date and not thereafter. He (or his designee or his estate) shall not be entitled to any bonus payments that were not fully earned prior to his termination date, and he (or his designee or his estate) shall not be entitled to any pro-rated bonus payment for the year in which his employment terminates. Any stock options granted to the Executive by the Company will continue to vest only through the date on which his employment terminates [provided, however, that if the Executive's employment terminates as a result of his voluntary termination (but not as a result of his death) within six months after a Change of Control, the Executive shall immediately become fully-vested in any unvested stock options previously granted to him by the Company] and any restricted stock that was granted to the Executive by the Company that is unvested as of the date on which his employment terminates will automatically be reacquired by the Company and the Executive (or his designee or his estate) shall have no further rights with respect to such restricted stock. The Company shall have no further obligations to the Executive as a result of the termination of his employment pursuant to paragraph 7(a) [Death] or 7(g) [Voluntary Termination].

D. Life Insurance Option. Paragraph 9(g) ("Option to Elect Life Insurance Coverage") is deleted in its entirety from the Agreement and shall be of no further legal force or effect.

E. No Other Modifications. Except as modified by this Amendment, the Agreement shall remain in full force and effect.

II. The Executive and the Company hereby amend the Grant as follows:

A. No Vesting Upon Death. The phrase "1[Death]," is hereby deleted from the third line of paragraph 3(a)(vi) of the Grant.

3

B. Company Reacquisition Upon Death. The phrase "1[Death]," is hereby added following the word "item" in the second line of paragraph 3(b) of the Grant.

C. No Other Modification. Except as modified by this Amendment, the Grant shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment to Employment and Stock Grant Agreements effective as of the date and year first above written.

ROSS STORES, INC.

EXECUTIVE

By: /s/G. Orban
George P. Orban
Chairman, Compensation Committee

/s/Norman A. Ferber
Norman A. Ferber

EXHIBIT 10.17
AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT is made effective as of June 1, 1995, by and between Ross Stores, Inc. (the "Company") and Norman A. Ferber (the "Executive"). The Executive is presently employed by the Company as its Chairman of the Board and Chief Executive Officer pursuant to an employment contract of June 8, 1994, as amended on March 16, 1995 (the "Prior Contract"), and it is now the intention of the Company and the Executive to enter into a new employment agreement and to terminate the Prior Contract. Accordingly, the Company and the Executive hereby terminate the Prior Contract and enter into this Agreement.

1. Term. Subject to paragraph 3, the employment of the Executive by the Company will continue as of the date hereof and end on February 3, 1997, unless extended or terminated in accordance with this Agreement. During August 1996, and during August every year thereafter for so long as the Executive is employed by the Company, upon the written request of the Executive the Board of Directors of the Company (the "Board") shall consider extending the Executive's employment with the Company. Such request must be delivered to the Chairman of the Compensation Committee no later than the July 31st which precedes the August in which the requested extension will be considered. The Board shall advise the Executive, in writing, on or before the September 1st following its consideration of the Executive's written request, whether it approves of such extension. The failure of the Board to provide such written advice shall constitute approval of the Executive's request for extension. If the Executive's request for an extension is approved, this Agreement shall be extended one additional year.

2. Position and Duties. Subject to paragraph 3, the Executive shall continue to serve as the Chairman of the Board and Chief Executive Officer of the Company with overall responsibility for the Company's corporate policy-making and the accomplishment of its plans and objectives until February 3, 1997, all on a mutually-agreeable work schedule (which after January 31, 1995, has been reduced from the Executive's prior level of time commitment). The Executive shall report directly to the Company's Board and shall himself be a member of such Board. The Executive shall devote substantially all of his working time and efforts to the business and affairs of the Company while acting as Chief Executive Officer. During the term of his employment, the Executive may engage in outside activities provided those activities do not detract from his duties and responsibilities hereunder, and provided further that the Executive gives written notice to the Board of any significant outside business activity in which he plans to become involved, whether or not such activity is pursued for profit. The Executive may not render services to any business competitive with any existing business of the Company.

2

3. Consulting Relationship. During the period (a) commencing on the earlier of (i) February 4, 1997 or (ii) the effective date that the Executive terminates his employment with the Company pursuant to subsection 8e.(iii) and (b) ending on January 31, 1998 (the "Consultancy Termination Date"), the Executive shall cease to be employed by and shall be retained as a consultant to the Company and shall be available to spend an average of between two and three days a week (at times reasonably convenient to the Executive and the Company) performing such consulting services as shall be reasonably requested by the Chief Executive Officer of the Company. The foregoing notwithstanding, if the Executive's employment with the Company is extended one additional year pursuant to paragraph 1, then the Executive's retention as a consultant shall commence on the expiration of his extended employment and the Consultancy Termination Date shall be twelve months after such

retention.

4. Place of Performance. The Executive shall be employed or retained as a consultant at the principal executive or operational offices of the Company (or, at the option of the Company while the Executive is retained as a consultant, at separate offices maintained at the expense of the Company) in the San Francisco Bay Area. The Executive's travel schedule will be substantially consistent with the Executive's present business travel obligations during his employment and will be limited to four business trips during his consultancy. Nothing herein shall preclude the Executive from rendering consulting services from his home office.

5. Compensation, Consulting Fees and Related Matters.

a. Salary and Consulting Fees.

(i) During his employment, the Company shall pay the Executive a salary of not less than \$542,000 per annum; provided, however, for the fiscal year beginning February 4, 1996, the Executive shall be paid a salary of not less than \$750,000 per annum.

(ii) Upon the commencement of his consultancy with the Company and until the Consultancy Termination Date, the Executive shall be paid a consulting fee of \$62,500 per month; provided however, if the consultancy commences prior to February 4, 1996, then the consulting fee shall be \$45,167 per month until such date. At the election of the Executive, such consulting services may be performed by a corporation wholly owned and controlled by the Executive (a "Controlled Corporation"), in which event all consulting fees shall be payable to the Controlled Corporation. The foregoing notwithstanding, the consulting fees payable to the Executive or a Controlled Corporation shall be increased to provide that the Executive receives the same net after tax amounts he received as an employee of the Company. In other words, the consulting fees payable to the Executive or a Controlled Corporation shall be adjusted to take into account additional employment or other tax liability, if any, that the Executive or Controlled Corporation may incur as a result of being a consultant to, rather than an employee of, the Company.

(iii) The Executive's salary shall be payable in equal installments in accordance with the Company's normal payroll practices applicable to senior officers. Consulting fees

3

shall be payable to the Executive as mutually agreed upon between the Executive and the Company upon the Executive's submission of appropriate invoices.

b. Bonus. During his employment or consultancy, the Company shall continue to pay the Executive an annual bonus in accordance with the terms of the existing bonus incentive plan that covers the Executive (or any replacement or new plan of substantially equivalent or greater value that may subsequently be established and in effect at the time for such action). The preceding sentence notwithstanding, each such bonus shall be in an amount equal to the greater of (A) the bonus attributable to 1995 or (B) the bonus attributable to the year prior to the termination of the Executive's employment or consultancy or (C) the bonus that the Executive would have earned under the Company's bonus plan in the year that he was terminated had he remained in its employment or as a consultant to the Company; provided, however, that such post-termination bonuses shall not be paid until due under the Company's present bonus plan.

c. Expenses. During his employment or consultancy, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by him in performing services hereunder, including all reasonable expenses of travel and living while away from

home, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company.

d. Other Benefits.

(i) Except as hereafter noted, during his employment and consultancy, the Executive shall be entitled to continue to participate in all of the Company's employee benefit plans and arrangements in effect on the date hereof in which the Executive now participates (including without limitation each pension and retirement plan and arrangement, supplemental pension and retirement plan, deferred compensation plan, short-term and long-term incentive plan, stock option plan, life insurance and health-and-accident plan and arrangement, medical insurance plan, physical examination program, dental care plan, accidental death and disability plan, survivor income plan, relocation plan, financial, tax and legal counseling programs, and vacation plan). The Company shall not make any changes in such plans or arrangements which would adversely affect the Executive's rights or benefits thereunder, unless such change occurs pursuant to a program applicable to all senior executives of the Company and does not result in a proportionately greater reduction in the rights of, or benefits to, the Executive as compared with any other senior executive of the Company. The Executive shall be entitled to participate in or receive benefits under any employee benefit plan or arrangement made available by the Company in the future to its executives and key management employees, subject to, and on a basis consistent with, the terms, conditions and overall administration of such plans and arrangements. Except as otherwise specifically provided herein, nothing paid to the Executive under any plan or arrangement presently in effect or made available in the future shall be in lieu of the salary and consulting fee or bonus payable under subsections (a) and (b).

(ii) If, as a result of the Company's retention of the Executive as a consultant, the Executive shall be ineligible to participate in any of the Company's employee benefit plans and arrangements in effect on the date hereof in which the Executive now participates, then the

4

consulting fees payable to the Executive pursuant to paragraph 5(a) shall be appropriately increased to enable the Executive to procure (to the extent available) such benefits at no additional after tax cost to the Executive.

(iii) The foregoing notwithstanding, during the period of his consultancy the Executive shall not participate in any new awards under the Company's stock option, stock purchase and restricted stock plans.

(iv) Upon the termination of the Executive's employment with the Company (other than for death), during the remainder of his life, the Executive and all members of his immediate family shall be entitled to employee discount cards

e. Vacations. The Executive shall be entitled to the number of vacation days in each calendar year, and to compensation in respect of earned but unused vacation days, determined in accordance with the Company's vacation plan. The Executive shall also be entitled to all paid holidays given by the Company to its executives. Unused vacation days shall not be forfeited once they have been earned and, if still unused at the time of the Executive's termination of employment with the Company, shall be promptly paid to the Executive at their then current value, based on the Executive's rate of pay at the time of his termination of employment. It is agreed between the parties that the Executive intends to spend up to ten weeks on vacation during the summer of 1997 but shall nevertheless be available to provide an average of between two and three days of consultancy to the Company (less normal vacation time) during the consultancy period.

f. Services Furnished. As contemplated in paragraph 4, during his employment or consultancy, the Company shall furnish the Executive, at the Company's expense, with office space (comparable to his current office) and such services as are suitable to the Executive's position and adequate for the performance of his duties, including the services of his present secretary to the extent that she is able and willing to provide such services.

6. Offices. For so long as the Executive holds the office of Chief Executive Officer of the Company and, at the option of the Executive while a consultant to the Company, the Executive agrees to serve, if elected or appointed thereto, as a director of the Company and any of its subsidiaries and in one or more executive offices of any of the Company's subsidiaries, provided that the Executive is indemnified for serving in any and all such capacities on a basis no less favorable than is currently provided by the Company's by-laws and applicable state law.

7. Confidential Information.

a. The Executive agrees not to disclose, either while in the Company's employ or retained as a consultant or at any time thereafter, to any person not employed by the Company, or not engaged to render services to the Company, any confidential information obtained while in the employ of or acting as a consultant to the Company, including, without limitation, any of the Company's inventions, processes, methods of distribution or customers or trade secrets; provided, however, that

5

this provision shall not preclude the Executive from use or disclosure of information known generally to the public or from disclosure required by law or court order.

b. The Executive agrees that upon leaving the Company's employ or consultancy he will make himself reasonably available to answer questions from Company officers regarding his former duties and responsibilities and the knowledge he obtained in connection therewith. In addition, he will not take with him, without the prior written consent of any officer authorized to act in the matter by the Board, any study, memoranda, drawing, blueprint, specification or other document of the Company, its subsidiaries, affiliates and divisions, which is of a confidential nature relating to the Company, its subsidiaries, affiliates and divisions.

8. Termination. The Executive's employment or consultancy may be terminated during the term of this Agreement only as follows:

a. Death. The Executive's employment or consultancy shall terminate upon his death.

b. Disability. If, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent from his duties hereunder on a full-time basis for the entire period of six consecutive months, and within thirty days after written notice of termination is given by the Company or the Executive (which may occur before or after the end of such six-month period), the Executive shall not have returned to the performance of his duties hereunder on a full-time basis, the Executive's employment or consultancy shall terminate. A termination of employment or consultancy pursuant to this paragraph 8(b) shall be deemed an involuntary termination for purposes of this Agreement or any plan or practice of the Company.

c. Cause. The Company may terminate the Executive's employment or consultancy for Cause. The Company shall have "Cause" to terminate the Executive's employment or consultancy upon (A) the continued failure by the Executive to substantially perform his duties

hereunder (other than a failure resulting from a disability as defined in subsection (b)) after written notice is delivered by the Company that specifically identifies the manner in which the Executive has not substantially performed his duties, or (B) the engaging by the Executive in knowing, illegal or grossly negligent conduct which is materially injurious to the Company monetarily or otherwise.

d. Without Cause. The Company may terminate the Executive's employment or consultancy at any time without cause. A termination "without cause" is a termination of the Executive's employment or consultancy by the Company for any reason other than those set forth in subsections (a)[Death], (b)[Disability] or (c)[For Cause] of this paragraph.

e. Termination by the Executive for Good Reason. The Executive may terminate his employment [subparagraph (iii) only] or consultancy with the Company for Good Reason which shall be deemed to occur if he terminates his employment or consultancy within six months after (i) written notice of a failure by the Company to comply with any material provision of this Agreement, which failure has not been cured within ten days after such written notice of noncompliance has been given by the Executive to the Company, (ii) a significant diminishment in the nature or scope of the

6

authority, power, function or duty attached to the position which the Executive currently maintains or maintains as a consultant without the express written consent of the Executive or (iii) upon the election by the Board of Directors of the Company of the Executive's successor as Chief Executive Officer of the Company.

f. Termination Following Change of Control. The Executive may terminate his employment or consultancy with the Company within six months after a Change of Control, which shall be deemed to have occurred in the event of: (i) the direct or indirect sale or exchange by the stockholders of the Company of all or substantially all of the stock of the Company, in a single or series of related transactions, after which sale or exchange the stockholders of the Company immediately prior to such transaction(s) do not retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock of the Company; (ii) a merger in which the Company is a party after which merger the stockholders of the Company do not retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock of the surviving company; or (iii) the sale, exchange, or transfer of all or substantially all of the Company's assets (other than a sale, exchange, or transfer to one or more corporations where the stockholders of the Company before such sale, exchange, or transfer retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock of the corporation(s) to which the assets were transferred). Provided, however, that the Executive shall not be entitled to terminate his employment or consultancy under this subsection in the event that the purchaser of the Company, or any successor by merger, consolidation or otherwise, or the entity to which all or a significant portion of the Company's assets have been transferred, shall have expressly assumed in writing all duties and obligations of the Company under this Agreement.

g. Voluntary Termination. The Executive may voluntarily terminate his employment or consultancy with the Company at any time. A termination of employment or consultancy by the Executive pursuant to paragraph 8(e)[For Good Reason] or (f)[Change of Control] shall not be deemed a voluntary termination by the Executive for purposes of this Agreement or any plan or practice of the Company but shall be deemed an involuntary termination.

h. Non-Renewal. If the Executive fails to request an extension of this Agreement in accordance with paragraph 1, or if the Board shall fail to approve such request, the Executive's employment with the Company shall terminate on February 3, 1997, or on such earlier date as is contemplated in paragraph 3 and this Agreement shall

automatically expire on the Consultancy Termination Date. If the Executive's employment is extended in accordance with paragraph 1, then the expiration of such employment and this Agreement shall be extended appropriately. Any such expiration shall not entitle the Executive to any compensation or benefits except as earned by the Executive through the date of expiration of this Agreement. The parties shall have no further obligations to each other thereafter except as set forth in paragraphs 7, 10(f) and 13.

9. Notice and Effective Date of Termination.

a. Notice. Any termination of the Executive's employment or consultancy by the Company or by the Executive during the term of this Agreement (other than as a result of death or as a result of the expiration of this Agreement) shall be communicated by written notice of termination to

7

the other party hereto. Such notice shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment or consultancy under that provision.

b. Date of Termination. The date of termination shall be:

(i) if the Executive's employment or consultancy is terminated by his death, the date of his death;

(ii) if the Executive's employment or consultancy is terminated pursuant to paragraph 8(b) [Disability], the date of termination shall be the 31st day following delivery of the notice of termination;

(iii) if the Executive's employment or consultancy is terminated for any other reason by either party, the date on which a notice of termination is delivered to the other party; and

(iv) if the Agreement expires pursuant to paragraph 8(h) [Non-Renewal], the date of termination shall be the Consultancy Termination Date.

10. Compensation and Benefits Upon Termination.

a. Disability, Without Cause or For Good Reason. If the Executive's employment or consultancy terminates pursuant to paragraph 8(b) [Disability], (d) [Without Cause] or (e) [For Good Reason], the Company shall:

(i) Salary: continue to pay the Executive his then-current salary and/or consulting fee through the Consultancy Termination Date;

(ii) Bonus: continue to pay the Executive an annual bonus(es) through the Consultancy Termination Date; each such bonus shall be in an amount equal to the greater of (A) the bonus attributable to 1995 or (B) the bonus attributable to the year prior to his termination or (C) the bonus that the Executive would have earned under the Company's bonus plan in the year that he was terminated had he remained in its employment or as a consultant; provided, however, that such post-termination bonuses shall not be paid until due under the Company's present bonus plan;

(iii) Stock Options: with respect to any stock options granted to the Executive by the Company, the Executive shall immediately become vested in any unvested stock options upon such termination; and

(iv) Restricted Stock: with respect to any restricted stock granted to the Executive by the Company which has not become vested as of such termination, the Executive shall immediately become vested in a pro rata portion of such unvested stock in accordance with the terms of the applicable stock grant agreements. The foregoing notwithstanding, in the event that the

8

Executive's employment is terminated by the Executive pursuant to subparagraph 8(e)(iii), then any restricted stock granted to the Executive shall become fully vested as of the date of such termination.

The Company shall have no further obligations to the Executive as a result of such termination except as set forth in paragraphs 10(f) and 13.

b. For Cause. If the Executive's employment or consultancy is terminated for cause as defined in paragraph 8(c)(A) [Failure to Perform], the Executive shall receive the post-termination compensation and benefits described in paragraph 10(a) [Compensation and Benefits Upon Disability, Termination Without Cause or For Good Reason]. If the Executive's employment is terminated for cause as defined in paragraph 8(c)(B) [Materially Injurious Conduct], he shall only receive the post-termination compensation and benefits described in paragraph 10(d) [Compensation and Benefits Upon Voluntary Termination].

c. Change of Control. Upon a Change of Control (whether or not the Executive's employment terminates), the Executive shall immediately become vested in any shares of restricted stock granted to the Executive by the Company which had not vested prior to the Change of Control in accordance with the terms of the applicable stock grant agreements. In addition, if the Executive's employment or consultancy terminates pursuant to paragraph 8(f) [Change of Control], the Company shall:

(i) Salary/Consulting Fee: continue to pay the Executive (or his designee or estate) his then-current salary and/or consulting fee through the Consultancy Termination Date;

(ii) Bonus: continue to pay the Executive (or his designee or estate) his annual bonus(es) through the Consultancy Termination Date; each such bonus shall be in an amount equal to the greater of (A) the bonus attributable to 1995 or (B) the bonus attributable to the year prior to his termination or (C) the bonus that the Executive would have earned under the Company's bonus plan in the year that he was terminated had he remained in its employment or as a consultant; provided, however, that such post-termination bonuses shall not be paid until due under the Company's present bonus plan; and

(iii) Stock Options: with respect to any stock options granted to the Executive by the Company, the Executive shall immediately become vested in any unvested stock options upon such termination.

The Company shall reimburse the Executive for (a) any excise taxes paid by the Executive pursuant to Internal Revenue Code section 4999 as a result of any "excess parachute payments" that he receives from the Company as determined under section 280G of said Code and (b) any similar California state taxes paid by the Executive. This reimbursement shall not include any additional amount to cover the Executive's income or other taxes on such reimbursement. The Company shall have no further obligations to the Executive as a result of such termination, except as set forth in paragraphs 10(f) and 13.

9

d. Death or Voluntary Termination. If the Executive's employment or consultancy terminates pursuant to paragraph 8(a) [Death] or 8(g) [Voluntary Termination], he (or his designee or his estate) shall

be paid his salary or consulting fee through his termination date and not thereafter. He (or his designee or his estate) shall not be entitled to any bonus payments that were not fully earned prior to his termination date, and he (or his designee or his estate) shall not be entitled to any pro-rated bonus payment for the year in which his employment or consultancy terminates. Any stock options granted to the Executive by the Company will continue to vest only through the date on which his employment terminates [provided, however, that if the Executive's employment terminates as a result of his voluntary termination (but not as a result of his death) within six months after a Change of Control, the Executive shall immediately become fully-vested in any unvested stock options previously granted to him by the Company] and any restricted stock that was granted to the Executive by the Company which is unvested as of the date on which his employment terminates will automatically be reacquired by the Company and the Executive (or his designee or his estate) shall have no further rights with respect to such restricted stock. The Company shall have no further obligations to the Executive as a result of the termination of his employment or consultancy pursuant to paragraph 8(a) [Death] or 8(g) [Voluntary Termination], except as set forth in paragraphs 10(f) and 13.

e. Non-Renewal. If the Agreement expires as set forth in paragraph 8(h) [Non-Renewal], the Company shall have no further obligations to the Executive except as set forth in paragraphs 10(f) and 13.

f. Continued Benefits Upon Any Termination. In the event that the parties' employment relationship terminates for any of the reasons set forth in paragraph 8 (death, disability, for cause, without cause, for good reason, change of control, voluntary termination or non-renewal) the Company shall continue the Executive's (and/or his eligible dependents) Health Care and Executive Health Care coverage under the Company's benefit program at no cost to the Executive for a five year period, and after such five year period, the Executive (and/or his eligible dependents) will then be entitled to elect continued group Health Care and Executive Health Care coverage at their own expense until August 25, 2013, when the Executive will be eligible for Medicare coverage. If for any reason the Executive (or his dependents) shall not be eligible to participate in such group Health Care and Executive Health Care coverage, the Company shall secure a policy providing equivalent health care coverage for their benefit, and any cost payable by the Executive (or his dependents) under this section shall not exceed the cost that would have been payable by the Executive (or his dependents) if eligible to participate.

11. Exercise of Stock Options Following Termination. If the Executive's employment terminates pursuant to paragraph 8(a) [Death] or (b) [Disability], he (or his estate) may exercise his right to purchase any vested stock under the stock options granted to him by the Company for up to one year following the date of his termination, but not later than the termination date of such options. In all other instances, he may exercise that right for up to three months following the date of his termination, but not later than the termination date of such options. All such purchases must be made by the Executive in accordance with the applicable stock option plans and agreements between the parties.

10

12. Successors; Binding Agreement. This Agreement and all rights of the Executive hereunder shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amounts would still be payable to him hereunder all such amounts shall be paid in accordance with the terms of this Agreement to the Executive's written designee or, if there be no such designee, to the Executive's estate.

13. Insurance and Indemnity. The Company shall, to the extent permitted by law, include the Executive during the term of this Agreement under any directors and officers liability insurance policy maintained for its directors and officers, with coverage at least as favorable to the Executive in amount and each other material respect as the coverage of other directors and officers covered thereby. This obligation to provide insurance and indemnify the Executive shall survive expiration or termination of this Agreement with respect to proceedings or threatened proceedings based on acts or omissions of the Executive occurring during the Executive's employment with the Company or with any affiliated company. Such obligations shall be binding upon the Company's successors and assigns and shall inure to the benefit of the Executive's heirs and personal representatives.

14. Notice. For the purposes of this Agreement, notices, demands and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or (unless otherwise specified) mailed by United States registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive: Norman A. Ferber
 c/o Ross Stores, Inc.
 8333 Central Avenue
 Newark, CA 94560-3433

If to the Company: Ross Stores, Inc.
 8333 Central Avenue
 Newark, CA 94560-3433
 Attention: Corporate Secretary

or to such other address as any party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

15. Modification or Waiver; Entire Agreement. No provision of this Agreement may be modified or waived except in a document signed by the Executive and the chairman of the Compensation Committee of the Board or such other person as may be designated by the Board. This Agreement, along with any stock option or restricted stock agreements between the parties, constitute the entire agreement between the parties regarding their employment relationship, and any other agreements, including the Initial Contract, are terminated and of no further force or legal effect. To the extent that this Agreement is in any way inconsistent with any prior restricted stock or stock option agreements between the parties, this Agreement shall control. Provided, however, that nothing in this

11
Agreement is intended to or shall modify in any way the Stock Grant Agreement of March 16, 1992 between the parties, which shall remain in full force and effect. No agreements or representations, oral or otherwise, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

16. Governing Law; Severability. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

17. No Mitigation. The Executive shall have no duty to seek other employment or consulting clients in order to mitigate payments that the Company may be required to make to him or for his benefit hereunder in the event of the termination of his employment or consultancy. Provided, however, that if the Executive obtains other employment or other consulting clients during any period in which he is entitled to receive continued salary, consulting fees or bonus payments under paragraph 10, any salary, consulting fees or bonus payments earned by

the Executive during such period shall reduce the Company's obligation to pay continued salary, consulting fees and/or bonus payments under paragraph 10 by the amount of the salary, consulting fees and/or bonus payments so earned by the Executive.

18. Withholding. All payments required to be made by the Company hereunder to the Executive or his estate or beneficiaries shall be subject to the withholding of such amounts as the Company may reasonably determine it should withhold pursuant to any applicable law. To the extent permitted, the Executive may provide all or any part of any necessary withholding by contributing Company stock with value, determined on the date such withholding is due, equal to the number of shares contributed multiplied by the closing NASDAQ price on the date preceding the date the withholding is determined.

19. Arbitration. In the event of any dispute or claim relating to or arising out of the parties' employment or consulting relationship or this Agreement (including, but not limited to, any claims of breach of contract, wrongful termination or age, race, sex, disability or other discrimination), all such disputes shall be fully, finally and exclusively resolved by binding arbitration conducted by the American Arbitration Association in Alameda County, California; provided, however, that this arbitration provision shall not apply to any disputes or claims relating to or arising out of the misuse or misappropriation of the Company's trade secrets or proprietary information.

20. Attorneys' Fees. Each party shall bear its own attorneys' fees and costs incurred in any action or dispute arising out of this Agreement. The Company, however, shall pay the Executive's reasonable attorney's fees incurred in the negotiation of this Agreement but not in excess of \$2,500.

21. Miscellaneous. No right or interest to, or in, any payments shall be assignable by the Executive; provided, however, that this provision shall not preclude Executive from designating in writing one or more beneficiaries to receive any amount that may be payable after Executive's death and shall not preclude the legal representative of Executive's estate from assigning any right hereunder

12
to the person or persons entitled thereto. This Agreement shall be binding upon and shall inure to the benefit of the Executive, his heirs and legal representatives and the Company and its successors.

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Employment Agreement effective as of the date and year first above written.

ROSS STORES, INC.

By: /s/G. Orban
Title: Chairman, Compensation Committee

/s/Norman A. Ferber
EXECUTIVE

August 22, 1995

Norman A. Ferber
Chairman of the Board and Chief Executive Officer
Ross Stores, Inc.
8333 Central Avenue
Newark, CA 94560-3433

Re: Death Benefits Pursuant to Amended and Restated Employment
Agreement

Dear Norman:

On behalf of the company, this letter confirms that the compensation and benefits upon death ("Death Benefits") as set forth in the Employment Agreement between you and the company, dated June 8, 1994, will remain in full force and effect until the application for your life insurance policy has been approved and said policy issued. As of the effective date of this insurance policy, these Death Benefits will cease to exist and, in the event of your death, the terms of Paragraph 10(d) of your Amended and Restated Employment Agreement will control.

You agree that you will promptly provide the company a copy of the insurance policy once it is effective.

Very truly yours,
ROSS STORES, INC.

By: /s/G. Orban
George P. Orban
Chairman of the Compensation Committee

I agree to and accept the terms set forth in this letter.

/s/Norman A. Ferber
Norman A. Ferber
Chairman of the Board and Chief Executive Officer

AMENDMENT TO EMPLOYMENT AND STOCK GRANT AGREEMENTS

THIS AMENDMENT TO EMPLOYMENT AND STOCK GRANT AGREEMENTS (the "Amendment") is made effective as of March 16, 1995, by and between Ross Stores, Inc. (the "Company") and Melvin A. Wilmore (the "Executive"). The Executive and the Company previously entered into an Employment Agreement of March 15, 1994 (the "Agreement") and the Ross Stores, Inc. Stock Grant Agreement dated March 15, 1994 (the "Grant"), and it is now the intention of the Executive and the Company to amend the Agreement and the Grant as set forth below. Accordingly, the Executive and the Company now enter into this Amendment.

I. The Executive and the Company hereby amend the Agreement as follows:

A. Term. The termination date referred to in the second line of paragraph 1 of the Agreement is changed to February 3, 1997.

B. Salary. The Executive's salary, referenced in paragraph 4(a) of the Agreement, shall be not less than \$430,000 per annum.

C. Termination by Death. Paragraph 7(a) of the Agreement is amended to read in its entirety as follows: "Death. The Executive's employment shall terminate upon his death".

D. Compensation and Benefits Upon Death.

(1) In the event of the Executive's death, he (or his designee or his estate) shall not be entitled to receive any of the compensation or benefits set forth in paragraph 9(a) of the Agreement, which paragraph is amended to read in its entirety as follows:

Disability, Without Cause or For Good Reason. If the Executive's employment terminates pursuant to paragraph 7(b) [Disability], (d) [Without Cause] or (e) [For Good Reason], the Company shall:

(i) Salary: continue to pay the Executive his then-current salary through the remaining term of this Agreement as defined in paragraph 1;

(ii) Bonus: continue to pay the Executive an annual bonus(es) throughout such remaining term; each such bonus shall be in an amount equal to the greater of (A) the Executive's bonus during the year prior to his termination or (B) the bonus that the Executive would have earned under the Company's bonus plan in the year that he was terminated had he remained in its employment; provided, however, that such post-termination bonuses shall not exceed the lesser of the 100% targeted amounts for those bonus payments in the prior and then-current year, and such bonuses shall not be paid until due under the Company's present bonus plan;

2

(iii) Stock Options: with respect to any stock options granted to the Executive by the Company, the Executive shall immediately become vested in any unvested stock options upon such termination; and

(iv) Restricted Stock: with respect to any restricted stock granted to the Executive by the Company which has not become vested as of such termination, the Executive shall immediately

become vested in a pro rata portion of such unvested stock in accordance with the terms of the applicable stock grant agreements. The Company shall have no further obligations to the Executive as a result of such termination except as set forth in paragraph 12.

(2) Paragraph 9(d) of the Agreement is amended to read in its entirety as follows:

Death or Voluntary Termination. If the Executive's employment terminates pursuant to paragraph 7(a)[Death] or 7(g) [Voluntary Termination], he (or his designee or his estate) shall be paid his salary through his termination date and not thereafter. He (or his designee or his estate) shall not be entitled to any bonus payments that were not fully earned prior to his termination date, and he (or his designee or his estate) shall not be entitled to any prorated bonus payment for the year in which his employment terminates. Any stock options granted to the Executive by the Company will continue to vest only through the date on which his employment terminates [provided, however, that if the Executive's employment terminates as a result of his voluntary termination (but not as a result of his death) within six months after a Change of Control, the Executive shall immediately become fully-vested in any unvested stock options previously granted to him by the Company] and any restricted stock that was granted to the Executive by the Company that is unvested as of the date on which his employment terminates will automatically be reacquired by the Company and the Executive (or his designee or his estate) shall have no further rights with respect to such restricted stock. The Company shall have no further obligations to the Executive as a result of the termination of his employment pursuant to paragraph 7(a) [Death] or 7(g) [Voluntary Termination].

E. Life Insurance Option. Paragraph 9(f) ("Option to Elect Life Insurance Coverage") is deleted in its entirety from the Agreement and shall be of no further legal force or effect.

F. No Other Modifications. Except as modified by this Amendment, the Agreement shall remain in full force and effect.

II. The Executive and the Company hereby amend the Grant as follows:

A. No Vesting Upon Death. The phrase "(a)[Death]," is hereby deleted from the third line of paragraph 3(a)(vii) of the Grant.

B. Company Reacquisition Upon Death. The phrase "7(a)[Death]," is hereby added following the word "paragraph" in the second line of paragraph 3(b) of the Grant.

3

C. No Other Modification. Except as modified by this Amendment, the Grant shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment to Employment and Stock Grant Agreements effective as of the date and year first above written.

ROSS STORES, INC.

EXECUTIVE

By: /s/G. Orban
George P. Orban
Chairman, Compensation Committee

/s/M. Wilmore
Melvin A. Wilmore

SECOND AMENDMENT TO EMPLOYMENT AGREEMENT

THIS SECOND AMENDMENT TO EMPLOYMENT AGREEMENT (the "Amendment") is made effective as of June 1, 1995, by and between Ross Stores, Inc. (the "Company") and Melvin A. Wilmore (the "Executive"). The Executive and the Company previously entered into an Employment Agreement of March 15, 1994, as amended March 16, 1995, (the "Agreement") and it is now the intention of the Executive and the Company to further amend the Agreement as set forth below. Accordingly, the Executive and the Company now enter into this Amendment.

I. The Executive and the Company hereby amend the Agreement as follows:

A. Term. The termination date referred to in the second line of paragraph 1 of the Agreement is changed to February 3, 1999.

B. Salary. Effective June 1, 1995, the Executive's salary, referenced in paragraph 4(a) of the Agreement, shall be not less than \$475,000 per annum.

C. Services Furnished. Paragraph 4(f) [Services Furnished] of the Agreement is amended in its entirety as follows:

The Company shall furnish the Executive with office space and such services as are suitable to the Executive's position and adequate for the performance of his duties during the term of this Agreement and for a period of six months following the date of any termination, except for termination as described in paragraphs 7(a) [Death], 7(c)(B) [Illegal or Grossly Negligent Conduct], or 7(h) [Non-Renewal]. Upon mutual agreement between the Company and the Executive, the office space furnished during the six-month period following termination may be at a location other than the Company's principle executive offices.

D. No Other Modifications. Except as modified by this Amendment, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Second Amendment to Employment Agreement effective as of the date and year first above written.

ROSS STORES, INC.

EXECUTIVE

By: /s/ G. Orban
George Orban
Chairman, Compensation Committee

/s/ M. Wilmore
Melvin A. Wilmore

August 22, 1995

Melvin A. Wilmore
President and Chief Operating Officer
Ross Stores, Inc.
8333 Central Avenue
Newark, CA 94560-3433

Re: Death Benefits Pursuant to Amendment to Employment Agreement

Dear Mel:

On behalf of the company, this letter confirms that the compensation and benefits upon death ("Death Benefits") as set forth in the Employment Agreement between you and the company, dated March 15, 1994, will remain in full force and effect until the application for your life insurance policy has been approved and said policy issued. As of the effective date of this insurance policy, these Death Benefits will cease to exist and, in the event of your death, the terms of the Amendment to Employment and Stock Grant Agreements, effective as of March 16, 1995, will control.

You agree that you will promptly provide the company a copy of the insurance policy once it is effective.

Very truly yours,
ROSS STORES, INC.

By: /s/G. Orban
George P. Orban
Chairman of the Compensation Committee

I agree to and accept the terms set forth in this letter.

/s/Melvin A. Wilmore
Melvin A. Wilmore
President and Chief Operating Officer

AMENDMENT TO EMPLOYMENT AGREEMENT

THIS AMENDMENT TO EMPLOYMENT AGREEMENT (the "Amendment") is made effective as of June 1, 1995, by and between Ross Stores, Inc. (the "Company") and Michael Balmuth (the "Executive"). The Executive and the Company previously entered into an Employment Agreement of February 1, 1995, (the "Agreement") and it is now the intention of the Executive and the Company to amend the Agreement as set forth below. Accordingly, the Executive and the Company now enter into this Amendment.

I. The Executive and the Company hereby amend the Agreement as follows:

A. Term. The termination date referred to in the second line of paragraph 1 of the Agreement is changed to February 3, 1999.

B. Salary. Effective June 1, 1995, the Executive's salary, referenced in paragraph 4(a) of the Agreement, shall be not less than \$440,000 per annum.

C. Services Furnished. Paragraph 4(f) [Services Furnished] of the Agreement is amended in its entirety as follows:

The Company shall furnish the Executive with office space and such services as are suitable to the Executive's position and adequate for the performance of his duties during the term of this Agreement and for a period of six months following the date of any termination, except for termination as described in paragraphs 7(a) [Death], 7(c)(B) [Illegal or Grossly Negligent Conduct], or 7(h) [Non-Renewal]. Upon mutual agreement between the Company and the Executive, the office space furnished during the six month period following termination may be at a location other than the Company's New York Buying Office.

D. Employment Restriction. A new paragraph 10 shall be added to the Agreement (and all succeeding paragraphs renumbered appropriately) to read in full as follows:

2

"10. Employment Restriction. The Company and the Executive acknowledge that the Company has a special interest in and derives significant benefit from the unique skills and experience of the Executive. Accordingly, except as hereafter noted, in the event that the Executive's employment with the Company is terminated prior to the earlier of (a) January 31, 1997 and (b) the date on which Norman Ferber ceases to be the Chief Executive Officer of the Company (the "Employment Restriction Termination Date"), the Executive agrees that he will not accept employment with or be a consultant to, directly or indirectly, either of the following companies or their affiliates prior to the Employment Restriction Termination Date: Marshalls or TJ Maxx. The preceding sentence shall have no force and effect in the event that (i) the Executive's employment with the Company is terminated (1) by the Company pursuant to subsection 7d. [without Cause] or (2) by the Executive pursuant to either subsection 7e. [Termination by the Executive for Good Reason] or subsection

7f. [Termination Following Change of Control] or (ii) the Executive ceases to report to Norman A. Ferber."

E. Governing Law. The first sentence of paragraph 16 [Governing Law; Severability] shall be amended to read in full as follows: "The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New York."

F. No Other Modifications. Except as modified by this Amendment, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Second Amendment to Employment Agreement effective as of the date and year first above written.

ROSS STORES, INC.

EXECUTIVE

By: /s/ G. Orban
George Orban
Chairman, Compensation Committee

/s/ Michael Balmuth
Michael Balmuth

ROSS STORES, INC.

 STATEMENT RE: COMPUTATION OF EARNINGS PER SHARE
 (Amounts in thousands, except per share amounts)

	Three Months Ended			
	October 28, 1995		October 29, 1994	
	Primary	Fully Diluted	Primary	Fully Diluted
Net earnings	\$7,909 =====	\$7,909 =====	\$11,085 =====	\$11,085 =====
Weighted average shares outstanding:				
Common shares	24,578	24,578	24,343	24,343
Common equivalent shares:				
Stock options	285 ---	292 ---	227 ---	227 ---
Weighted average common and common equivalent shares outstanding	24,863 =====	24,870 =====	24,570 =====	24,570 =====
Earnings per common and common equivalent share	\$.32 =====	\$.32 =====	\$.45 =====	\$.45 =====

	Nine Months Ended			
	October 28, 1995		October 29, 1994	
	Primary	Fully Diluted	Primary	Fully Diluted
Net earnings	\$22,113 =====	\$22,113 =====	\$24,340 =====	\$24,340 =====
Weighted average shares outstanding:				
Common shares	24,559	24,559	24,543	24,543
Common equivalent shares:				
Stock options	175 ---	292 ---	233 ---	256 ---
Weighted average common and common equivalent shares outstanding	24,734 =====	24,851 =====	24,776 =====	24,799 =====
Earnings per common and common equivalent share	\$.89 =====	\$.89 =====	\$.98 =====	\$.98 =====

December 5, 1995

Ross Stores, Inc.
Newark, California

We have made a review, in accordance with standards established by the American Institute of Certified Public Accountants, of the unaudited interim condensed consolidated financial statements of Ross Stores, Inc. for the three-month and nine-month periods ended October 28, 1995 and October 29, 1994, as indicated in our independent accountants' report dated November 17, 1995; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended October 28, 1995, is incorporated by reference in Registration Statements Nos. 33-61373, 33-51916, 33-51896, 33-51898, 33-41415, 33-41413 and 33-29600 of Ross Stores, Inc. on Form S-8.

We are also aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

Yours truly,

Deloitte & Touche LLP
San Francisco, CA

<ARTICLE> 5

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
CONDENSED CONSOLIDATED BALANCE SHEETS AND STATEMENTS OF EARNINGS FOR THE NINE
MONTHS ENDED OCTOBER 28, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO
SUCH FINANCIAL STATEMENTS

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