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 29, 2005

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	**94-1390387**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
4440 Rosewood Drive, Pleasanton, California	**94588-3050**
(Address of principal executive offices)	(Zip Code)
Registrant's telephone number, including area code	**(925) 965-4400**
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 ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The number of shares of Common Stock, with $.01 par value, outstanding on November 17, 2005 was 144,537,641.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

($000, except stores and per share data, unaudited)	Three Months Ended		Nine Months Ended	
	October 29, 2005	October 30, 2004	October 29, 2005	October 30, 2004
		(As Restated, see Note B)		(As Restated, see Note B)
SALES	**$ 1,236,892**	$ 1,027,744	**$ 3,532,691**	$ 3,028,236
COSTS AND EXPENSES				
Cost of goods sold, including related buying, distribution and occupancy costs	**976,323**	805,126	**2,751,853**	2,330,008
Selling, general and administrative	**201,304**	162,481	**570,644**	487,628
Impairment/(gain on disposal) of long-lived assets	**—**	(2,182)	**—**	15,818
Interest (income) expense, net	**(461)**	391	**(1,339)**	897
Total costs and expenses	**1,177,166**	965,816	**3,321,158**	2,834,351
Earnings before taxes	**59,726**	61,928	**211,533**	193,885
Provision for taxes on earnings	**23,401**	24,213	**82,879**	75,809
Net earnings	**$ 36,325**	$ 37,715	**$ 128,654**	$ 118,076
EARNINGS PER SHARE				
Basic	**$ .25**	$ .26	**$ .89**	$ .80
Diluted	**$ .25**	$ .25	**$ .87**	$ .78
WEIGHTED AVERAGE SHARES OUTSTANDING (000)				
Basic	**143,753**	146,199	**144,954**	148,071
Diluted	**145,659**	148,604	**147,150**	150,983
DIVIDENDS PER SHARE				
Cash dividends declared per share	**$ .05**	$ .04	**$ .10**	$ .09
Stores open at end of period	**735**	651	**735**	651

See notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED BALANCE SHEETS

($000, unaudited)		October 29, 2005		January 29, 2005		October 30, 2004
				(Note A)		(As Restated, see Note B)
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	**$**	**177,753**	$	115,331	$	57,787
Short-term investments		**—**		67,400		—
Accounts receivable		**35,246**		31,154		33,077
Merchandise inventory		**1,064,972**		853,112		999,603
Prepaid expenses and other		**44,705**		46,756		47,792
Deferred income taxes		**8,968**		8,968		25,273
Total current assets		**1,331,644**		1,122,721		1,163,532
PROPERTY AND EQUIPMENT						
Land and buildings		**71,601**		28,572		29,342
Fixtures and equipment		**713,393**		652,882		627,458
Leasehold improvements		**365,652**		345,195		336,235
Construction-in-progress		**26,431**		17,860		14,097
		1,177,077		1,044,509		1,007,132
Less accumulated depreciation and amortization		**547,773**		488,331		465,943
Property and equipment, net		**629,304**		556,178		541,189
Other long-term assets		**53,593**		57,100		58,005
Total assets	**$**	**2,014,541**	$	1,735,999	$	1,762,726
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES						
Accounts payable	**$**	**653,936**	$	451,861	$	512,672
Accrued expenses and other		**173,620**		154,017		169,170
Accrued payroll and benefits		**117,858**		105,683		97,367
Total current liabilities		**945,414**		711,561		779,209
Long-term debt		**50,000**		50,000		50,000
Other long-term liabilities		**119,955**		116,668		113,501
Deferred income taxes		**96,975**		92,201		87,929
Total liabilities		**1,212,344**		970,430		1,030,639
STOCKHOLDERS' EQUITY						
Common stock		**1,454**		1,472		1,472
Additional paid-in capital		**507,456**		449,524		428,210
Treasury stock		**(17,682)**		(11,618)		(11,188)
Deferred compensation		**(33,424)**		(25,266)		(22,573)
Retained earnings		**344,393**		351,457		336,166
Total stockholders' equity		**802,197**		765,569		732,087
Total liabilities and stockholders' equity	**$**	**2,014,541**	$	1,735,999	$	1,762,726

See notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

($000, unaudited)	Nine Months Ended October 29, 2005	Nine Months Ended October 30, 2004 (As Restated, see Note B)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net earnings	**$ 128,654**	$ 118,076
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	**81,457**	70,131
Deferred income taxes	**4,774**	7,525
Tax benefit from equity issuance	**18,102**	8,120
Impairment of long-lived assets	**—**	15,818
Change in assets and liabilities:		
Merchandise inventory	**(211,860)**	(158,112)
Other current assets, net	**(2,041)**	(26,109)
Accounts payable	**209,410**	71,054
Other current liabilities	**31,779**	1,713
Other long-term, net	**3,926**	6,641
Net cash provided by operating activities	**264,201**	114,857
CASH FLOWS USED IN INVESTING ACTIVITIES		
Additions to property and equipment	**(139,331)**	(112,176)
Sales of short-term investments, net	**67,400**	—
Proceeds from sale of Newark Facility	**—**	17,400
Net cash used in investing activities	**(71,931)**	(94,776)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Issuance of common stock related to stock plans	**31,238**	12,862
Treasury stock purchased	**(6,065)**	(7,532)
Repurchase of common stock	**(132,976)**	(150,141)
Dividends paid	**(22,045)**	(19,029)
Net cash used in financing activities	**(129,848)**	(163,840)
Net increase (decrease) in cash and cash equivalents	**62,422**	(143,759)
Cash and cash equivalents:		
Beginning of period	**115,331**	201,546
End of period	**$ 177,753**	$ 57,787
NON-CASH INVESTING ACTIVITIES		
Straight-line rent capitalization in build-out period	**$ 3,059**	$ 3,998

See notes to condensed consolidated financial statements.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three and Nine Months Ended October 29, 2005 and October 30, 2004
(Unaudited)

Note A: Summary of Significant Accounting Policies

Basis of Presentation. The accompanying unaudited interim condensed consolidated financial statements have been prepared from the records of Ross Stores, Inc. and subsidiaries (the "Company") without audit and, in the opinion of management, include all adjustments (consisting of only normal, recurring adjustments except as described below) necessary to present fairly the financial position at October 29, 2005 and October 30, 2004; the results of operations for the three and nine months ended October 29, 2005 and October 30, 2004; and cash flows for the nine months ended October 29, 2005 and October 30, 2004. The financial position at January 29, 2005, presented herein, has been derived from the audited consolidated financial statements of the Company as of 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 29, 2005. Certain information and disclosures normally included in the notes to annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America 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, contained in the Company's Annual Report on Form 10-K for the year ended January 29, 2005.

During the third quarter ended October 29, 2005, the Company recorded a before tax expense adjustment to correct merchandise receipt and other differences in merchandise accounts payable of $7.9 million, of which $5.5 million before tax or $3.3 million after tax related to prior year periods. The Company does not believe that the impact of this adjustment is material to the consolidated financial statements as of and for the year ended January 29, 2005 or previous years, nor is this adjustment recorded in the third quarter of 2005 expected to be material, in the aggregate, to the consolidated financial statements as of and for the year ending January 28, 2006. This adjustment had no impact on cash flows.

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.

Provision for litigation expense and other legal proceedings. The Company is party to various legal proceedings arising from normal business activities. Actions filed against the Company include commercial, customer, and labor and employment-related claims, including lawsuits in which plaintiffs allege that the Company violated state and/or federal wage and hour and related laws. Actions against the Company are in various procedural stages. Many of these proceedings raise factual and legal issues and are subject to uncertainties. In the opinion of management, resolution of these matters is not expected to have a material adverse effect on the Company's financial condition or results of operations.

Like many California retailers, the Company has been named in class action lawsuits regarding employee payroll and wage claims. The Orange County Superior Court has certified a class in a case involving whether the Company's assistant store managers in California are correctly classified as exempt managers under California Wage Orders. This is a procedural ruling and does not address the merits of the case. In the opinion of management, resolution of this matter is not expected to have a material adverse effect on the Company's financial condition or results of operations.

Stock-Based Compensation. The Company accounts for stock-based awards to employees using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." Because the Company grants stock option awards with exercise prices equal to fair market value, no compensation expense is recorded at issuance. Compensation expense for restricted stock awards is based on the market value of the shares awarded at the date of grant and is amortized on a straight-line basis over the applicable vesting period. The disclosure required under Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," and SFAS No. 148, "Accounting for Stock-Based Compensation—Transition and Disclosure—an amendment of FASB Statement No. 123" are set forth below.

Had compensation costs for the Company's stock option plans been determined based on the fair value at the grant dates for awards under those plans consistent with the methods of SFAS No. 123, the Company's net earnings and earnings per share would have been reduced to the pro forma amounts indicated below:

($000, except per share data)		Three Months Ended		Nine Months Ended	
		October 29, 2005	October 30, 2004	October 29, 2005	October 30, 2004
Net earnings	As reported	**$ 36,325**	$ 37,715	**$ 128,654**	$ 118,076
Add: Stock-based employee compensation expense included in reported net earnings, net of tax		**2,744**	2,054	**7,532**	6,543
Deduct: Stock-based employee compensation expense determined under the fair value based method for all awards, net of tax		**(5,073)**	(4,188)	**(15,097)**	(13,304)
Net earnings	Pro forma	**$ 33,996**	$ 35,581	**$ 121,089**	$ 111,315
Basic earnings per share	As reported	**$ .25**	$ .26	**$ .89**	$ .80
	Pro forma	**$ .24**	$ .24	**$ .84**	$ .75
Diluted earnings per share	As reported	**$ .25**	$ .25	**$ .87**	$ .78
	Pro forma	**$ .23**	$ .24	**$ .83**	$ .74

At October 29, 2005, the Company had two stock-based compensation plans. SFAS No. 123 establishes a fair value method of accounting for stock options and other equity instruments. For determining pro forma earnings per share, the fair value of the stock options and employees' purchase rights were estimated using the Black-Scholes option pricing model using the following assumptions:

Stock Options	Three Months Ended		Nine Months Ended	
	October 29, 2005	October 30, 2004	October 29, 2005	October 30, 2004
Expected life from grant date (years)	**4.2**	3.1	**3.4**	3.1
Expected volatility	**32.9%**	38.5%	**33.8%**	37.1%
Risk-free interest rate	**4.4%**	3.0%	**3.8%**	2.8%
Dividend yield	**0.8%**	0.7%	**0.7%**	0.6%

Employee Stock Purchase Plan	Three Months Ended		Nine Months Ended	
	October 29, 2005	October 30, 2004	October 29, 2005	October 30, 2004
Expected life from grant date (years)	**1.0**	1.0	**1.0**	1.0
Expected volatility	**30.9%**	28.3%	**30.9%**	28.3%
Risk-free interest rate	**2.9%**	1.3%	**2.9%**	1.3%
Dividend yield	**0.7%**	0.5%	**0.7%**	0.5%

The weighted average fair values per share of stock options granted for the three-month periods ended October 29, 2005 and October 30, 2004, were $7.81 and $6.61, and for the nine-month periods ended October 29, 2005 and October 30, 2004, were $7.82 and $7.78, respectively. The weighted average fair values per share of employee stock purchase awards for the three and nine-month periods ended October 29, 2005 and October 30, 2004, were $7.61 and $6.81, respectively.

Note B: Restatement of Prior Year Interim Condensed Consolidated Financial Statements

On February 7, 2005, the Office of the Chief Accountant of the Securities and Exchange Commission ("SEC") issued a letter to the American Institute of Certified Public Accountants expressing its views regarding certain operating lease accounting issues and their treatment under generally accepted accounting principles in the United States of America ("GAAP"). In response to this letter, the Company initiated a review of its lease-related accounting and determined that the Company's method of accounting for landlord incentives or allowances under operating leases (tenant improvement allowances) and the Company's method of accounting for "rent holidays" were not consistent with this guidance.

The Company historically accounted for tenant improvement allowances as reductions of fixed assets on the consolidated balance sheets and as reductions of capital expenditures in investing activities in the consolidated statements of cash flows. The Company historically amortized leasehold improvements over the original lease term, typically 10 years. The Company determined that the appropriate interpretation of Financial Accounting Standards Board ("FASB") Technical Bulletin No. 88–1, "Issues Relating to Accounting for Leases," requires these allowances to be recorded as deferred rent liabilities on the consolidated balance sheets, amortized over the lease term, and included as a component of operating activities in the consolidated statements of cash flows.

The Company historically amortized rent holiday periods on a straight–line basis over the lease term based on the store opening date, which excluded the build-out period for its stores from the term over which it expensed rent. The Company considered FASB Technical Bulletin No. 85–3, "Accounting for Operating Leases with Scheduled Rent Increases," and determined that the lease term should commence on the date the Company takes possession of the leased space for construction purposes, which is generally one to four months prior to the opening date.

In addition, the Company historically capitalized rent during the construction period for its distribution and headquarter facilities. The Company considered interpretive guidance based on analogies to FASB Statement No. 34, "Capitalization of Interest Cost," and FASB Statement No. 67, "Accounting for the Costs and Initial Rental Operations of Real Estate Projects" regarding capitalization of rent during the period of time a lessee is performing construction activities. The Company concluded that its historical policy of capitalizing rent during the build-out period is appropriate and corrected its accounting to apply the policy to the build-out period for all facilities, including its stores. See Note E for a new FASB Staff Position regarding the capitalization of rent during a build-out period.

In addition, the tax benefit from equity issuance is now presented as an operating activity rather than a financing activity in the condensed consolidated statements of cash flows.

As a result, the Company restated its interim condensed consolidated financial statements as of and for the three months and nine months ended October 30, 2004.

The following is a summary of the effects of the restatement on the Company's interim condensed consolidated statements of earnings for the three months and nine months ended October 30, 2004, interim condensed consolidated balance sheet as of October 30, 2004, and interim condensed consolidated statement of cash flows for the nine months ended October 30, 2004:

($000, except per share data) Three months ended October 30, 2004	Condensed Consolidated Statements of Earnings		
	As Previously Reported[1]	Adjustments	As Restated[2]
Cost of goods sold, including related buying, distribution and occupancy costs	$ 804,521	$ 605	$ 805,126
Selling, general and administrative	162,509	(28)	162,481
Earnings before taxes	62,505	(577)	61,928
Provision for taxes on earnings	24,439	(226)	24,213
Net earnings	38,066	(351)	37,715
Earnings per share — basic	$ .26	$ .00	$ .26
Earnings per share — diluted	$ .26	$ (.01)	$ .25

($000, except per share data) Nine months ended October 30, 2004	Condensed Consolidated Statements of Earnings		
	As Previously Reported[1]	Adjustments	As Restated[2]
Cost of goods sold, including related buying, distribution and occupancy costs	$ 2,328,259	$ 1,749	$ 2,330,008
Selling, general and administrative	487,599	29	487,628
Earnings before taxes	195,663	(1,778)	193,885
Provision for taxes on earnings	76,504	(695)	75,809
Net earnings	119,159	(1,083)	118,076
Earnings per share — basic	$ .80	$ .00	$ .80
Earnings per share — diluted	$ .79	$ (.01)	$ .78

($000) As of October 30, 2004	Condensed Consolidated Balance Sheet		
	As Previously Reported[1]	Adjustments	As Restated
Prepaid expenses and other	$ 48,052	$ (260)	$ 47,792
Deferred income taxes (asset)	22,742	2,531	25,273
Fixtures and equipment	607,211	20,247	627,458
Leasehold improvements	285,505	50,730	336,235
Accumulated depreciation and amortization	434,186	31,757	465,943
Accrued expenses and other	168,147	1,023	169,170
Other long-term liabilities	69,092	44,409	113,501
Retained earnings	340,107	(3,941)	336,166

($000) Nine months ended October 30, 2004	Condensed Consolidated Statement of Cash Flows As Previously Reported[1]	Adjustments	As Restated
Net cash provided by operating activities[3]	$ 100,218	$ 14,639	$ 114,857
Net cash used in investing activities	(88,257)	(6,519)	(94,776)
Net cash used in financing activities[3]	(155,720)	(8,120)	(163,840)

1 As originally reported in the Form 10-Q filed for the three and nine months ended October 30, 2004.
2 See Note J in the Notes to Consolidated Financial Statements included in the Annual Report on Form 10-K for the year ended January 29, 2005.
3 The tax benefit from equity issuance was restated as an operating activity in the condensed consolidated statement of cash flows.

Note C: Earnings Per Share ("EPS")

SFAS No. 128, "Earnings Per Share," requires earnings per share to be computed and reported as both basic EPS and diluted EPS. Basic EPS is computed by dividing net earnings by the weighted average number of common shares outstanding for the period. Diluted EPS is computed by dividing net earnings by the sum of the weighted average number of common shares and dilutive common stock equivalents outstanding during the period. Dilutive EPS reflects the potential dilution that could occur if options to issue common stock were exercised into common stock.

For the three months ended October 29, 2005 and October 30, 2004, there were approximately 3,464,000 and 1,834,000 shares, and for the nine months ended October 29, 2005 and October 30, 2004, there were approximately 2,768,000 and 1,057,000 shares, that could potentially dilute basic EPS in the future that were excluded from the calculation of diluted EPS because their effect would have been anti-dilutive (option exercise price exceeds average stock price) in the periods presented.

The following is a reconciliation of the number of shares (denominator) used in the basic and diluted EPS computations (shares in thousands):

	Three Months Ended			Nine Months Ended		
	Basic EPS	Effect of Dilutive Common Stock Equivalents	Diluted EPS	Basic EPS	Effect of Dilutive Common Stock Equivalents	Diluted EPS
October 29, 2005						
Shares	**143,753**	**1,906**	**145,659**	**144,954**	**2,196**	**147,150**
Amount	**$ .25**	**$ .00**	**$ .25**	**$ .89**	**$ (.02)**	**$ .87**
October 30, 2004						
Shares	146,199	2,405	148,604	148,071	2,912	150,983
Amount	$ .26	$ (.01)	$ .25	$ .80	$ (.02)	$ .78

Note D: Impairment/Gain on Disposal of Long-Lived Assets

During the second quarter of 2004, the Company relocated its corporate headquarters from Newark, California to Pleasanton, California and decided to pursue a sale of its Newark, California distribution center and corporate headquarters ("Newark Facility"). The Company recognized a non-cash impairment charge of $18 million before taxes in the second quarter 2004 to write-down the carrying value of its Newark Facility from its net book value of approximately $33 million to the estimated fair value at the time of approximately $15 million. During the third quarter of 2004, the Company sold the Newark Facility for net proceeds of approximately $17 million. The Company recognized a gain (reduction in impairment loss) of approximately $2 million in the third quarter 2004 on the sale of its Newark Facility. For the nine months ended October 30, 2004, the net impairment charge recognized by the Company was approximately $16 million.

Note E: Recently Issued Accounting Standards

In November 2004, the FASB issued the revised SFAS No. 151, "Inventory Costs," which clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs and wasted material (spoilage). SFAS No. 151 is effective for inventory costs incurred during fiscal years beginning after June 15, 2005. The Company does not believe that the adoption of SFAS No. 151 will have a material impact on the Company's operating results or financial position.

In December 2004, the FASB issued the revised SFAS No. 123(R), "Share-Based Payment," which establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. SFAS No. 123(R) requires recognition of stock-based compensation expense in the consolidated financial statements over the period during which an employee is required to provide service in exchange for the award. SFAS No. 123(R) is effective for the fiscal year beginning after June 15, 2005. The Company will implement the requirements of the standard as of the beginning of its fiscal year 2006. The impact of adopting SFAS No. 123(R) will be dependent on numerous factors including, but not limited to, the valuation model chosen by the Company to value stock-based awards; the assumed award forfeiture rate; the accounting policies adopted concerning the method of recognizing the fair value of awards over the requisite service period; and the transition method chosen for adopting SFAS No. 123(R). The Company is in the process of quantifying the effects of the adoption of SFAS No. 123(R).

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections" which requires retrospective application to prior periods' financial statements of changes in accounting principle, unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change. The Company does not expect the adoption of SFAS No. 154, which is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005, to have a material impact on the consolidated financial statements.

In October 2005, the FASB issued FASB Staff Position ("FSP") 13-1, "Accounting for Rental Costs Incurred During a Construction Period," to clarify the proper accounting for rental costs incurred on building or ground operating leases during a construction period. The FSP requires that rental costs incurred during a construction period be expensed, not capitalized. The statement is effective for the first reporting period beginning after December 15, 2005. The Company is currently evaluating the impact of adopting this guidance.

Note F: Subsequent Event

In November 2005, the Company announced that the Board of Directors authorized a new two-year stock repurchase program of up to $400 million.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have reviewed the accompanying condensed consolidated balance sheets of Ross Stores, Inc. and subsidiaries (the "Company") as of October 29, 2005 and October 30, 2004, and the related condensed consolidated statements of earnings for the three and nine-month periods then ended and of 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 of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with standards of the Public Company Accounting Oversight Board (United States), 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 review, 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 accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Ross Stores, Inc. as of January 29, 2005, 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 April 13, 2005, 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 29, 2005 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/Deloitte & Touche LLP
San Francisco, California

December 6, 2005

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

This section and other parts of this Form 10-Q contain forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in the subsection below entitled "Forward-Looking Statements and Factors Affecting Future Performance." The following discussion should be read in conjunction with the condensed consolidated financial statements and notes thereto included elsewhere in this Form 10-Q and the consolidated financial statements and notes thereto in the Company's 2004 Form 10-K. All information is based on the Company's fiscal calendar.

Restatement of Prior Year Interim Condensed Consolidated Financial Statements

The interim condensed consolidated financial statements for the three and nine months ended October 30, 2004 have been restated. See Note B of the interim condensed consolidated financial statements for additional discussion. This discussion and analysis gives effect to such restatement.

Overview

Ross Stores, Inc. and subsidiaries (the "Company") is the second largest off-price apparel and home goods retailer in the United States, with 715 Ross Dress for Less® ("Ross") stores in 26 states and Guam and 20 dd's DISCOUNTS® store locations in California at October 29, 2005. Ross offers first-quality, in-season, name brand and designer apparel, accessories, footwear and home fashions at everyday savings of 20 to 60 percent off department and specialty store regular prices. dd's DISCOUNTS® features a more moderately-priced assortment of first-quality, in-season, name brand apparel, accessories, footwear and home fashions at everyday savings of 20 to 70 percent off moderate department and discount store regular prices.

The Company's primary strategy has been a continued focus on pursuing and refining its existing off-price business, and steadily expanding its store base. In establishing growth objectives for the business, the Company closely monitors market share trends for the off-price industry. According to data from the NPD Group, which provides global sales and marketing information on the retail industry, the off-price share of total apparel sales in 2004 grew to 8.5% from 7.6% in 2003, reflecting the ongoing importance of value to consumers. Full-priced department stores and mass merchandise retailers experienced a decline in apparel market share over the same period. The Company's strategies are designed to take advantage of these growth trends and continued customer demand for name-brand fashions for the family and the home at competitive everyday discounts.

Results of Operations

	Three Months Ended		Nine Months Ended	
	October 29, 2005	October 30, 2004	October 29, 2005	October 30, 2004
SALES				
Sales (millions)	**$ 1,237**	$ 1,028	**$ 3,533**	$ 3,028
Sales growth	**20.4%**	5.2%	**16.7%**	7.3%
Comparable store sales growth	**9%**	(3)%	**6%**	(1)%
COSTS AND EXPENSES (as a percent of sales)				
Cost of goods sold, including related buying, distribution and occupancy costs	**78.9%**	78.3%	**77.9%**	76.9%
Selling, general and administrative	**16.3%**	15.8%	**16.2%**	16.1%
Impairment/(gain on disposal) of long-lived assets	**0.0%**	(0.2)%	**0.0%**	0.5%
EARNINGS BEFORE TAXES	**4.8%**	6.0%	**6.0%**	6.4%
NET EARNINGS	**2.9%**	3.7%	**3.6%**	3.9%

Stores. The Company's operating strategy is to open additional stores based on local market penetration, the ability to leverage overhead expenses, local demographic characteristics including population, and competition. Management continually evaluates opportunistic real estate acquisitions and opportunities for potential new store locations. The Company also evaluates its current store locations and determines store closures based on similar criteria.

	Three Months Ended		Nine Months Ended	
	October 29, 2005	October 30, 2004	October 29, 2005	October 30, 2004
Stores at the beginning of the period	**695**	616	**649**	568
Stores opened in the period	**40**	35	**86**	83
Stores closed in the period	**—**	—	**—**	—
Stores at the end of the period	**735**	651	**735**	651

Sales. The 20% total sales increase for the three months ended October 29, 2005 over the same period in the prior year reflects the opening of 84 net new stores between October 30, 2004 and October 29, 2005, and a 9% increase in sales from "comparable" stores (defined as stores that have been open for more than 14 complete months). The 17% total sales increase for the nine months ended October 29, 2005 over the same period in the prior year reflects the opening of 84 net new stores between October 30, 2004 and October 29, 2005, and a 6% increase in sales from comparable stores.

The Company's sales mix for the three and nine-month periods ended October 29, 2005 and October 30, 2004 was as follows:

	Three Months Ended		Nine Months Ended	
	October 29, 2005	October 30, 2004	October 29, 2005	October 30, 2004
Ladies	**35%**	37%	**35%**	37%
Home accents and bed and bath	**20%**	20%	**20%**	19%
Men's	**15%**	14%	**14%**	16%
Fine jewelry, accessories, lingerie and fragrances	**11%**	12%	**11%**	12%
Children's	**10%**	9%	**10%**	7%
Shoes	**9%**	8%	**10%**	9%
Total	**100%**	100%	**100%**	100%

Management expects to address the competitive climate for apparel and home goods off-price retailers by pursuing and refining the Company's existing strategies and by continuing to strengthen its organization, to diversify the merchandise mix, and to more fully develop the organization and systems to strengthen regional merchandise offerings. Although the Company's strategies and store expansion program contributed to sales gains for the three and nine-month periods ended October 29, 2005, there can be no assurance that these will result in a continuation of revenue or profit growth.

Cost of Goods Sold. Cost of goods sold increased $171 million for the three months ended October 29, 2005 compared to the same period in the prior year, mainly due to increased sales from the opening of 84 net new stores between October 30, 2004 and October 29, 2005.

Cost of goods sold as a percentage of sales for the three months ended October 29, 2005 increased approximately 60 basis points compared with the same period in the prior year. This increase is primarily due to higher inventory shortage that increased 130 basis points over the prior year period and 65 basis points in charges related to the reconciliation of merchandise accounts payable. These increases were partially offset by a 50 basis point decrease in store occupancy and depreciation costs and a 25 basis point decrease in buying expenses, both of which benefited from leverage related to the 9% gain in comparable store sales during the third quarter. In addition, merchandise margin improved by 30 basis points and distribution and logistics costs decreased by 30 basis points due to improved productivity.

Cost of goods sold increased $422 million for the nine months ended October 29, 2005 compared to the same period in the prior year, mainly due to increased sales from the opening of 84 net new stores between October 30, 2004 and October 29, 2005.

Cost of goods sold as a percentage of sales for the nine months ended October 29, 2005 increased approximately 100 basis points compared with the same period in the prior year. This increase is primarily due to a 50 basis point decrease in merchandise margin mainly due to higher markdowns during the first six months of the year, a 40 basis point increase in inventory shortage over the prior year period, 20 basis points in charges related to the reconciliation of merchandise accounts payable, and a 20 basis point increase in distribution and logistics costs as a percent of sales. These increases were partially offset by a 20 basis point decrease in store occupancy costs and a 10 basis point decrease in buying expenses, both of which benefited from leverage resulting from the 6% gain in comparable store sales during the year-to-date period.

There can be no assurance that the gross profit margins realized for the three and nine-month periods ended October 29, 2005 will continue in the future.

Selling, General and Administrative Expenses. Selling, general, and administrative expenses increased $39 million for the three months ended October 29, 2005 compared to the same period in the prior year, primarily due to increased store operating costs reflecting the opening of 84 net new stores between October 30, 2004 and October 29, 2005, increased incentive plan expenses, and increased information technology costs and related depreciation.

For the three months ended October 29, 2005, selling, general and administrative expenses as a percentage of sales increased approximately 45 basis points compared to the same period in the prior year. This increase is due to an approximate 105 basis point increase primarily related to increased incentive plan expenses and increased information technology costs. During 2004, the incentive plan expense accruals for the first half of that year were reversed in the third quarter when the Company determined that no bonuses would be paid out under the plan. This was partially offset by a decrease of approximately 60 basis points relating to store operating and advertising costs that benefited from leverage resulting from the 9% increase in comparable store sales.

Selling, general, and administrative expenses increased $83 million for the nine months ended October 29, 2005 compared to the same period in the prior year, primarily due to increased store operating costs reflecting the opening of 84 net new stores between October 30, 2004 and October 29, 2005, increased incentive plan expenses and increased information technology costs and related depreciation.

For the nine months ended October 29, 2005, selling, general and administrative expenses as a percentage of sales increased approximately 10 basis points compared to the same period in the prior year. This increase is primarily due to an approximate 40 basis point increase relating to higher incentive plan expenses and increased information technology costs and related depreciation. During 2004, the incentive plan expense accruals for the first half of that year were reversed in the third quarter when the Company determined that no bonuses would be paid out under the plan. In addition, an approximate 10 basis point increase was due to higher depreciation and occupancy costs. This increase was partially offset by a 40 basis point decrease in advertising and store operating costs primarily due to leverage resulting from the 6% increase in comparable store sales.

Impairment/Gain on Disposal of Long-Lived Assets. During the second quarter of 2004, the Company relocated its corporate headquarters from Newark, California to Pleasanton, California and decided to pursue a sale of its Newark, California distribution center and corporate headquarters ("Newark Facility"). The Company recognized a non-cash impairment charge of $18 million before taxes in the second quarter 2004 to write-down the carrying value of its Newark Facility from its net book value of approximately $33 million to the estimated fair value at the time of approximately $15 million. During the third quarter, the Company sold the Newark Facility for net proceeds of approximately $17 million. The Company recognized a gain (reduction in impairment loss) of approximately $2 million in the third quarter 2004 on the sale of its Newark Facility. For the nine months ended October 30, 2004, the net impairment charge recognized by the Company was approximately $16 million.

Taxes on Earnings. The Company's effective tax rate for the three and nine months ended October 29, 2005 and October 30, 2004 was approximately 39%, which represents the applicable Federal and State statutory rates reduced by the Federal benefit received for State taxes. The effective rate is affected by changes in law, location of new stores, level of earnings and the result of tax audits. The Company anticipates that its effective tax rate for fiscal 2005 will be approximately 38% to 40%.

Net Earnings. The decrease in net earnings as a percentage of sales for the three months ended October 29, 2005, compared to the same period in the prior year, is primarily due to higher cost of goods sold and selling, general and administrative expenses as a percentage of sales. Diluted earnings per share remained flat at $.25 compared to the same prior year period as a result of a decrease in net earnings which is offset by a decrease in weighted average diluted shares outstanding, which was largely attributable to the acquisition of common stock under the Company's stock repurchase program.

Net earnings as a percentage of sales for the nine months ended October 29, 2005, compared to the same period in the prior year, decreased primarily due to higher cost of goods sold as a percentage of sales offset by the effect of impairment charges in the prior year period. Diluted earnings per share increased to $.87 from $.78 in the same prior year period as a result of an increase in net earnings and a decrease in weighted average diluted shares outstanding, which was largely attributable to the acquisition of common stock under the Company's stock repurchase program.

Financial Condition

Liquidity and Capital Resources

The Company's primary sources of funds for its business activities are cash flows from operations and short-term trade credit. The Company's primary ongoing cash requirements are for seasonal and new store merchandise inventory purchases and capital expenditures in connection with opening new stores, and investments in information systems and infrastructure. The Company also uses cash to repurchase stock under its stock repurchase program and to pay dividends.

The following is a summary of the Company's interim condensed consolidated statements of cash flows for the nine months ended October 29, 2005 and October 30, 2004:

($000)	Nine Months Ended October 29, 2005	Nine Months Ended October 30, 2004
Cash flows from operating activities	**$ 264,201**	$ 114,857
Cash flows used in investing activities	**(71,931)**	(94,776)
Cash flows used in financing activities	**(129,848)**	(163,840)
Net increase (decrease) in cash and cash equivalents	**$ 62,422**	$ (143,759)

Operating Activities

Net cash provided by operating activities was $264 million for the nine months ended October 29, 2005, and $115 million for the nine months ended October 30, 2004. The primary source of cash from operations for the nine months ended October 29, 2005 was net earnings plus non-cash expenses for depreciation and amortization. The increase in cash flows from operations for the nine months ended October 29, 2005 was primarily due to an increase of accounts payable leverage (defined as accounts payable divided by merchandise inventory) from 51% at October 30, 2004 to 61% at October 29, 2005, primarily due to the timing of accounts payable check processing. Working capital (defined as current assets less current liabilities) was $386 million at October 29, 2005, compared to $384 million at October 30, 2004. The Company's primary source of liquidity is the sale of its merchandise inventory. Management regularly reviews the age and condition of the merchandise and is able to maintain current merchandise inventory in its stores through replenishment processes and liquidation of slower-moving merchandise through clearance markdowns.

Investing Activities

During the nine-month periods ended October 29, 2005 and October 30, 2004, the Company spent approximately $139 million and $112 million, respectively, for capital expenditures (excluding leased equipment) for fixtures and leasehold improvements to open new stores, implement management information technology systems, install and implement materials handling equipment and related distribution center systems, and various other expenditures related to existing stores, buying offices, corporate offices and the purchase of a warehouse in Moreno Valley, California. The Company opened 86 and 83 net new stores during the nine months ended October 29, 2005 and October 30, 2004, respectively. In addition, the Company sold $67 million, net, in auction-rate securities classified as short-term investments during the nine months ended October 29, 2005. Lastly, during the nine-month period ended October 30, 2004, the Company received approximately $17 million in proceeds from the sale of the Newark Facility.

The Company is forecasting approximately $180 million in capital expenditures for fiscal 2005 to fund fixtures and leasehold improvements to open both new Ross stores and dd's DISCOUNTS® stores. In addition, these capital expenditures are expected to cover the relocation, or remodel of existing stores, and investments in store and merchandising systems, distribution center land, buildings, equipment and systems, and various central office expenditures. The Company expects to fund these expenditures out of cash flows from operations, and existing bank and credit facilities.

Financing Activities

During the nine-month periods ended October 29, 2005 and October 30, 2004, liquidity and capital requirements were provided by cash flows from operations and trade credit. Substantially all of the Company's store locations, buying offices, its headquarters, and certain distribution centers are leased and, except for certain leasehold improvements and equipment, do not represent long-term capital investments. The Company owns its distribution center in Carlisle, Pennsylvania and its warehouse in Moreno Valley, California.

The Company repurchased 4.9 million and 5.6 million shares of common stock for an aggregate purchase price of approximately $133 million and $150 million during the nine-month periods ended October 29, 2005 and October 30, 2004, respectively. These stock repurchases were funded by cash flows from operations.

Short-term trade credit represents a significant source of financing for investments in merchandise inventory. Trade credit arises from customary payment terms and trade practices with the Company's vendors. Management regularly reviews the adequacy of credit available to the Company from all sources and has been able to maintain adequate lines to meet the capital and liquidity requirements of the Company.

The table below presents significant contractual payment obligations of the Company as of October 29, 2005:

($000) Contractual Obligations	Less than 1 Year	2 – 3 Years	4 – 5 Years	After 5 Years	Total
Long-term debt	$ 2,794	$ 50,466	$ —	$ —	$ 53,260
Operating leases	228,773	407,241	318,018	417,055	1,371,087
Other financings:					
Synthetic leases	11,918	8,561	8,182	11,250	39,911
Other synthetic lease obligations	84,353	1,856	—	56,000	142,209
Purchase obligations	658,799	10,782	3,114	—	672,695
Total contractual obligations	$ 986,637	$ 478,906	$ 329,314	$ 484,305	$ 2,279,162

Long-Term Debt. The Company has a $50 million senior unsecured term loan agreement to finance the equipment and information technology systems for its Perris, California distribution center. Total borrowings under the term loan were $50 million as of October 29, 2005. The Company has estimated interest on long-term debt of $3 million during the term of the loan, which is calculated based upon prevailing interest rates (LIBOR plus 150 basis points) and is included in "Long-term debt" in the table above. Interest is payable no less than quarterly at the bank's applicable prime rate or at LIBOR plus an applicable margin (currently 150 basis points) which resulted in an effective interest rate of 5.6% at October 29, 2005. All amounts outstanding under the term loan will be due and payable in December 2006. Borrowings under this term loan are subject to certain operating and financial covenants including maintaining certain interest coverage and leverage ratios.

Off-Balance Sheet Arrangements

Operating Leases. Substantially all of the Company's store locations, certain distribution centers, and the Company's buying offices and corporate headquarters are leased and, except for certain leasehold improvements and equipment, do not represent long-term capital investments. The Company owns its distribution center in Carlisle, Pennsylvania and its warehouse in Moreno Valley, California.

The Company has lease arrangements for certain equipment in its stores for its point-of-sale ("POS") hardware and software systems. These leases are accounted for as operating leases for financial reporting purposes. The initial terms of these leases are two years and the Company typically has options to renew the leases for two to three one-year periods. Alternatively, the Company may purchase or return the equipment at the end of the initial or each renewal term. The Company has guaranteed the value of the equipment at the end of the respective initial lease terms of $12 million, which is included in "Other synthetic lease obligations" in the table above.

In January 2004, the Company commenced its lease on its corporate headquarters in Pleasanton, California. The lease has an initial term of 10.5 years with three five-year renewal options.

In October 2004, the Company entered into a lease arrangement to use a portion of its previously sold Newark Facility to support distribution activities for dd's DISCOUNTS® for an initial lease term of two years, with a one-year renewal option, a minor part of its remaining useful life.

Other Financings. The Company leases a 1.3 million square foot distribution center in Fort Mill, South Carolina. This distribution center, including equipment and systems, is being financed under an $87 million, five-year operating lease, commonly referred to as a synthetic lease, which expires in May 2006. Monthly rent expense is currently payable at 90 basis points over LIBOR on the lease balance of $87 million. The Company has estimated rent expense on the lease which is calculated based upon prevailing interest rates (LIBOR plus 90 basis points, which resulted in an effective interest rate of 4.7% at October 29, 2005) and is included in "Synthetic leases" in the contractual obligations table above. At the end of the lease term, the Company must refinance the $87 million synthetic lease facility, purchase the distribution center at the amount of the then-outstanding lease balance, or arrange a sale of the distribution center to a third party. The Company has agreed under a residual value guarantee to pay the lessor up to 85% of the lease balance. The Company's obligation under this residual value guarantee of $74 million is included in "Other synthetic lease obligations" in the contractual obligations table above.

The Company also leases a 1.3 million square foot distribution center in Perris, California. This distribution center is being financed under a $70 million ten-year synthetic lease facility that expires in July 2013. Rent expense on this center is payable monthly at a fixed annual rate of 5.8% on the lease balance of $70 million. At the end of the lease term, the Company must refinance the $70 million synthetic lease facility, purchase the distribution center at the amount of the then-outstanding lease balance, or arrange a sale of the distribution center to a third party. If the distribution center is sold to a third party for less than $70 million, the Company has agreed under a residual value guarantee to pay the lessor the shortfall below $70 million not to exceed $56 million. The Company's contractual obligation of $56 million is included in "Other synthetic lease obligations" in the above table. The $50 million financing of equipment and systems for the Perris, California center is included in "Long-term debt" in the table above.

In accordance with Financial Accounting Standards Board ("FASB") Interpretation ("FIN") No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others," the Company has recognized a liability and corresponding asset for the fair value of the residual value guarantee in the amount of $8 million for the Perris, California distribution center and $2 million for the POS lease. These residual value guarantees are being amortized on a straight-line basis over the original terms of the leases. The current portion of the related asset and liability is recorded in "Prepaid expenses and other" and "Accrued expenses and other," respectively, and the long-term portion of the related assets and liabilities is recorded in "Other long-term assets" and "Other long-term liabilities," respectively, in the accompanying condensed consolidated balance sheets.

In addition, the Company leases two separate warehouse facilities for packaway storage in Carlisle, Pennsylvania with operating leases expiring through 2011. In January 2004, the Company entered into a two-year lease with two one-year options for a warehouse facility in Fort Mill, South Carolina, the first option of which has been exercised extending the term to February 1, 2007. These three leased facilities are being used primarily to store packaway merchandise.

The synthetic lease facilities described above, as well as the Company's long-term debt and revolving credit facility, have covenant restrictions requiring the Company to maintain certain interest coverage and leverage ratios. In addition, the interest rates under these agreements may vary depending on the Company's actual interest coverage ratios. As of October 29, 2005, the Company was in compliance with these covenants.

In December 2003, the FASB issued the revised FIN No. 46(R), "Consolidation of Variable Interest Entities," which addresses consolidation by business enterprises of entities that are not controllable through voting interests or in which the equity investors do not bear the residual economic risks and rewards. FIN No. 46(R) explains how to identify variable interest entities and how an enterprise should assess its interest in an entity to decide whether to consolidate that entity. The Company was not required under FIN No. 46(R) to consolidate its synthetic leases since the lessors/owners are not variable interest entities.

Purchase Obligations. As of October 29, 2005, the Company had purchase obligations of $673 million. These purchase obligations primarily consist of merchandise inventory purchase orders, commitments related to store fixtures, supplies, and information technology service and maintenance contracts. Total merchandise inventory purchase orders of $634 million are all purchase obligations of less than one year as of October 29, 2005.

Commercial Credit Facilities

The table below presents significant commercial credit facilities available to the Company as of October 29, 2005:

($000) Commercial Credit Commitments	Amount of Commitment Expiration Per Period Less than 1 Year	2 - 3 Years	4 - 5 Years	Over 5 Years	Total Amount Committed
Revolving credit facility[1]	$ —	$ —	$ 600,000	$ —	$ 600,000
Total commercial commitments	$ —	$ —	$ 600,000	$ —	$ 600,000

1 Contains a $200 million sublimit for issuances of letters of credit, of which $62 million is outstanding and $138 million is available as of October 29, 2005.

Revolving Credit Facility. In 2004, the Company entered into a $600 million revolving credit facility with its banks, which contains a $200 million sublimit for issuances of letters of credit of which $138 million was available at October 29, 2005. Interest is LIBOR-based plus an applicable margin (currently 75 basis points) and is payable upon borrowing maturity but no less than quarterly. Borrowing under this credit facility is subject to the Company maintaining certain interest coverage and leverage ratios. The Company has had no borrowings under this facility. This revolving credit facility is scheduled to expire in March 2009.

Standby Letters of Credit. The Company uses standby letters of credit to collateralize certain obligations related to its self-insured workers' compensation and general liability claims. The Company had $62 million and $61 million in standby letters of credit outstanding at October 29, 2005 and October 30, 2004, respectively.

Trade Letters of Credit. The Company had $18 million and $19 million in trade letters of credit outstanding at October 29, 2005 and October 30, 2004, respectively.

Dividends. In May 2005, a quarterly cash dividend payment of $.05 per common share was declared by the Company's Board of Directors, and was paid on July 1, 2005. In August 2005, a quarterly cash dividend of $.05 per common share was declared by the Company's Board of Directors, and was paid on September 30, 2005. On November 9, 2005, a quarterly cash dividend of $.06 per common share was declared by the Company's Board of Directors, payable on or about January 3, 2006, to stockholders of record as of December 7, 2005.

Stock Repurchase Program. In January 2004, the Company announced that the Board of Directors authorized a stock repurchase program of up to $350 million for 2004 and 2005. During the nine months ended October 29, 2005, the Company repurchased approximately 4.9 million shares for an aggregate purchase price of approximately $133 million. In November 2005, the Company announced that the Board of Directors authorized a new two-year stock repurchase program of up to $400 million.

The Company estimates that cash flows from operations, bank credit lines and trade credit are adequate to meet operating cash needs, fund its planned capital investments, repurchase common stock and make quarterly dividend payments for at least the next twelve months.

Critical Accounting Policies

The preparation of the Company's interim condensed consolidated financial statements requires management of the Company to make estimates and assumptions that affect the reported amounts. These estimates and assumptions are evaluated on an ongoing basis and are based on historical experience and on various other factors that management believes to be reasonable. The Company believes the following critical accounting policies describe the more significant judgments and estimates used in the preparation of its interim condensed consolidated financial statements:

Merchandise Inventory. The Company's merchandise inventory is stated at the lower of cost or market with cost determined on a weighted average cost method. The Company purchases manufacturer overruns and canceled orders both during and at the end of a season which are referred to as "packaway" inventory. Packaway inventory is purchased with the intent that it will be stored in the Company's warehouses until a later date, which may even be the beginning of the same selling season in the following year. Included in the carrying value of the Company's merchandise inventory is a provision for shrinkage. The shrinkage reserve is based on historical shrinkage rates as evaluated through the Company's physical merchandise inventory counts and cycle counts. If actual market conditions, markdowns, or shrinkage are less favorable than those projected by management, or if sales of the merchandise inventory are more difficult than anticipated, additional merchandise inventory write-downs may be required.

Long-lived Assets. The Company records a long-lived asset impairment charge when events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable based on estimated future cash flows. An impairment loss would be recognized if analysis of the undiscounted cash flow of an asset group was less than the carrying value of the asset group. During the second quarter of 2004, the Company relocated its corporate headquarters from Newark, California to Pleasanton, California and decided to pursue a sale of its Newark Facility. The Company recognized a non-cash impairment charge of $18 million before taxes in the second quarter of 2004 to write-down the carrying value of its Newark Facility from its net book value of approximately $33 million to the estimated fair value of approximately $15 million. During the third quarter of 2004, the Company sold the Newark Facility for net proceeds of approximately $17 million. The Company recognized a gain (reduction in impairment loss) of approximately $2 million in the third quarter of 2004 on the sale of its Newark Facility. For the nine months ended October 30, 2004, the net impairment charge recognized by the Company was approximately $16 million.

Self-Insurance. The Company self insures certain of its workers' compensation and general liability risks as well as certain of its health insurance plans. The Company's self-insurance liability is determined actuarially, based on claims filed and an estimate of claims incurred but not reported. Should a greater amount of claims occur compared to what is estimated or the costs of medical care and state statutory requirements increase beyond what was anticipated, reserves recorded may not be sufficient and additional charges could be required.

The above listing is not intended to be a comprehensive list of all of the Company's accounting policies. In many cases, the accounting treatment of a particular transaction is specifically dictated by Generally Accepted Accounting Principles, with no need for management's judgment in their application.

New Accounting Pronouncements

In November 2004, the FASB issued the revised SFAS No. 151, "Inventory Costs," which clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs and wasted material (spoilage). SFAS No. 151 is effective for inventory costs incurred during fiscal years beginning after June 15, 2005. The Company does not believe that the adoption of SFAS No. 151 will have a material impact on the Company's operating results or financial position.

In December 2004, the FASB issued the revised SFAS No. 123(R), "Share-Based Payment," which establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. SFAS No. 123(R) requires recognition of stock-based compensation expense in the consolidated financial statements over the period during which an employee is required to provide service in exchange for the award. SFAS No. 123(R) is effective for the fiscal year beginning after June 15, 2005. The Company will implement the requirements of the standard as of the beginning of its fiscal year 2006. The impact of adopting SFAS No. 123(R) will be dependent on numerous factors including, but not limited to, the valuation model chosen by the Company to value stock-based awards; the assumed award forfeiture rate; the accounting policies adopted concerning the method of recognizing the fair value of awards over the requisite service period; and the transition method chosen for adopting SFAS No. 123(R). The Company is in the process of quantifying the effects of the adoption of SFAS No. 123(R).

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections" which requires retrospective application to prior periods' financial statements of changes in accounting principle, unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change. The Company does not expect the adoption of SFAS No. 154, which is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005, to have a material impact on the consolidated financial statements.

In October 2005, the FASB issued FASB Staff Position ("FSP") 13-1, "Accounting for Rental Costs Incurred During a Construction Period," to clarify the proper accounting for rental costs incurred on building or ground operating leases during a construction period. The FSP requires that rental costs incurred during a construction period be expensed, not capitalized. The statement is effective for the first reporting period beginning after December 15, 2005. The Company is currently evaluating the impact of adopting this guidance.

dd's DISCOUNTS®

The Company operates 20 dd's DISCOUNTS® stores, its off-price concept targeted to serve the needs of lower-income households, which it believes to be one of the fastest growing demographic markets in the country. dd's DISCOUNTS® features a moderately-priced assortment of first-quality, in-season, name brand apparel, accessories, footwear and home fashions at everyday savings of 20 to 70 percent off moderate department and discount store regular prices. The Company opened ten initial stores at locations in California during the second half of 2004 and ten stores during the first nine months of 2005. This new business generally has similar merchandise departments and categories to those of Ross, but features a different mix of brands, consisting mostly of moderate department store and discount store labels at lower average price points. The average dd's DISCOUNTS® store is approximately 26,000 square feet and is located in an established strip shopping center in densely populated urban and suburban neighborhoods. The dd's DISCOUNTS® and Ross merchant, store and distribution organizations are separate and distinct; however, dd's DISCOUNTS® shares other certain corporate and support services with Ross.

Forward-Looking Statements and Factors Affecting Future Performance

This report includes certain forward-looking statements regarding forecasted capital expenditures, and expected sales and earnings levels, which reflect the Company's current beliefs, projections and estimates with respect to future events and the Company's future financial performance, operations and competitive position. The words "expect," "anticipate," "estimate," "believe," "looking ahead," "forecast," "guidance," "plan," "projected," and similar expressions identify forward-looking statements. These forward looking statements are subject to risks and uncertainties that could cause the Company's actual results to differ materially from historical results or current expectations.

Risks and uncertainties that apply to both Ross and dd's DISCOUNTS® stores include, without limitation, the Company's ability to effectively operate and integrate various new supply chain and core merchandising systems, including generation of all necessary information in a timely and cost effective manner; achieving and maintaining targeted levels of productivity and efficiency in its distribution centers; obtaining acceptable new store locations; competitive pressures in the apparel industry; changes in the level of consumer spending on or preferences for apparel or home-related merchandise; changes in geopolitical and general economic conditions; unseasonable weather trends; disruptions in supply chain; lower than planned gross margin, including higher than planned markdowns and higher than expected inventory shortage and greater than planned operating costs; the Company's ability to continue to purchase attractive brand-name merchandise at desirable discounts, the Company's ability to identify and successfully enter new geographic markets, and the Company's ability to attract and retain personnel with the retail talent necessary to execute its strategies.

The Company's corporate headquarters, certain of its distribution centers and 29% of its stores are located in California. Therefore, a downturn in the California economy or a major California natural disaster could significantly affect the Company's operating results and financial condition.

The Company's continued success depends, in part, upon its ability to increase sales at existing locations, and to open new stores and to operate stores on a profitable basis. There can be no assurance that the Company's existing strategies and store expansion program will result in a continuation of revenue growth or profit growth.

Future economic and industry trends that could potentially impact revenue and profitability remain difficult to predict. The factors underlying the Company's forecasts are dynamic and subject to change. As a result, any forecasts speak only as of the date they are given and do not necessarily reflect the Company's outlook at any other point in time. The Company disclaims any obligation to update or revise these forward-looking statements.

Other risk factors are detailed in the Company's Securities and Exchange Commission filings including, without limitation, the Form 10-K for fiscal 2004.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to market risks, which primarily include changes in interest rates. The Company does not engage in financial transactions for trading or speculative purposes.

Interest that is payable on the Company's revolving credit facilities and long-term debt is based on variable interest rates and is, therefore, affected by changes in market interest rates. In addition, lease payments under certain of the Company's synthetic lease agreements are determined based on variable interest rates and are, therefore, affected by changes in market interest rates. As of October 29, 2005, the Company had no borrowings outstanding under its revolving credit facilities and had $50 million of long-term debt outstanding which accrues interest at LIBOR plus 150 basis points.

A hypothetical 100 basis point increase in prevailing market interest rates would not have materially impacted the Company's consolidated financial position, results of operations, or cash flows as of and for the three and nine-month periods ended October 29, 2005. The Company does not consider the potential losses in future earnings and cash flows from reasonably possible near term changes in interest rates to be material.

The Company occasionally uses forward contracts to hedge against fluctuations in foreign currency prices. The Company had no outstanding forward contracts at October 29, 2005.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Management, with the participation of the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the Company's "disclosure controls and procedures" (as defined in Exchange Act Rule 13a-15(e)) as of the end of the quarterly period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report.

It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system will be met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events.

Quarterly Evaluation of Changes in Internal Control Over Financial Reporting

Management, with the participation of the Chief Executive Officer and Chief Financial Officer, also conducted an evaluation of the Company's internal control over financial reporting to determine whether any change occurred during the third fiscal quarter of 2005 that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting. Based on that evaluation, management has concluded that there was no such change during the third fiscal quarter.

PART II – OTHER INFORMATION

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Information regarding shares of common stock repurchased by the Company during the third quarter of 2005 is as follows:

Period	Total Number of Shares (or Units) Purchased[1]		Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs		Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs ($000)
August (7/31/2005-8/27/2005)	388,410	$	25.78	387,659	$	76,000
September (8/28/2005-10/1/2005)	793,938	$	23.96	792,755	$	57,000
October (10/2/2005-10/29/2005)	583,489	$	25.77	581,250	$	42,000
Total	1,765,837	$	24.96	1,761,664	$	42,000

1 The Company acquired 4,173 shares during the quarter ended October 29, 2005 related to income tax withholdings for restricted stock. All remaining shares were repurchased under the two-year $350 million stock repurchase program publicly announced on February 5, 2004.

ITEM 6. EXHIBITS

Incorporated herein by reference to the list of Exhibits contained in the Exhibit Index within this Report.

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 thereunto duly authorized.

ROSS STORES, INC.

(Registrant)

Date: December 7, 2005

By: /s/ J. Call
John G. Call
Senior Vice President, Chief Financial Officer,
Principal Accounting Officer and Corporate Secretary

INDEX TO EXHIBITS

Exhibit Number	Exhibit
3.1	Amendment of Certificate of Incorporation dated May 21, 2004 and Amendment of Certificate of Incorporation dated June 5, 2002 and Corrected First Restated Certificate of Incorporation, incorporated by reference to Exhibit 3.1 to the Form 10-Q filed by Ross Stores for its quarter ended July 31, 2004.
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	First Amendment to the Employment Agreement effective October 1, 2005 between Lisa Panattoni and Ross Stores, Inc.
15	Letter re: Unaudited Interim Financial Information from Deloitte & Touche LLP dated December 6, 2005.
31.1	Certification of Chief Executive Officer Pursuant to Sarbanes-Oxley Act Section 302(a).
31.2	Certification of Chief Financial Officer Pursuant to Sarbanes-Oxley Act Section 302(a).
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350.

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

THE FIRST AMENDMENT TO EMPLOYMENT AGREEMENT (the "First Amendment") is made and entered effective the 1st day of October 2005, by Ross Stores, Inc. (the "Company") and Lisa Panattoni (the "Executive"). The Executive and the Company previously entered into an Employment Agreement effective January 3, 2005 (attached and referred to herein as "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 First Amendment.

I. The Executive and Company amend the Agreement by deleting Paragraph A of the Recitals in its entirety and replacing it with the following new Paragraph A:

A. The Company wishes to employ Executive, and Executive is willing to accept such employment as Executive Vice President, Merchandising.

II. The Executive and the Company further amend the Agreement by deleting Paragraph 2 of the Agreement in its entirety and replacing it with the following new paragraph:

2. **Position and Duties.** During the term of the Executive's employment under this Agreement, the Executive shall serve as Executive Vice President, Merchandising. As used in this Agreement, the term "Company" includes Ross Stores, Inc. and any of its divisions, affiliates or subsidiaries (except that, where the term relates to stock, stockholders, stock options or the Board, it means Ross Stores, Inc.). Executive's employment may be transferred, assigned, or re-assigned to Ross Stores, Inc. or a division, affiliate or subsidiary of Ross Stores, Inc., and such transfer, assignment, or re-assignment will not constitute a termination of employment or "Good Reason" for Executive's termination of employment under this Agreement. During the term of the Executive's employment, the Executive may engage in outside activities provided those activities (including but not limited to membership on boards of directors, of not-for-profit and for-profit organizations) do not conflict with the Executive's duties and responsibilities hereunder, and provided further that the Executive gives written notice to the Board of any significant outside business activity in which Executive plans to become involved, whether or not such activity is pursued for profit.

III. The Executive and Company amend the Agreement by deleting Paragraph 4(a) in its entirety and replacing it with the following new Paragraph 4(a):

Salary. During the Executive's employment, the Company shall pay the Executive a salary of not less than Five Hundred Sixty Thousand Dollars ($560,000) per annum. The Executive's salary, shall be payable in equal installments in accordance with the Company's normal payroll practices applicable to senior officers. Subject to the first sentence of this Section 4(a), the Executive's salary may be adjusted from time to time by the Board in accordance with normal business practices of the Company.

IV. The Executive and the Company further amend the Agreement by adding the following Paragraph 21:

21. **Compliance with Section 409A.** It is the mutual intention of Executive and the Company that the provision of all payments and benefits pursuant to this Agreement be made in compliance with the requirements of Section 409A of the Internal Revenue Code (concerning the treatment of nonqualified deferred compensation plans) to the extent such Section is applicable to such payments and benefits, and all regulations and other guidance promulgated by the Secretary of the Treasury pursuant to such Section (such Section, regulations and other guidance being referred to herein as "Section 409A"). To the extent that the provision of any such payment or benefit pursuant to the terms and conditions of this Agreement would fail to comply with the applicable requirements of Section 409A, the Company may, in its sole and absolute discretion and without the consent of Executive, make such modifications to the timing or manner of providing such payment and/or benefit to the extent it determines necessary or advisable to comply with the requirements of Section 409A; provided, however, that the Company shall not be obligated to make any such modifications. Any such modifications made by the Company shall, to the maximum extent permitted in compliance with the requirements of Section 409A, preserve the aggregate monetary face value of such payments and/or benefits provided by this Agreement in the absence of such modification; provided, however, that the Company shall in no event be obligated to pay any interest or other compensation in respect of any delay in the provision of such payments or benefits in order to comply with the requirements of Section 409A.

V. The Executive and the Company further amend the Employment Agreement by adding the following Paragraph 22:

22. **Future Equity Compensation.** The Executive understands and acknowledges that all awards, if any, of stock options, restricted stock and other forms of equity compensation by the Company are made at the sole discretion of the Board of Directors of the Company or a committee thereof. The Executive further understands and acknowledges, however, that unless the Executive has executed this Agreement and each successive amendment extending the renewal term of the Agreement as may be agreed to by the Company and the Executive, it is the intention of the Board of Directors that, notwithstanding any continued employment with the Company, the Executive shall not be granted any award of stock options, restricted stock or any other form of equity compensation by the Company which might otherwise have been approved by the Board of Directors or a committee thereof on or after intended commencement of the initial term or such successive renewal term.

Except for the above amendments, the Agreement and all of its terms remain in force and in effect.

ROSS STORES, INC.

/s/ Michael Balmuth

Michael Balmuth
Vice Chairman, President and
Chief Executive Officer

Date

EXECUTIVE

/s/ Lisa Panattoni

Lisa Panattoni

10/6/05

Date

EXHIBIT 15

December 6, 2005

Ross Stores, Inc.
Pleasanton, California

We have made a review, in accordance with standards of the Public Company Accounting Oversight Board (United States of America), of the unaudited interim condensed consolidated financial statements of Ross Stores, Inc., for the periods ended October 29, 2005 and October 30, 2004, as indicated in our report dated December 6, 2005; 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 29, 2005, is incorporated by reference in Registration Statements Nos. 33-61373, 33-51916, 33-51896, 33-51898, 33-41415, 33-41413, 33-29600, 333-56831, 333-06119, 333-34988, 333-51478, and 333-115836 of Ross Stores, Inc., on Form S-8.

We also are 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,

/s/Deloitte & Touche LLP
San Francisco, California

EXHIBIT 31.1

Ross Stores, Inc.
Certification of Chief Executive Officer
Pursuant to Sarbanes-Oxley Act Section 302(a)

I, Michael Balmuth, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ross Stores, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 7, 2005

/s/Michael Balmuth

Michael Balmuth
Vice Chairman, President
and Chief Executive Officer

EXHIBIT 31.2

Ross Stores, Inc.
Certification of Chief Financial Officer
Pursuant to Sarbanes-Oxley Act Section 302(a)

I, John G. Call, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ross Stores, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 7, 2005

/s/J. Call

John G. Call
Senior Vice President, Chief Financial Officer,
Principal Accounting Officer and Corporate Secretary

EXHIBIT 32.1

Certification of Chief Executive Officer Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Ross Stores, Inc. (the "Company") on Form 10-Q for the quarter ended October 29, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Balmuth, as Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ("Section 906"), that, to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 7, 2005

/s/Michael Balmuth

Michael Balmuth
Vice Chairman, President
and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

Certification of Chief Financial Officer Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Ross Stores, Inc. (the “Company”) on Form 10-Q for the quarter ended October 29, 2005 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, John G. Call, as Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (“Section 906”), that, to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 7, 2005

/s/J. Call

John G. Call
Senior Vice President, Chief Financial Officer,
Principal Accounting Officer and Corporate Secretary

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.