

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 August 1, 2009

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.)

4440 Rosewood Drive, Pleasanton, California
(Address of principal executive offices)

94588-3050
(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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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 August 20, 2009 was 125,096,413.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Condensed Consolidated Statements of Earnings

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	August 1, 2009	August 2, 2008	August 1, 2009	August 2, 2008
(\$000, except stores and per share data, unaudited)				
Sales	\$ 1,768,636	\$ 1,640,412	\$ 3,460,235	\$ 3,196,740
Costs and expenses				
Costs of goods sold	1,311,136	1,255,222	2,579,845	2,436,779

Selling, general and administrative	286,158	268,839	558,188	516,511
Interest expense (income), net	1,390	(1,052)	3,046	(2,673)
Total costs and expenses	1,598,684	1,523,009	3,141,079	2,950,617

Earnings before taxes	169,952	117,403	319,156	246,123
Provision for taxes on earnings	66,545	46,104	124,362	95,339
Net earnings	\$ 103,407	\$ 71,299	\$ 194,794	\$ 150,784

Earnings per share

Basic	\$ 0.84	\$ 0.55	\$ 1.57	\$ 1.15
Diluted	\$ 0.82	\$ 0.54	\$ 1.55	\$ 1.13

Weighted average shares outstanding (000)

Basic	123,467	130,110	124,080	130,714
Diluted	125,658	132,433	126,063	132,914

Dividends per share

Cash dividends declared per share	\$ 0.110	\$ 0.095	\$ 0.110	\$ 0.095
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Stores open at end of period	990	943	990	943
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See notes to condensed consolidated financial statements.

Condensed Consolidated Balance Sheets

(\$000, unaudited)	August 1, 2009	January 31, 2009	August 2, 2008
Assets			
Current Assets			
Cash and cash equivalents	\$ 520,424	\$ 321,355	\$ 309,554
Short-term investments	1,135	798	2,821
Accounts receivable	49,375	41,170	49,423
Merchandise inventory	926,244	881,058	1,018,726
Prepaid expenses and other	63,926	55,241	63,223
Deferred income taxes	13,669	14,093	20,883
Total current assets	1,574,773	1,313,715	1,464,630
Property and Equipment			
Land and buildings	238,141	201,385	162,972
Fixtures and equipment	1,140,501	1,073,990	985,394
Leasehold improvements	518,978	509,971	493,769
Construction-in-progress	20,598	72,839	105,488
	1,918,218	1,858,185	1,747,623
Less accumulated depreciation and amortization	975,473	906,529	841,090
Property and equipment, net	942,745	951,656	906,533
Long-term investments	21,752	38,014	44,176
Other long-term assets	61,379	52,126	63,078
Total assets	\$ 2,600,649	\$ 2,355,511	\$ 2,478,417
Liabilities and Stockholders' Equity			
Current Liabilities			
Accounts payable	\$ 702,977	\$ 536,745	\$ 682,565
Accrued expenses and other	219,479	238,516	234,423
Accrued payroll and benefits	172,913	170,878	153,077
Income taxes payable	11,268	9,120	-
Total current liabilities	1,106,637	955,259	1,070,065

Long-term debt	150,000	150,000	150,000
Other long-term liabilities	168,558	156,726	168,814
Deferred income taxes	106,032	97,157	83,418
Commitments and contingencies			
Stockholders' Equity			
Common stock	1,251	1,273	1,316
Additional paid-in capital	660,896	626,117	617,740
Treasury stock	(35,366)	(30,819)	(28,817)
Accumulated other comprehensive (loss) income	(188)	(1,174)	(477)
Retained earnings	442,829	400,972	416,358
Total stockholders' equity	1,069,422	996,369	1,006,120
Total liabilities and stockholders' equity	\$ 2,600,649	\$ 2,355,511	\$ 2,478,417

See notes to condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows

(\$000, unaudited)	Six Months Ended	
	August 1, 2009	August 2, 2008
Cash Flows From Operating Activities		
Net earnings	\$ 194,794	\$ 150,784
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	75,502	65,866
Stock-based compensation	13,017	11,330
Deferred income taxes	9,400	3,275
Tax benefit from equity issuance	5,256	6,608
Excess tax benefit from stock-based compensation	(4,008)	(4,714)
Change in assets and liabilities:		
Merchandise inventory	(45,186)	6,569
Other current assets	(16,890)	(23,257)
Accounts payable	180,240	58,145
Other current liabilities	(678)	23,200
Other long-term, net	2,521	8,750
Net cash provided by operating activities	413,968	306,556
Cash Flows From Investing Activities		
Additions to property and equipment	(80,731)	(113,472)
Proceeds from sales of property and equipment	10	117
Net proceeds from (purchases of) investments	16,811	(1,950)
Net cash used in investing activities	(63,910)	(115,305)
Cash Flows From Financing Activities		
Excess tax benefit from stock-based compensation	4,008	4,714
Issuance of common stock related to stock plans	31,745	36,470
Treasury stock purchased	(4,546)	(2,907)
Repurchase of common stock	(154,371)	(152,631)
Dividends paid	(27,825)	(24,923)
Net cash used in financing activities	(150,989)	(139,277)
Net increase in cash and cash equivalents	199,069	51,974
Cash and cash equivalents:		
Beginning of period	321,355	257,580
End of period	\$ 520,424	\$ 309,554
Supplemental Cash Flow Disclosures		
Interest paid	\$ 4,834	\$ 4,834
Income taxes paid	\$ 105,012	\$ 109,099
Non-Cash Investing Activities		

See notes to condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements

Three and Six Months Ended August 1, 2009 and August 2, 2008
(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) necessary to present fairly the Company's financial position as of August 1, 2009 and August 2, 2008, the results of operations for the three and six month periods ended August 1, 2009 and August 2, 2008, and cash flows for the six month periods ended August 1, 2009 and August 2, 2008. The Condensed Consolidated Balance Sheet as of January 31, 2009, presented herein, has been derived from the Company's audited consolidated financial statements 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 31, 2009. 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 these 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 31, 2009.

The results of operations for the three and six month periods ended August 1, 2009 and August 2, 2008 presented herein are not necessarily indicative of the results to be expected for the full fiscal year.

In preparing these interim condensed consolidated financial statements, the Company evaluated, for potential recognition and disclosure, events and transactions that occurred up through the date these financial statements were available to be issued, which was on September 8, 2009.

Total comprehensive income. The components of total comprehensive income for the three and six month periods ended August 1, 2009 and August 2, 2008 are as follows (in \$000):

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>August 1,</u> <u>2009</u>	<u>August 2,</u> <u>2008</u>	<u>August 1,</u> <u>2009</u>	<u>August 2,</u> <u>2008</u>
Net income	\$ 103,407	\$ 71,299	\$ 194,794	\$ 150,784
Unrealized gain (loss) on investments, net of taxes	440	(278)	576	(1,113)
Total comprehensive income	<u>\$ 103,847</u>	<u>\$ 71,021</u>	<u>\$ 195,370</u>	<u>\$ 149,671</u>

Estimated fair value of financial instruments. The carrying value of cash and cash equivalents, short-term and long-term investments, accounts receivable, and accounts payable approximates their estimated fair value.

Sales Mix. The Company's sales mix is shown below for the three and six month periods ended August 1, 2009 and August 2, 2008:

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>August 1,</u> <u>2009</u>	<u>August 2,</u> <u>2008</u>	<u>August 1,</u> <u>2009</u>	<u>August 2,</u> <u>2008</u>
Ladies	33%	34%	33%	34%
Home accents and bed and bath	22%	22%	22%	22%
Men's	13%	14%	13%	14%
Shoes	12%	11%	12%	11%
Accessories, lingerie, fine jewelry, and fragrances	12%	11%	12%	11%
Children's	8%	8%	8%	8%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Dividends. Dividends included in the Condensed Consolidated Statements of Cash Flows reflect dividends paid during the periods shown. Dividends per share reported in the Condensed Consolidated Statements of Earnings reflect dividends declared during the periods shown. In January and May 2009, the Company's Board of Directors declared a quarterly cash dividend of \$.11 per common share that was paid in March and June 2009, respectively. In January, May, August, and November 2008 the Company's Board of Directors declared quarterly cash dividends of \$.095 per common share that was paid in March, July, and October 2008, and January 2009, respectively.

In August 2009, the Company's Board of Directors declared a cash dividend of \$.11 per common share, payable on September 30, 2009.

Provision for litigation costs and other legal proceedings. Like many California retailers, the Company has been named in class action lawsuits regarding wage and hour claims. Class action litigation involving allegations that hourly associates have missed meal and/or rest break periods, as well as allegations of unpaid overtime wages to assistant store managers at Company stores under federal and state law remains pending as of August 1, 2009.

The Company is also party to various other legal proceedings arising in the normal course of business. Actions filed against the Company include commercial, product, customer, intellectual property, and labor and employment-related claims, including lawsuits in which plaintiffs allege that the Company violated state or federal 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 pending class action litigation and other currently pending legal proceedings is not expected to have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Note B: Investments

The amortized cost and fair value of the Company's available-for-sale securities as of August 1, 2009 were:

(\$000)	Amortized cost	Unrealized gains	Unrealized losses	Fair value	Short-term	Long-term
Auction-rate securities	\$ 1,050	\$ -	\$ -	\$ 1,050	\$ -	\$ 1,050
Asset-backed securities	791	3	(215)	579	195	384
Corporate securities	10,556	459	(224)	10,791	355	10,436
U.S. Government and agency securities	6,087	46	(199)	5,934	-	5,934
Mortgage-backed securities	4,691	217	(375)	4,533	585	3,948
Total	\$ 23,175	\$ 725	\$ (1,013)	\$ 22,887	\$ 1,135	\$ 21,752

The amortized cost and fair value of the Company's available-for-sale securities as of August 2, 2008 were:

(\$000)	Amortized cost	Unrealized gains	Unrealized losses	Fair value	Short-term	Long-term
Auction-rate securities	\$ 1,900	\$ -	\$ -	\$ 1,900	\$ -	\$ 1,900
Asset-backed securities	1,272	8	(41)	1,239	681	558
Corporate securities	15,309	18	(666)	14,661	1,138	13,523
U.S. Government and agency securities	20,036	589	(91)	20,534	1,002	19,532
Mortgage-backed securities	8,956	92	(385)	8,663	-	8,663
Total	\$ 47,473	\$ 707	\$ (1,183)	\$ 46,997	\$ 2,821	\$ 44,176

At August 1, 2009, the Company had investments of approximately \$23.2 million, of which \$5.8 million had gross unrealized losses of \$0.8 million which had been in a continuous unrealized loss position for more than twelve months. Of the remaining \$17.4 million, \$5.0 million of investments had gross unrealized losses of \$0.2 million which had been in a continuous unrealized loss position for less than twelve months. These unrealized losses on investments were caused primarily by the downturn in the market values of mortgage-backed, asset-backed, and financial sector corporate securities. The Company does not consider these investments to be other than temporarily impaired at August 1, 2009.

In applying the valuation principles to financial assets and liabilities, a three-tier fair value hierarchy was used to prioritize the inputs used in the valuation methodologies as follows:

Level 1—Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2—Include other inputs that are directly or indirectly observable in the marketplace.

Level 3—Unobservable inputs which are supported by little or no market activity.

This fair value hierarchy also requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Asset-backed, corporate, U.S. Government and agency, and mortgage-backed securities are classified within Level 1 or Level 2 because these securities are valued using quoted market prices or alternative pricing sources and models utilizing market observable inputs. The Company's investment in auction rate securities is classified within Level 3 because these are valued using valuation techniques for which some of the inputs to these models are unobservable in the market.

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Assets measured at fair value are summarized below:

	Fair Value Measurements at Reporting Date			
	August 1, 2009	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(\$000)				
Auction-rate securities	\$ 1,050	\$ -	\$ -	\$ 1,050
Asset-backed securities	579	-	579	-
Corporate securities	10,791	-	10,791	-
U.S. Government and agency securities	5,934	5,934	-	-
Mortgage-backed securities	4,533	-	4,533	-
Total assets measured at fair value	<u>\$ 22,887</u>	<u>\$ 5,934</u>	<u>\$ 15,903</u>	<u>\$ 1,050</u>

The underlying assets in the Company's non-qualified deferred compensation program totaling \$48.4 million as of August 1, 2009 (included in Other long term assets) primarily consist of money market, stable value, stock, and bond funds. The fair value measurement for funds that are quoted market prices in active markets (Level 1) totaled \$38.7 million as of August 1, 2009. The fair value measurement for funds without quoted market prices in active markets (Level 2) totaled \$9.7 million as of August 1, 2009. Fair market value for these Level 2 funds is considered to be the sum of participant funds invested under the contract plus accrued interest.

Note C: Stock-Based Compensation

2008 Equity Incentive Plan. In May 2008, the Company's stockholders approved the adoption of the Ross Stores, Inc. 2008 Equity Incentive Plan (the "2008 Plan") with an initial share reserve of 8.3 million shares of the Company's common stock, of which 6.0 million shares can be issued as full value awards. The 2008 Plan replaced the 2004 Equity Incentive Plan. The 2008 Plan provides for various types of incentive awards, which may potentially include the grant of stock options, stock appreciation rights, restricted stock purchase rights, restricted stock bonuses, restricted stock units, performance shares, performance units, and deferred compensation awards.

Restricted stock. The Company grants restricted shares to directors, officers and key employees. The fair value of these shares at the date of grant is expensed on a straight-line basis over the vesting period of generally three to five years. During the six month period ended August 1, 2009, restricted stock awards totaling 825,000 shares were issued and restricted stock awards totaling 20,000 shares were forfeited. The aggregate unamortized compensation expense at August 1, 2009 was \$47.3 million. During the period ended August 1, 2009, shares purchased by the Company for tax withholding totaled approximately 129,000 shares and are considered treasury shares which are available for reissuance. As of August 1, 2009, shares subject to repurchase related to unvested restricted stock totaled 2.3 million shares.

Performance shares. The Company has a performance share award program for senior executives. A performance share award represents a right to receive shares of common stock on a specified settlement date based on the Company's attainment of a profitability-based performance goal during the performance period. If attained, the common stock then granted vests over a specified remaining service period, generally two years. For the six month periods ended August 1, 2009 and August 2, 2008, the Company recognized \$2.4 million and \$0.8 million, respectively, of expense related to performance share awards.

Employee stock purchase plan. Under the Employee Stock Purchase Plan ("ESPP"), eligible full-time employees participating in the annual offering period can choose to have up to the lesser of 10% or \$21,250 of their annual base earnings withheld to purchase the Company's common stock. The purchase price of the stock is 85% of the closing market price on the date of purchase. In addition, purchases occur on a quarterly basis (on the last trading day of each calendar quarter). The Company recognizes expense for ESPP purchase rights equal to the value of the 15% discount given on the purchase date. Prior to 2008, the purchase price of the stock was the lower of 85% of the market price at the beginning of the offering period, or end of the offering period.

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Stock-based compensation. For the three and six month periods ended August 1, 2009 and August 2, 2008, the Company recognized stock-based compensation expense as follows:

Three Months Ended		Six Months Ended	
August 1,	August 2,	August 1,	August 2,

(\$000)	2009	2008	2009	2008
Stock Options and ESPP	\$ 600	\$ 1,380	\$ 1,715	\$ 2,622
Restricted stock and performance shares	5,920	4,754	11,302	8,708
Total	\$ 6,520	\$ 6,134	\$ 13,017	\$ 11,330

No stock options were granted during the three and six month periods ended August 1, 2009 and August 2, 2008.

Total stock-based compensation recognized in the Company's Condensed Consolidated Statements of Earnings for the three and six month periods ended August 1, 2009 and August 2, 2008 is classified as follows:

Statement of Earnings Classification (\$000)	Three Months Ended		Six Months Ended	
	August 1, 2009	August 2, 2008	August 1, 2009	August 2, 2008
Cost of goods sold	\$ 2,853	\$ 2,721	\$ 5,849	\$ 4,782
Selling, general and administrative	3,667	3,413	7,168	6,548
Total	\$ 6,520	\$ 6,134	\$ 13,017	\$ 11,330

Stock option activity. The following table summarizes stock option activity for the six month period ended August 1, 2009:

(000, except per share data)	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
Outstanding at January 31, 2009	4,534	\$ 25.39		
Granted	-	\$ -		
Exercised	(1,191)	\$ 24.29		
Forfeited	(11)	\$ 26.28		
Outstanding at August 1, 2009	3,332	\$ 25.78	5.13	\$ 60,943
Vested and Expected to Vest at August 1, 2009	3,293	\$ 25.68	5.10	\$ 60,559
Exercisable at August 1, 2009	2,872	\$ 24.48	4.74	\$ 56,267

The following table summarizes information about the weighted average remaining contractual life (in years) and the weighted average exercise prices for stock options both outstanding and exercisable as of August 1, 2009 (number of shares in thousands):

Exercise price range	Options outstanding			Options exercisable	
	Number of shares	Remaining life	Exercise price	Number of shares	Exercise price
\$ 7.19 to \$ 19.80	713	2.26	\$ 14.84	713	\$ 14.84
19.98 to 27.54	720	4.94	24.87	709	24.87
27.55 to 28.61	824	5.88	28.06	813	28.06
28.62 to 32.85	551	5.58	29.53	532	29.45
34.37 to 34.37	524	7.64	34.37	105	34.37
\$ 7.19 to \$ 34.37	<u>3,332</u>	5.13	\$ 25.78	<u>2,872</u>	\$ 24.48

Note D: Earnings Per Share

Basic Earnings Per Share ("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 total potential dilution that could occur from outstanding equity plan awards, including unexercised stock options and unvested shares of both performance and non-performance based awards of restricted stock.

For the three and six month periods ended August 1, 2009, there were approximately 35,800 and 19,100 weighted average shares, respectively, 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 in the periods presented. For the three and six month periods ended August 2, 2008, there were approximately 572,500 and 587,300 weighted average shares, respectively, 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 in the periods presented.

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

	Three Months Ended			Six Months Ended		
	Basic EPS	Effect of Dilutive Common Stock Equivalents	Diluted EPS	Basic EPS	Effect of Dilutive Common Stock Equivalents	Diluted EPS
August 1, 2009						
Shares	123,467	2,191	125,658	124,080	1,983	126,063
Amount	\$ 0.84	\$ (0.02)	\$ 0.82	\$ 1.57	\$ (0.02)	\$ 1.55
August 2, 2008						
Shares	130,110	2,323	132,433	130,714	2,200	132,914
Amount	\$ 0.55	\$ (0.01)	\$ 0.54	\$ 1.15	\$ (0.02)	\$ 1.13

Note E: Debt

The Company has a \$600 million revolving credit facility with an expiration date of July 2011 and interest pricing at LIBOR plus 45 basis points. The Company had no borrowings outstanding under this facility as of August 1, 2009, January 31, 2009, and August 2, 2008 and was in compliance with the covenants.

The Company has a Note Purchase Agreement with various institutional investors for \$150 million of unsecured, senior notes. The notes were issued in two series. The series A notes totaling \$85 million are due in December 2018 and bear interest at a rate of 6.38%. The series B notes totaling \$65 million are due in December 2021 and bear interest at a rate of 6.53%. The fair value of these notes as of August 1, 2009 of approximately \$160 million is estimated by obtaining comparable market quotes. Borrowings under these notes are subject to certain covenants, including interest coverage and other financial ratios. As of August 1, 2009, the Company was in compliance with these covenants.

Note F: Taxes on Earnings

As of August 1, 2009 and August 2, 2008, the reserves for unrecognized tax benefits (net of federal tax benefits) were \$28.2 million and \$24.6 million inclusive of \$7.2 million and \$6.7 million of related interest, respectively. The Company accounts for interest and penalties related to unrecognized tax benefits as a part of its provision for taxes on earnings. If recognized, \$21.5 million would impact the Company's effective tax rate. The difference between the total amount of unrecognized tax benefits and the amounts that would impact the effective tax rate relates to amounts attributable to deferred income tax assets and liabilities. These amounts are net of federal and state income taxes.

During the next twelve months, it is reasonably possible that the statute of limitations may lapse pertaining to positions taken by the Company in prior year tax returns. If this occurs, the total amount of unrecognized tax benefits may decrease, reducing the provision for taxes on earnings by up to \$1.4 million.

The Company is generally open to audit by the Internal Revenue Service under the statute of limitations for fiscal years 2005 through 2008. The Company's state income tax returns are generally open to audit under the various statutes of limitations for fiscal years 2004 through 2008. Certain state tax returns are currently under audit by state tax authorities. The Company does not expect the results of these audits to have a material impact on the consolidated financial statements.

Note G: Recently Issued Accounting Standards

In June 2009, the FASB issued SFAS No. 167, "Amendments to FASB Interpretation No. 46(R)" ("SFAS 167"). SFAS 167 requires a qualitative approach to identifying a controlling financial interest in a variable interest entity (VIE), and requires ongoing assessment of whether an entity is a VIE and whether an interest in a VIE makes the holder the primary beneficiary of the VIE. SFAS No. 167 is effective for fiscal years beginning after November 15, 2009. The Company does not believe the adoption of SFAS 167 will have a material impact on its consolidated financial statements.

In June 2009, the FASB issued SFAS No. 168, "The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles a Replacement of FASB Statement No. 162" ("SFAS 168") to become the source of authoritative U.S. generally accepted accounting principles recognized by the FASB to be applied by nongovernmental entities. SFAS 168 is effective for financial

statements issued for interim and annual periods ending after September 15, 2009. The Company does not believe the adoption of SFAS 168 will have a material impact on its interim condensed consolidated financial statements.

Report of Independent Registered Public Accounting Firm

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

We have reviewed the accompanying condensed consolidated balance sheets of Ross Stores, Inc. and subsidiaries (the "Company") as of August 1, 2009 and August 2, 2008, and the related condensed consolidated statements of earnings for the three-month and six-month periods ended August 1, 2009 and August 2, 2008, and cash flows for the six-month periods ended August 1, 2009 and August 2, 2008. These condensed consolidated financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the 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 the 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 reviews, we are not aware of any material modifications that should be made to such condensed consolidated interim 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 the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Ross Stores, Inc. and subsidiaries as of January 31, 2009, and the related consolidated statements of earnings, stockholders' equity, and cash flows for the year then ended (not presented herein), and in our report (which includes an explanatory paragraph regarding the adoption of a new accounting standard) dated March 26, 2009, 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 31, 2009, 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
September 8, 2009

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. Our 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 Part II, Item 1A (Risk Factors) below. The following discussion should be read in conjunction with the condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q and the consolidated financial statements and notes thereto in our Annual Report on Form 10-K for 2008. All information is based on our fiscal calendar.

Overview

We are the second largest off-price apparel and home goods retailer in the United States. As of August 1, 2009, we operated 939 Ross Dress for Less ("Ross") store locations in 27 states and Guam, and 51 dd's DISCOUNTS stores in four states. Ross offers first-quality, in-season, name brand and designer apparel, accessories, footwear and home fashions at everyday savings of 20% to 60% 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% off moderate department and discount store regular prices.

Results of Operations

The following table summarizes the financial results for the three and six month periods ended August 1, 2009 and August 2, 2008:

	Three Months Ended		Six Months Ended	
	August 1, 2009	August 2, 2008	August 1, 2009	August 2, 2008
Sales				
Sales (millions)	\$ 1,769	\$ 1,640	\$ 3,460	\$ 3,197

Sales growth	7.8%	13.6%	8.2%	12.0%
Comparable store sales growth	3%	6%	3%	5%
Costs and expenses (as a percent of sales)				
Cost of goods sold	74.1%	76.5%	74.6%	76.2%
Selling, general and administrative	16.2%	16.4%	16.1%	16.2%
Interest expense (income), net	0.1%	(0.1)%	0.1%	(0.1)%
Earnings before taxes	9.6%	7.2%	9.2%	7.7%
Net earnings	5.8%	4.3%	5.6%	4.7%

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Stores. Our expansion strategy is to open additional stores based on market penetration, local demographic characteristics, competition, expected store profitability, and the ability to leverage overhead expenses. We continually evaluate opportunistic real estate acquisitions and opportunities for potential new store locations. We also evaluate our current store locations and determine store closures based on similar criteria.

	Three Months Ended		Six Months Ended	
	August 1, 2009	August 2, 2008	August 1, 2009	August 2, 2008
Stores at the beginning of the period	974	918	956	890
Stores opened in the period	19	26	38	54
Stores closed in the period	(3)	(1)	(4)	(1)
Stores at the end of the period	990	943	990	943

Sales. Sales for the three month period ended August 1, 2009 increased \$128.2 million, or 7.8%, compared to the three month period ended August 2, 2008, due to the addition of 47 net new stores opened between August 2, 2008 and August 1, 2009 and a 3% increase in "comparable" store sales (defined as stores that have been open for more than 14 complete months). Sales for the six month period ended August 1, 2009 increased \$263.5 million, or 8.2%, compared to the six month period ended August 2, 2008, with comparable store sales up 3% on top of a 5% gain in the prior year.

Our sales mix is shown below for the three and six month periods ended August 1, 2009 and August 2, 2008:

	Three Months Ended		Six Months Ended	
	August 1, 2009	August 2, 2008	August 1, 2009	August 2, 2008
Ladies	33%	34%	33%	34%
Home accents and bed and bath	22%	22%	22%	22%
Men's	13%	14%	13%	14%
Shoes	12%	11%	12%	11%
Accessories, lingerie, fine jewelry, and fragrances	12%	11%	12%	11%
Children's	8%	8%	8%	8%
Total	100%	100%	100%	100%

We expect to address the competitive climate for off-price apparel and home goods by pursuing and refining our existing strategies and by continuing to strengthen our organization, to diversify our merchandise mix, and to more fully develop our organization and systems to improve regional and local merchandise offerings. Although our strategies and store expansion program contributed to sales gains for the three and six month periods ended August 1, 2009, we cannot be sure that they will result in a continuation of sales growth or in an increase in net earnings.

Cost of goods sold. Cost of goods sold for the three month period ended August 1, 2009 increased \$55.9 million compared to the same period in the prior year mainly due to increased sales from the opening of 47 net new stores between August 2, 2008 and August 1, 2009 and a 3% increase in comparable store sales.

Cost of goods sold as a percentage of sales for the three month period ended August 1, 2009 decreased approximately 240 basis points from the same period in the prior year. This improvement was driven primarily by a 145 basis point increase in merchandise gross margin, a 75

basis point reduction in freight costs, a reduction of about 25 basis points in occupancy expense, and an approximate 5 basis point improvement in distribution costs. These favorable trends were partially offset by a 10 basis point increase in buying and incentive costs.

Cost of goods sold for the six month period ended August 1, 2009 increased \$143.1 million compared to the same period in the prior year mainly due to increased sales from the opening of 47 net new stores between August 2, 2008 and August 1, 2009 and a 3% increase in comparable store sales.

Cost of goods sold as a percentage of sales for the six month period ended August 1, 2009 decreased approximately 165 basis points from the same period in the prior year. This improvement was driven primarily by a 110 basis point increase in merchandise gross margin, a 70 basis point reduction in freight costs, and a reduction of about 20 basis points in occupancy expense. These improvements were partially offset by a 35 basis point increase in buying and incentive costs.

We cannot be sure that the gross profit margins realized for the three and six month periods ended August 1, 2009 will continue in the future.

Selling, general and administrative expenses. For the three month period ended August 1, 2009, selling, general and administrative expenses increased \$17.3 million compared to the same period in the prior year, mainly due to increased store operating costs reflecting the opening of 47 net new stores between August 2, 2008 and August 1, 2009.

Selling, general and administrative expenses as a percentage of sales for the three month period ended August 1, 2009 decreased by approximately 20 basis points over the same period in the prior year, mainly driven by leverage on store operating expenses.

For the six month period ended August 1, 2009, selling, general and administrative expenses increased \$41.7 million compared to the same period in the prior year, mainly due to increased store operating costs reflecting the opening of 47 net new stores between August 2, 2008 and August 1, 2009.

Selling, general and administrative expenses as a percentage of sales for the six month period ended August 1, 2009 remained approximately flat compared to the same period in the prior year.

Interest expense (income), net. Net interest expense increased for the three and six month periods ended August 1, 2009 by approximately \$2.4 million and \$5.7 million, respectively, as compared to the same periods in the prior year primarily due to lower interest rates on cash and investments.

Taxes on earnings. Our effective tax rate for the three and six month periods ended August 1, 2009 and August 2, 2008 was approximately 39%, which represents the applicable combined federal and state statutory rates reduced by the federal benefit of state taxes deductible on federal returns. The effective rate is affected by changes in law, location of new stores, level of earnings, and the result of tax positions with various taxing authorities. We anticipate that our effective tax rate for fiscal 2009 will be in the range of 38% to 40%.

Earnings per share. Diluted earnings per share for the three month period ended August 1, 2009 was \$0.82 compared to \$0.54 in the prior year period. The 52% increase in diluted earnings per share is attributable to a 45% increase in net earnings and a 5% reduction in weighted average diluted shares outstanding primarily due to the repurchase of common stock under our stock repurchase program. Diluted earnings per share for the six month period ended August 1, 2009 was \$1.55 compared to \$1.13 in the prior year period. The 37% increase in diluted earnings per share is attributable to a 29% increase in net earnings and a 5% reduction in weighted average diluted shares outstanding primarily due to the repurchase of common stock under our stock repurchase program.

Financial Condition

Liquidity and Capital Resources

Our primary sources of funds for our business activities are cash flows from operations and short-term trade credit. Our primary ongoing cash requirements are for merchandise inventory purchases, capital expenditures in connection with opening new stores, and investments in distribution centers and information systems. We also use cash to repurchase stock under our stock repurchase program and to pay dividends.

(\$000)	Six Months Ended	
	August 1, 2009	August 2, 2008
Cash flows provided by operating activities	\$ 413,968	\$ 306,556
Cash flows used in investing activities	(63,910)	(115,305)
Cash flows used in financing activities	(150,989)	(139,277)
Net increase in cash and cash equivalents	\$ 199,069	\$ 51,974

Operating Activities

Net cash provided by operating activities was \$414.0 million for the six month period ended August 1, 2009 compared to \$306.6 million for the six month period ended August 2, 2008. The primary source of cash provided by operating activities for the six month periods ended August 1, 2009 and August 2, 2008 was accounts payable and net earnings plus non-cash expenses for depreciation and amortization. The increase in cash flow from operating activities for the six month period ended August 1, 2009 primarily resulted from an increase in accounts payable leverage as a result of faster inventory turns. Accounts payable leverage (defined as accounts payable divided by merchandise inventory) was 61% as of January 31, 2009 and increased to 76% as of August 1, 2009. Accounts payable leverage was 67% as of August 2, 2008.

Working capital (defined as current assets less current liabilities) was \$468.1 million as of August 1, 2009, compared to \$394.6 million as of August 2, 2008. Our primary source of liquidity is the sale of our merchandise inventory. We regularly review the age and condition of our merchandise and are able to maintain current merchandise inventory in our stores through replenishment processes and liquidation of slower-moving merchandise through clearance markdowns.

Investing Activities

During the six month periods ended August 1, 2009 and August 2, 2008, our capital expenditures were approximately \$80.7 million and \$113.5 million, respectively. Our capital expenditures included fixtures and leasehold improvements to open new stores, implement information technology systems, build or expand distribution centers, and install material handling equipment and related distribution center systems, and various other expenditures related to our stores, buying, and corporate offices. We opened 38 and 54 new stores on a gross basis during the six month periods ended August 1, 2009 and August 2, 2008, respectively.

We are forecasting approximately \$180 million in capital requirements in fiscal year 2009 to fund expenditures for fixtures and leasehold improvements to open new Ross and dd's DISCOUNTS stores, for the relocation or upgrade of existing stores, for investments in store and merchandising systems, buildings, equipment and systems, and for various buying and corporate office expenditures. We expect to fund these expenditures with cash flows from operations.

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Financing Activities

During the six month periods ended August 1, 2009 and August 2, 2008, our liquidity and capital requirements were provided by available cash, cash flows from operations, and trade credit. Our buying offices, our corporate headquarters, one distribution center, one trailer parking lot, three warehouse facilities, and all but two of our store locations are leased and, except for certain leasehold improvements and equipment, do not represent capital investments. We own one distribution center in each of the following cities: Carlisle, Pennsylvania, Moreno Valley, California, and Fort Mill, South Carolina, and one warehouse facility in Fort Mill, South Carolina.

In January 2008, our Board of Directors approved a two-year \$600 million stock repurchase program for fiscal 2008 and 2009. We repurchased 4.2 million shares of common stock for an aggregate purchase price of approximately \$154.4 million during the six month period ended August 1, 2009. We repurchased 4.6 million shares of common stock for approximately \$152.6 million during the six month period ended August 2, 2008.

For the six month periods ended August 1, 2009 and August 2, 2008, dividends paid were \$27.8 million and \$24.9 million, respectively.

Short-term trade credit represents a significant source of financing for merchandise inventory. Trade credit arises from customary payment terms and trade practices with our vendors. We regularly review the adequacy of credit available to us from all sources and expect to be able to maintain adequate trade, bank, and other credit lines to meet our capital and liquidity requirements, including lease payment obligations in 2009.

Our \$600 million credit facility remains in place and available as of August 1, 2009 and expires in July 2011.

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

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Contractual Obligations

The table below presents our significant contractual obligations as of August 1, 2009:

(\$000)	Less than 1 Year	1 – 3 Years	3 – 5 Years	After 5 Years	Total ¹
Contractual Obligations					
Senior notes	\$ --	\$ --	\$ --	\$ 150,000	\$ 150,000
Interest payment obligations	9,667	19,335	19,335	55,029	103,366
Capital leases	385	157	--	--	542
Operating leases:					

Rent obligations	325,653	640,675	492,819	517,461	1,976,608
Synthetic leases	5,824	8,909	3,750	--	18,483
Other synthetic lease obligations	838	1,535	56,000	--	58,373
Purchase obligations	993,737	10,136	1,452	--	1,005,325
Total contractual obligations	\$ 1,336,104	\$ 680,747	\$573,356	\$722,490	\$ 3,312,697

¹Pursuant to the guidelines of FIN 48, a \$28.2 million reserve for unrecognized tax benefits is included in other long-term liabilities on our interim condensed consolidated balance sheet. These obligations are excluded from the schedule above as the timing of payments cannot be reasonably estimated.

Senior notes. We have a Note Purchase Agreement with various institutional investors for \$150 million of unsecured, senior notes. The notes were issued in two series. The Series A notes totaling \$85 million are due in December 2018 and bear interest at a rate of 6.38%. The Series B notes totaling \$65 million are due in December 2021 and bear interest at a rate of 6.53%. Interest on these notes is included in interest payment obligations in the table above.

Borrowings under these notes are subject to certain operating and financial covenants, including maintaining certain interest coverage and other financial ratios. As of August 1, 2009, we were in compliance with these covenants.

Capital leases. The obligations under capital leases relate to distribution center equipment and have terms of two to three years.

Off-Balance Sheet Arrangements

Operating leases. We lease our two buying offices, our corporate headquarters, one distribution center, one trailer parking lot, three warehouse facilities, and all but two of our store locations. Except for certain leasehold improvements and equipment, these leased locations do not represent long-term capital investments.

We have lease arrangements for certain equipment in our stores for our 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 either two or three years, and we typically have options to renew the leases for two to three one-year periods. Alternatively, we may purchase or return the equipment at the end of the initial or each renewal term. We have guaranteed the value of the equipment of \$2.4 million at the end of the respective initial lease terms, which is included in Other synthetic lease obligations in the table above.

We lease approximately 181,000 square feet of office space for our corporate headquarters in Pleasanton, California, under several facility leases. The terms for these leases expire between 2010 and 2014 and contain renewal provisions.

We lease approximately 161,000 and 23,000 square feet of office space for our New York City and Los Angeles buying offices, respectively. The lease terms for these facilities expire in 2015 and 2014, respectively. The lease term for the New York office contains a renewal provision.

We lease a 1.3 million square foot distribution center in Perris, California. The land and building for this distribution center are financed under a \$70 million ten-year synthetic lease 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, we have the option to either refinance the \$70 million synthetic lease facility, purchase the distribution center at the amount of the then-outstanding lease obligation, 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, we have agreed under a residual value guarantee to pay the lessor any shortfall amount up to \$56 million. Our contractual obligation of \$56 million is included in Other synthetic lease obligations in the above table.

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," we have recognized a liability and corresponding asset for the fair value of the residual value guarantee in the amount of \$8.3 million for the Perris, California distribution center and \$1.2 million for the POS leases. 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 accrued expenses, 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 November 2001, we entered into a nine year lease for a 239,000 square foot warehouse and a ten-year lease for a 246,000 square foot warehouse, both in Carlisle, Pennsylvania. In January 2009, we exercised a three-year lease option for a 253,000 square foot warehouse in Fort Mill, South Carolina, extending the lease term to February 2013. In June 2008, we purchased a 423,000 square foot warehouse also in Fort Mill, South Carolina. All four of these properties are used to store our packaway inventory. We also lease a 10-acre parcel of land that has been developed for trailer parking adjacent to our Perris distribution center.

The synthetic lease facilities described above, as well as our revolving credit facility and senior notes, have covenant restrictions requiring us to maintain certain interest coverage and other financial ratios. In addition, the interest rates under these agreements may vary depending on actual interest coverage ratios achieved. As of August 1, 2009 we were in compliance with these covenants.

Purchase obligations. As of August 1, 2009 we had purchase obligations of \$1,005.3 million. These purchase obligations primarily consist of merchandise inventory purchase orders, commitments related to store fixtures and supplies, and information technology service and

maintenance contracts. Merchandise inventory purchase orders of \$958.0 million are purchase obligations of less than one year as of August 1, 2009.

Commercial Credit Facilities

The table below presents our significant available commercial credit facilities at August 1, 2009:

(\$000)	Amount of Commitment Expiration Per Period				Total amount committed
	Less than 1 year	1 – 3 years	3 – 5 years	After 5 years	
Commercial Credit Commitments					
Revolving credit facility	\$ --	\$ 600,000	\$ --	\$ --	\$ 600,000
Total commercial commitments	\$ --	\$ 600,000	\$ --	\$ --	\$ 600,000

Revolving credit facility. We have available a \$600 million revolving credit facility with our banks, which contains a \$300 million sublimit for issuance of standby letters of credit, of which \$227.6 million was available at August 1, 2009. This credit facility which expires in July 2011 has a LIBOR-based interest rate plus an applicable margin (currently 45 basis points) and is payable upon maturity but not less than quarterly. Our borrowing ability under this credit facility is subject to our maintaining certain financial ratios. As of August 1, 2009 we had no borrowings outstanding under this facility and were in compliance with the covenants.

Standby letters of credit. We use standby letters of credit to collateralize certain obligations related to our self-insured workers' compensation and general liability claims. We had \$72.4 million and \$60.5 million in standby letters of credit outstanding at August 1, 2009 and August 2, 2008, respectively.

Trade letters of credit. We had \$28.9 million and \$28.2 million in trade letters of credit outstanding at August 1, 2009 and August 2, 2008, respectively.

Dividends. In August 2009, our Board of Directors declared a cash dividend of \$.11 per common share, payable on September 30, 2009. Our Board of Directors declared quarterly cash dividends of \$.11 per common share in January and May 2009, and \$.095 per common share in January, May, August, and November 2008.

Critical Accounting Policies

Management's Discussion and Analysis of Financial Condition and Results of Operations is based on our condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of our condensed consolidated financial statements requires our management 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. Actual results may differ significantly from these estimates. During the second quarter of fiscal 2009, there have been no significant changes to the policies discussed in our Annual Report on Form 10-K for the year ended January 31, 2009.

Effects of inflation or deflation. We do not consider the effects of inflation or deflation to be material to our financial position and results of operations.

New Accounting Pronouncements

In June 2009, the FASB issued SFAS No. 167, "Amendments to FASB Interpretation No. 46(R)" ("SFAS 167"). SFAS 167 requires a qualitative approach to identifying a controlling financial interest in a variable interest entity (VIE), and requires ongoing assessment of whether an entity is a VIE and whether an interest in a VIE makes the holder the primary beneficiary of the VIE. SFAS No. 167 is effective for fiscal years beginning after November 15, 2009. We do not believe the adoption of SFAS 167 will have a material impact on its consolidated financial statements.

In June 2009, the FASB issued SFAS No. 168, "The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles a Replacement of FASB Statement No. 162" ("SFAS 168") to become the source of authoritative U.S. generally accepted accounting principles recognized by the FASB to be applied by nongovernmental entities. SFAS 168 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. We do not believe the adoption of SFAS 168 will have a material impact on our interim condensed consolidated financial statements.

Forward-Looking Statements

This report may contain a number of forward-looking statements regarding, without limitation, planned store growth, new markets, expected sales, projected earnings levels, capital expenditures, and other matters. These forward-looking statements reflect our then current beliefs, projections and estimates with respect to future events and our projected financial performance, operations, and competitive position. The

words “plan,” “expect,” “target,” “anticipate,” “estimate,” “believe,” “forecast,” “projected,” “guidance,” “looking ahead” and similar expressions identify forward-looking statements.

Future economic and industry trends that could potentially impact revenue, profitability, and growth remain difficult to predict. As a result, our forward-looking statements are subject to risks and uncertainties which could cause our actual results to differ materially from these forward-looking statements and our expectations and projections. Refer to Part II, Item 1A in this Quarterly Report on Form 10-Q for a more complete discussion of risk factors. The factors underlying our forecasts are dynamic and subject to change. As a result, any forecasts or forward-looking statements speak only as of the date they are given and do not necessarily reflect our outlook at any other point in time. We disclaim any obligation to update or revise these forward-looking statements.

Other risk factors are detailed in our filings with the Securities and Exchange Commission including, without limitation, our Annual Report on Form 10-K for 2008.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks, which primarily include changes in interest rates. We do not engage in financial transactions for trading or speculative purposes.

We occasionally use forward contracts to hedge against fluctuations in foreign currency prices. We had no material outstanding forward contracts as of August 1, 2009.

Interest that is payable on our revolving credit facility is based on variable interest rates and is, therefore, affected by changes in market interest rates. As of August 1, 2009, we had no borrowings outstanding under our revolving credit facility. In addition, lease payments under certain of our synthetic lease agreements are determined based on variable interest rates and are, therefore affected by changes in market interest rates.

In addition, we issued notes to institutional investors in two series: Series A for \$85 million accrues interest at 6.38% and Series B for \$65 million accrues interest at 6.53%. The amount outstanding under these notes as of August 1, 2009 is \$150 million.

Interest is receivable on our short- and long-term investments. Changes in interest rates may impact interest income recognized in the future, or the fair value of our investment portfolio.

A hypothetical 100 basis point increase or decrease in prevailing market interest rates would not have materially impacted our consolidated financial position, results of operations, cash flows, or the fair values of our short- and long-term investments as of and for the three and six month periods ended August 1, 2009. We do not consider the potential losses in future earnings and cash flows from reasonably possible, near term changes in interest rates to be material.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our “disclosure controls and procedures” (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our 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

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, also conducted an evaluation of our internal control over financial reporting to determine whether any change occurred during the second fiscal quarter of 2009 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. Based on that evaluation, our management concluded that there was no such change during the second fiscal quarter.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

The matters under the caption “Provision for litigation costs and other legal proceedings” in Note A of Notes to Condensed Consolidated Financial Statements are incorporated herein by reference.

Item 1A. Risk Factors

Our Quarterly Report on Form 10-Q for our second fiscal quarter of 2009, and information we provide in our press releases, telephonic reports and other investor communications, including those on our corporate website, may contain forward-looking statements with respect

to anticipated future events and our projected financial performance, operations and competitive position that are subject to risks and uncertainties that could cause our actual results to differ materially from those forward-looking statements and our prior expectations and projections. Refer to Management's Discussion and Analysis for a more complete identification and discussion of "Forward-Looking Statements."

Our financial condition, results of operations, cash flows and the performance of our common stock may be adversely affected by a number of risk factors. Risks and uncertainties that apply to both Ross and dd's DISCOUNTS include, without limitation, the following:

We are subject to the economic and industry risks that affect large retailers operating in the United States.

Our business is exposed to the risks of a large, multi-store retailer, which must continually and efficiently obtain and distribute a supply of fresh merchandise throughout a large and growing network of stores. These risk factors include:

- An increase in the level of competitive pressures in the retail apparel or home-related merchandise industry.
- Potential changes in the level of consumer spending on or preferences for apparel or home-related merchandise, including the potential impact from uncertainty in financial and credit markets and the severity and duration of the current recession.
- Potential changes in geopolitical and/or general economic conditions that could affect the availability of product and/or the level of consumer spending.
- Unseasonable weather trends that could affect consumer demand for seasonal apparel and apparel-related products.
- A change in the availability, quantity, or quality of attractive brand-name merchandise at desirable discounts that could impact our ability to purchase product and continue to offer customers a wide assortment of merchandise at competitive prices.
- Potential disruptions in the supply chain that could impact our ability to deliver product to our stores in a timely and cost-effective manner.
- A change in the availability, quality, or cost of new store real estate locations.
- A downturn in the economy or a natural disaster in California or in another region where we have a concentration of stores or a distribution center. Our corporate headquarters, two distribution centers, and 25% of our stores are located in California.

We are subject to operating risks as we attempt to execute on our merchandising and growth strategies.

The continued success of our business depends, in part, upon our ability to increase sales at our existing store locations, to open new stores, and to operate stores on a profitable basis. Our existing strategies and store expansion programs may not result in a continuation of our anticipated revenue or profit growth. In executing our off-price retail strategies and working to improve efficiencies, expand our store network, and reduce our costs, we face a number of operational risks, including:

- Our ability to attract and retain personnel with the retail talent necessary to execute our strategies.
- Our ability to effectively operate our various supply chain, core merchandising, and other information systems.
- Our ability to improve our merchandising capabilities through the development and implementation of new processes and systems enhancements.
- Our ability to improve new store sales and profitability, especially in newer regions and markets.
- Our ability to achieve and maintain targeted levels of productivity and efficiency in our distribution centers.
- Our ability to lease or acquire acceptable new store sites with favorable demographics and long term financial returns.
- Our ability to identify and to successfully enter new geographic markets.
- Our ability to achieve planned gross margins, by effectively managing inventories, markdowns, and shrink.
- Our ability to effectively manage all operating costs of the business, the largest of which are payroll and benefit costs for store and distribution center employees.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Information regarding shares of common stock we repurchased during the second quarter of 2009 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) ²
May (5/3/2009-5/30/2009)	424,312	\$ 37.22	424,312	\$ 207,000
June (5/31/2009-7/4/2009)	913,262	\$ 38.83	903,483	\$ 172,000
July				

(7/5/2009-8/1/2009)	607,577	\$ 43.48	605,044	\$	146,000
Total	1,945,151	\$ 39.93	1,932,839	\$	146,000

¹We acquired 12,312 shares during the quarter ended August 1, 2009 related to income tax withholdings for restricted stock. All remaining shares were repurchased under our publicly announced stock repurchase program.

²In January 2008 our Board of Directors approved a two-year \$600 million stock repurchase program for fiscal 2008 and 2009.

Item 4. Submission of Matters to a Vote of Security Holders

At the Annual Meeting of Stockholders, held on May 20, 2009 (the "2009 Annual Meeting"), the stockholders of the Company voted on and approved the following proposals:

Proposal 1: To elect three nominees to serve as Class II directors (Michael Balmuth, K. Gunnar Bjorklund, and Sharon D. Garrett) for a three-year term.

Proposal 2: To ratify the appointment of Deloitte & Touche LLP as the Company's independent certified public accountants for the fiscal year ending January 30, 2010.

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2009 Annual Meeting Election Results

Proposal 1: Election of Directors

Director	In Favor	Withheld	Term Expires
Michael Balmuth	100,957,125	16,176,794	2012
K. Gunnar Bjorklund	100,940,175	16,193,744	2012
Sharon D. Garrett	101,621,904	15,512,015	2012

Proposal 2: Ratification of the Appointment of Deloitte & Touche LLP as Independent Certified Public Accountants for the Fiscal Year Ending January 30, 2010

For	Against	Abstain
115,389,483	1,709,534	34,901

Item 6. Exhibits

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

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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: September 9, 2009

By: /s/ J. Call

John G. Call

Senior Vice President, Chief Financial Officer and
Principal Accounting Officer

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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.

10.10 Fourth Amendment to the Employment Agreement effective June 9, 2009 between Michael Balmuth and Ross Stores, Inc.

15 Letter re: Unaudited Interim Financial Information from Deloitte & Touche LLP dated September 8, 2009

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.

FOURTH AMENDMENT TO THE EMPLOYMENT AGREEMENT

THE FOURTH AMENDMENT TO THE EMPLOYMENT AGREEMENT (the "Fourth Amendment") is made and entered effective the ___ day of June 2009, by Ross Stores, Inc. (the "Company") and Michael Balmuth (the "Executive"). The Executive and the Company previously entered into an Employment Agreement effective May 31, 2001; a First Amendment to the Employment Agreement effective January 30, 2003; a Second Amendment to the Employment Agreement effective May 18, 2005; and a Third Amendment to the Employment Agreement effective April 6, 2007 (the original Agreement; First Amendment to the Employment Agreement; Second Amendment to the Employment Agreement; and Third Amendment to the Employment Agreement are attached and collectively referred to herein as 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 Fourth Amendment.

- I. The Executive and the Company amend the Agreement by deleting Paragraph 1 of the Agreement in its entirety and replacing it with the following new Paragraph 1:

1. Term. The employment of the Executive by the Company will continue as of the date hereof and end on January 28, 2012, unless extended or terminated in accordance with this Agreement, including the extensions contemplated both in paragraphs 1 and 4(b). During March 2010, and during March every year thereafter (every one year) for so long as the Executive is employed by the Company, upon the written request of the Executive, 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 last day in February which precedes the March in which the requested extension will be considered. The Board shall advise the Executive, in writing, on or before the April 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 the extension. If the Executive's request for an extension is approved, this Agreement shall be extended one additional year.

- II. The Executive and the Company further amend the Agreement by deleting the first sentence of Paragraph 4(a) of the Agreement in its entirety and replacing it with the following new sentence:

4(a). Salary. During his employment, the Company shall pay the Executive a base salary of not less than One Million Twenty-Five Thousand Dollars (\$1,025,000) per annum.

The Executive and the Company further amend the Agreement by deleting the fourth sentence of Paragraph 4(a) of the Agreement in its entirety and replacing it with the following new sentence:

In addition, during his employment, the Company shall pay the Executive each year an amount ("Premium Payment") equal to the sum of: (i) the total premiums for such year on certain life insurance policies held in an irrevocable life insurance trust established by the Executive, with an aggregate face value of \$12 million; and (ii) an amount necessary to gross-up Executive for any federal, state and local income tax liability attributable to the premium amounts.

- III. The Executive and the Company further amend the Agreement to delete the words "(the "Matching Contributions")" from the end of the second sentence of Paragraph 4(e) of the Agreement.
- IV. The Executive and the Company further amend the Agreement by deleting the first sentence of Paragraph 4(i) of the Agreement in its entirety and replacing it with the following new three sentences:

4(i). Subject to the third sentence of this paragraph 4(i), the Executive and his spouse shall be entitled to continue, until their respective deaths, to participate (at no cost to the Executive and his spouse) in the following Company employee benefit plans and arrangements (or other benefit plans or arrangements providing substantially similar benefits) in which the Executive participates on the date hereof: medical, dental, vision and behavioral health insurance; life insurance; accidental death and dismemberment insurance; group excess personal liability (collectively, "Benefits"); and the Company shall annually provide the Executive for as long as he lives an amount equal to the maximum employer matching contribution permitted under the terms and limits of the Company's 401(k) plan in effect during the year of such payment (assuming the Executive remained employed with the Company and made the maximum contribution to such plan permitted by law), grossed up to reflect the pretax nature of a 401(k) contribution (the "Matching Contribution"). Notwithstanding the preceding sentence, no payment provided in paragraph 4(a) [Salary] of this Agreement shall be considered a benefit plan or arrangement pursuant to this paragraph 4(i) and the Executive, or his spouse, shall not be entitled to continuation of any payment provided in paragraph 4(a) pursuant to this paragraph 4(i). Notwithstanding the first sentence of this paragraph 4(i) to the contrary, the Executive's spouse, as of May 19, 2009, shall be entitled to medical insurance (at no cost to the Executive or such spouse until such time as Executive and such spouse are no longer legally married) for so long as the Executive remains employed by the Company, and such spouse shall not be entitled to any other Benefits.

The Executive and the Company further amend the Agreement by deleting the last sentence of Paragraph 4(i) of the Agreement in its entirety.

- V. The Executive and the Company further amend the Agreement by adding the following new Paragraph 4(k):

4(k). Restricted Stock Award. The Executive shall receive a restricted stock award with a face value of \$4,400,000. The number of shares awarded will be determined based on the Company's stock price at the close of the market on March 18, 2009 as reported on Nasdaq. Except as otherwise provided by this Agreement, the shares will "cliff" vest in full (100%) on March 18, 2012 (thirty-six months from grant date), provided the Executive continues service with the Company through such date, provided however, that restricted stock that would otherwise vest on a date on which a sale of such shares by the Executive would violate the Insider Trading Policy shall vest as set forth in the Restricted Stock Agreement. The terms and conditions of this restricted stock award will be set forth in the Notice of Grant of Award, the Ross Stores, Inc. Restricted Stock Agreement (the "Restricted Stock Agreement"), and the Ross Stores, Inc. 2008 Equity Incentive Plan. The term "restricted stock" in this Agreement shall mean shares of stock granted under the terms of a Restricted Stock Agreement.

- VI. The Executive and the Company further amend the Agreement by adding the following new Paragraph 4(l):

4(l). Performance Share Award. The Executive shall receive for the fiscal year ending on January 30, 2010 a target number of Performance Shares equal to \$2,750,000 divided by the closing market price on March 18, 2009 as reported on Nasdaq. The Performance Shares shall represent the right to receive Common Shares of the Company's stock determined by the extent to which the target level of adjusted pretax profit for the fiscal year ending January 30, 2010, approved by the Compensation Committee of the Ross Stores, Inc. Board of Directors, has been attained and certified by the Compensation Committee.

Except as otherwise provided in the Performance Share Agreement, the Company shall issue, based on performance attained, Unvested Common Shares of the Company's stock in settlement of Performance Shares on the Settlement Date of March 31, 2010. Except as otherwise provided in the Performance Share Agreement, Unvested Common Shares issued in settlement of the Performance Shares shall vest and become Vested Common Shares on January 28, 2012, provided the Executive continues service with the Company through such date, provided however, that Unvested Common Shares that would otherwise become Vested Common Shares on a date on which a sale of such shares by the Executive would violate the Insider Trading Policy shall become Vested Common Shares as set forth in the Performance Share Agreement. The terms and conditions of the Performance Shares shall be set forth in the Notice of Grant of Performance Shares, the Ross Stores, Inc. Performance Share Agreement (the "Performance Share Agreement"), and the Ross Stores, Inc. 2008 Equity Incentive Plan. Capitalized terms in this paragraph 4(j) shall have the same meanings assigned to such terms in the Performance Share Agreement.

- VII. The Executive and the Company further amend the Agreement by deleting Paragraph 9(a)(ii) of the Agreement in its entirety and replacing it with the following new Paragraph 9(a)(ii):

(ii). Bonus. The Company shall continue to pay to the Executive an annual bonus through the remainder of the term of the Agreement, as defined in paragraph 1 (including any extension pursuant to paragraphs 1 or 4(b)). The amount of each annual bonus payable pursuant to this paragraph 9(a)(ii) shall be equal to the annual bonus that the Executive would have earned had no such termination under paragraphs 7(b), 7(d) or 7(e) occurred, contingent on the relevant annual bonus plan performance goals for the respective year having been obtained. However, in no case shall any such post-termination annual bonus exceed 100% of the Executive's target bonus for the fiscal year of the Company in which the Executive's termination of employment occurs. Such bonuses shall not be paid until due under the applicable Company bonus plan.

- VIII. The Executive and the Company further amend the Agreement by deleting Paragraph 9(e) of the Agreement in its entirety and replacing it with the following new Paragraph 9(e) of the Agreement:

(e) Non-Renewal. If the Agreement expires as set forth in paragraph 7(h) [Non-Renewal], the Company shall have no further obligations to the Executive except as set forth in paragraphs 7(h) and 13 and except that the Executive shall immediately become fully vested in any restricted stock granted to the Executive by the Company under the Ross Stores, Inc. Restricted Stock Agreement which has not become vested as of such expiration date. The Company shall also pay the Executive an annual bonus for the Company's fiscal year ending January 28, 2012. Such bonus shall not be paid until due under the applicable Company bonus plan.

- IX. The Executive and the Company further amend the Agreement by adding the following new Paragraph 9(f):

(f) Dividend Repayment Right. If the Executive terminates pursuant to paragraphs 7(a)[Death], 7(b) [Disability], 7(d)[Without Cause], or 7(e)[Termination by Executive for Good Reason], the Company shall waive any reacquisition or repayment rights for dividends paid on shares of restricted stock (granted under the terms and conditions of the Ross Stores Inc. Restricted Stock Agreement) or Unvested Common Shares (granted under the terms and conditions of the Ross Stores Inc. Performance Share Agreement) prior to Executive's termination of employment.

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- X. The Executive and the Company further amend the Agreement by adding the following new Paragraph 9(g):

(g) Release of Claims. Notwithstanding the provisions of this paragraph 9, the Executive shall be entitled to such payments in this paragraph 9; provided that within sixty (60) days following the Executive's termination of employment the Executive executes a general release of claims against the Company and its subsidiaries, affiliates, stockholders, directors, officers, employees, agents, successors and assigns in the current form approved by the Company and attached as Exhibit A (subject to any amendments required by law or regulation) (the "Release") and the period for revocation, if any, of such Release has expired without the Release having been revoked.

X. The Executive and the Company further amend the Agreement by adding the following new Paragraph 9(h):

(h) Timing of Payments: Subject to paragraph 22, any cash payments to which the Executive is entitled under paragraphs 9(a), 9(c) and 9(e) shall commence within 30 days after the Executive executes the Release pursuant to paragraph 9(g); provided, however, that any amount otherwise payable prior to the Executive's execution of the Release pursuant to paragraph 9(g) shall be paid to the Executive not later than ten days following the execution of the Release pursuant to paragraph 9(g).

XI. The Executive and the Company further amend the Agreement by deleting Paragraph 22(d) of the Agreement in its entirety and replacing it with the following new Paragraph 22(d):

(d) Matching Contribution: In the event that Matching Contributions are provided pursuant to paragraph 4(i), such amount shall be paid to the Executive annually no later than December 31 of the respective year in which a matching contribution would have been made if the Executive was employed by the Company.

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

ROSS STORES, INC.

EXECUTIVE

/s/ _____
Norman Ferber

/s/ _____
Michael Balmuth

June 9, 2009 _____
Date

June 9, 2009 _____
Date

EXHIBIT 15

September 8, 2009

Ross Stores, Inc.
Pleasanton, California

We have reviewed, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the unaudited interim financial information of Ross Stores, Inc. and subsidiaries for the periods ended August 1, 2009 and August 2, 2008, as indicated in our report dated September 8, 2009; 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 August 1, 2009, is incorporated by reference in Registration Statements No. 333-151116, No. 33-61373, No. 33-51916, No. 33-51896, No. 33-51898, No. 33-41415, No. 33-41413, No. 33-29600, No. 333-56831, No. 333-06119, No. 333-34988, No. 333-51478, and No. 333-115836 of Ross Stores, Inc. and subsidiaries, all 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: September 9, 2009

/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: September 9, 2009

/s/J. Call

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

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 August 1, 2009 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: September 9, 2009

/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 August 1, 2009 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: September 9, 2009

/s/J. Call

John G. Call

Senior Vice President, Chief Financial Officer

and Principal Accounting 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.
