

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, 2015

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.)

5130 Hacienda Drive, Dublin, California

(Address of principal executive offices)

94568-7579

(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 19, 2015 was 408,072,468.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Condensed Consolidated Statements of Earnings

(\$000, except stores and per share data, unaudited)	Three Months Ended		Six Months Ended	
	August 1, 2015	August 2, 2014	August 1, 2015	August 2, 2014
Sales	\$ 2,968,270	\$ 2,729,566	\$ 5,906,418	\$ 5,410,159
Costs and Expenses				
Cost of goods sold	2,119,480	1,944,017	4,186,935	3,852,202
Selling, general and administrative	435,226	395,225	844,524	775,027
Interest expense (income), net	1,652	(95)	3,655	(200)
Total costs and expenses	2,556,358	2,339,147	5,035,114	4,627,029
Earnings before taxes	411,912	390,419	871,304	783,130
Provision for taxes on earnings	153,273	150,858	330,460	299,656
Net earnings	\$ 258,639	\$ 239,561	\$ 540,844	\$ 483,474
Earnings per share				
Basic	\$ 0.64	\$ 0.58	\$ 1.33	\$ 1.16
Diluted	\$ 0.63	\$ 0.57	\$ 1.32	\$ 1.15
Weighted average shares outstanding (000)				
Basic	404,760	415,130	406,211	416,514
Diluted	407,693	419,305	409,562	421,213
Dividends				
Cash dividends declared per share	\$ 0.1175	\$ 0.1000	\$ 0.2350	\$ 0.2000
Stores open at end of period	1,424	1,338	1,424	1,338

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statements of Comprehensive Income

(\$000, unaudited)	Three Months Ended		Six Months Ended	
	August 1, 2015	August 2, 2014	August 1, 2015	August 2, 2014
Net earnings	\$ 258,639	\$ 239,561	\$ 540,844	\$ 483,474
Other comprehensive (loss) income:				
Change in unrealized loss on investments, net of tax	(25)	(14)	(107)	(47)
Comprehensive income	\$ 258,614	\$ 239,547	\$ 540,737	\$ 483,427

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Balance Sheets

(\$000, unaudited)	August 1, 2015	January 31, 2015	August 2, 2014
Assets			
Current Assets			
Cash and cash equivalents	\$ 630,288	\$ 696,608	\$ 549,784
Short-term investments	999	500	—
Accounts receivable	88,443	73,278	85,218
Merchandise inventory	1,509,752	1,372,675	1,258,820
Prepaid expenses and other	129,819	106,778	115,953
Deferred income taxes	10,732	12,951	14,090
Total current assets	2,370,033	2,262,790	2,023,865
Property and Equipment			
Land and buildings	1,083,430	952,428	626,708
Fixtures and equipment	2,091,316	1,933,383	1,760,417
Leasehold improvements	889,893	854,572	827,073
Construction-in-progress	95,178	293,715	416,810
	4,159,817	4,034,098	3,631,008
Less accumulated depreciation and amortization	1,870,339	1,760,346	1,651,720
Property and equipment, net	2,289,478	2,273,752	1,979,288
Long-term investments	2,613	3,110	3,660
Other long-term assets	162,180	160,669	160,727
Total assets	\$ 4,824,304	\$ 4,700,321	\$ 4,167,540
Liabilities and Stockholders' Equity			
Current Liabilities			
Accounts payable	\$ 1,044,875	\$ 1,000,700	\$ 967,915
Accrued expenses and other	405,629	385,325	367,451
Accrued payroll and benefits	225,153	256,141	189,585
Income taxes payable	—	17,202	7,170
Total current liabilities	1,675,657	1,659,368	1,532,121
Long-term debt	395,793	395,562	149,708
Other long-term liabilities	287,406	279,500	283,584
Deferred income taxes	78,934	86,681	52,800
Commitments and contingencies			
Stockholders' Equity			
Common stock	4,087	4,149	4,204
Additional paid-in capital	1,080,108	1,013,607	978,748
Treasury stock	(224,194)	(160,600)	(159,164)
Accumulated other comprehensive income	223	330	342
Retained earnings	1,526,290	1,421,724	1,325,197
Total stockholders' equity	2,386,514	2,279,210	2,149,327
Total liabilities and stockholders' equity	\$ 4,824,304	\$ 4,700,321	\$ 4,167,540

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows

(\$000, unaudited)	Six Months Ended	
	August 1, 2015	August 2, 2014
Cash Flows From Operating Activities		
Net earnings	\$ 540,844	\$ 483,474
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	128,729	110,670
Stock-based compensation	29,881	25,095
Deferred income taxes	(5,528)	(9,934)
Tax benefit from equity issuance	37,431	24,061
Excess tax benefit from stock-based compensation	(37,352)	(23,755)
Change in assets and liabilities:		
Merchandise inventory	(137,077)	(1,665)
Other current assets	(38,097)	(34,536)
Accounts payable	64,802	189,896
Other current liabilities	111	(12,101)
Other long-term, net	6,627	(9,414)
Net cash provided by operating activities	590,371	741,791
Cash Flows From Investing Activities		
Additions to property and equipment	(193,108)	(253,350)
Increase in restricted cash and investments	(73)	(7,043)
Purchases of investments	(718)	—
Proceeds from investments	602	12,022
Net cash used in investing activities	(193,297)	(248,371)
Cash Flows From Financing Activities		
Excess tax benefit from stock-based compensation	37,352	23,755
Issuance of common stock related to stock plans	11,312	9,318
Treasury stock purchased	(63,601)	(37,605)
Repurchase of common stock	(351,515)	(277,391)
Dividends paid	(96,942)	(84,881)
Net cash used in financing activities	(463,394)	(366,804)
Net (decrease) increase in cash and cash equivalents	(66,320)	126,616
Cash and cash equivalents:		
Beginning of period	696,608	423,168
End of period	\$ 630,288	\$ 549,784
Supplemental Cash Flow Disclosures		
Interest paid	\$ 8,982	\$ 4,834
Income taxes paid	\$ 322,294	\$ 299,762

The accompanying notes are an integral part of these condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements

Three and Six Months Ended August 1, 2015 and August 2, 2014
(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, 2015 and August 2, 2014, the results of operations and comprehensive income for the three and six month periods ended August 1, 2015 and August 2, 2014, and cash flows for the six month periods ended August 1, 2015 and August 2, 2014. The Condensed Consolidated Balance Sheet as of January 31, 2015, 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, 2015. 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, 2015.

The results of operations and comprehensive income for the three and six month periods ended August 1, 2015 and August 2, 2014 presented herein are not necessarily indicative of the results to be expected for the full fiscal year.

Stock dividend. On March 24, 2015, the Company's Board of Directors declared a two-for-one split of the Company's common stock issued in the form of a stock dividend. Stockholders of record as of April 22, 2015 were issued one additional share of common stock on June 11, 2015 for each share held. All share and per share amounts have been adjusted to reflect the stock split.

Restricted cash, cash equivalents, and investments. The Company has restricted cash, cash equivalents, and investments that serve as collateral for certain insurance obligations of the Company. These restricted funds are invested in bank deposits, money market mutual funds, U.S. Government and agency securities, and corporate securities and cannot be withdrawn from the Company's account without the prior written consent of the secured parties. The following table summarizes total restricted cash, cash equivalents, and investments which were included in Prepaid expenses and other and Other long-term assets in the Condensed Consolidated Balance Sheets as of August 1, 2015, January 31, 2015, and August 2, 2014:

Restricted Assets (\$000)	August 1, 2015	January 31, 2015	August 2, 2014
Prepaid expenses and other	\$ 19,719	\$ 19,713	\$ 22,766
Other long-term assets	56,125	56,107	55,737
Total	\$ 75,844	\$ 75,820	\$ 78,503

The classification between current and long-term is based on the timing of expected payments of the insurance obligations.

Property and equipment. As of August 1, 2015 and August 2, 2014, the Company had \$10.0 million and \$22.6 million, respectively, of property and equipment purchased but not yet paid. These purchases are included in Property and Equipment, Accounts payable, and Accrued expenses and other in the accompanying Condensed Consolidated Balance Sheets.

Sales mix. The Company's sales mix is shown below for the three and six month periods ended August 1, 2015 and August 2, 2014:

	Three Months Ended		Six Months Ended	
	August 1, 2015	August 2, 2014	August 1, 2015	August 2, 2014
Ladies	30%	31%	30%	31%
Home Accents and Bed and Bath	23%	22%	23%	22%
Men's	14%	14%	13%	13%
Shoes	13%	13%	13%	13%
Accessories, Lingerie, Fine Jewelry, and Fragrances	13%	12%	13%	13%
Children's	7%	8%	8%	8%
Total	100%	100%	100%	100%

Cash Dividends. Dividends included in the Condensed Consolidated Statements of Cash Flows reflect cash dividends paid during the periods shown. Dividends per share reported on the Condensed Consolidated Statements of Earnings reflect cash dividends declared during the periods shown.

The Company's Board of Directors declared cash dividends of \$0.1175 per common share in February and May 2015, respectively, and \$0.1000 per common share in February, May, August, and November 2014, respectively.

In August 2015, the Company's Board of Directors declared a cash dividend of \$0.1175 per common share, payable on September 30, 2015.

Litigation, claims, and assessments. Like many retailers, the Company has been named in class action lawsuits, primarily in California, alleging violation of wage and hour laws and consumer protection laws. Class action litigation remains pending as of August 1, 2015.

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

Recently issued and adopted accounting standards. In April 2015, the FASB issued Accounting Standards Update 2015-03, *Simplifying the Presentation of Debt Issuance Costs* (ASU 2015-03). The standard amends existing guidance to require the presentation of debt issuance costs in the balance sheet as a deduction from the carrying amount of the related debt liability instead of as an asset. ASU 2015-03 is effective for annual and interim reporting periods after December 15, 2015, with early adoption permitted. The Company early adopted ASU 2015-03 retrospectively in its first fiscal quarter ended May 2, 2015. As a result of the retrospective adoption, the Company reclassified unamortized debt issuance costs of \$2.8 million and \$0.3 million as of January 31, 2015 and August 2, 2014, respectively, from Other long-term assets to a reduction in Long-term debt on the condensed consolidated balance sheets. Adoption of this standard did not impact results of operations, retained earnings, or cash flows in the current or previous interim and annual reporting periods.

Note B: Fair Value Measurements

The carrying value of cash and cash equivalents, short- and long-term investments, restricted cash and cash equivalents, restricted investments, accounts receivable, other long-term assets, accounts payable, and other long-term liabilities approximates their estimated fair value.

Accounting standards pertaining to fair value measurements establish a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value. The inputs used to measure fair value include: Level 1, observable inputs such as quoted prices in active markets; Level 2, inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, unobservable inputs in which little or no market data exists. This fair value hierarchy requires the Company to develop its own assumptions and maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

There were no transfers between Level 1 and Level 2 categories during the three and six month periods ended August 1, 2015. The fair value of the Company's financial instruments are as follows:

(\$000)	August 1, 2015	January 31, 2015	August 2, 2014
Cash and cash equivalents			
Level 1	\$ 630,288	\$ 696,608	\$ 549,784
Investments			
Level 2	3,612	3,610	3,660
Restricted cash and cash equivalents			
Level 1	\$ 72,076	\$ 71,992	\$ 74,586
Restricted investments			
Level 1	\$ 3,768	\$ 3,828	\$ 3,805
Level 2	—	—	112

The underlying assets in the Company's non-qualified deferred compensation program as of August 1, 2015, January 31, 2015, and August 2, 2014 (included in Other long-term assets and in Other long-term liabilities) primarily consist of participant-directed money market, stable value, stock, and bond funds. The fair value measurement for funds with quoted market prices in active markets (Level 1) and for funds without quoted market prices in active markets (Level 2) are as follows:

(\$000)	August 1, 2015	January 31, 2015	August 2, 2014
Level 1	\$ 82,953	\$ 81,926	\$ 79,753
Level 2	12,842	12,128	13,638
Total	\$ 95,795	\$ 94,054	\$ 93,391

Note C: Stock-Based Compensation

Stock-based compensation. For the three and six month periods ended August 1, 2015 and August 2, 2014, the Company recognized stock-based compensation expense as follows:

(\$000)	Three Months Ended		Six Months Ended	
	August 1, 2015	August 2, 2014	August 1, 2015	August 2, 2014
Restricted stock	\$ 9,395	\$ 8,550	\$ 17,969	\$ 16,502
Performance awards	5,537	3,960	10,642	7,485
Employee stock purchase plan	662	550	1,270	1,108
Total	\$ 15,594	\$ 13,060	\$ 29,881	\$ 25,095

Total stock-based compensation recognized in the Company's Condensed Consolidated Statements of Earnings for the three and six month periods ended August 1, 2015 and August 2, 2014 is as follows:

Statements of Earnings Classification (\$000)	Three Months Ended		Six Months Ended	
	August 1, 2015	August 2, 2014	August 1, 2015	August 2, 2014
Cost of goods sold	\$ 7,420	\$ 7,085	\$ 14,483	\$ 13,263
Selling, general and administrative	8,174	5,975	15,398	11,832
Total	\$ 15,594	\$ 13,060	\$ 29,881	\$ 25,095

Restricted stock. The Company grants shares of restricted stock or restricted stock units to directors, officers, and key employees. The market value of shares of restricted stock and of the stock underlying restricted stock units at the date of grant is amortized to expense over the vesting period of generally three to five years.

During the three and six month periods ended August 1, 2015 and August 2, 2014, shares purchased by the Company for tax withholding totaled 33,705 and 1,206,903 and 62,544 and 1,031,252, respectively, and are considered treasury shares which are available for reissuance.

Performance shares. The Company has a performance share award program for senior executives. A performance share award represents a right to receive shares of restricted stock or restricted stock units on a specified settlement date based on the Company's attainment of a profitability-based performance goal during the performance period, which is the Company's fiscal year. If attained, the restricted stock or units then vest over a service period, generally two to three years from the date the performance award was granted. The release of shares related to restricted stock units earned are deferred generally for one year from the date earned.

As of August 1, 2015, shares related to unvested restricted stock and performance share awards totaled 6.0 million shares. A summary of restricted stock and performance share award activity for the six month period ended August 1, 2015 is presented below:

(000, except per share data)	Number of shares	Weighted average grant date fair value
Unvested at January 31, 2015	6,982	\$ 24.01
Awarded	1,830	51.95
Released	(2,480)	16.71
Forfeited	(354)	29.43
Unvested at August 1, 2015	5,978	\$ 33.61

The unamortized compensation expense at August 1, 2015 was \$110.7 million which is expected to be recognized over a weighted-average remaining period of 2.1 years. The unamortized compensation expense at August 2, 2014 was \$106.6 million, which was expected to be recognized over a weighted-average remaining period of 2.2 years.

Employee stock purchase plan. Under the Employee Stock Purchase Plan ("ESPP"), eligible employees participating in the quarterly offering period can choose to spend up to the lesser of 10% of their annual base earnings or the IRS annual share purchase limit of \$25,000 in aggregate market value to purchase the Company's common stock each year. The purchase price of the stock is 85% of the closing market price on the date of purchase. Purchases occur 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.

Stock option activity. A summary of the stock option activity for the six month period ended August 1, 2015 is presented below:

(000, except per share data)	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
Outstanding at January 31, 2015	1,038	\$ 7.05		
Granted	—	—		
Exercised	(594)	6.95		
Forfeited	—	—		
Outstanding at August 1, 2015, all vested	444	\$ 7.19	0.89	\$ 20,402

No stock options were granted during the six month periods ended August 1, 2015 and August 2, 2014.

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, 2015 (number of shares in thousands):

Exercise price range	Options outstanding and exercisable		
	Number of shares	Remaining life	Exercise price
\$ 5.90 to \$ 6.89	118	0.65	\$ 6.68
6.95 to 6.95	161	0.62	6.95
7.04 to 7.63	61	0.55	7.19
7.66 to 7.66	7	1.21	7.66
8.19 to 8.19	97	1.81	8.19
\$ 5.90 to \$ 8.19	444	0.89	\$ 7.19

Note D: Earnings Per Share

The Company computes and reports both basic earnings per share ("EPS") and diluted EPS. Basic EPS is computed by dividing net earnings by the weighted average number of common shares outstanding for the period. Diluted EPS is computed by dividing net earnings by the sum of the weighted average number of common shares and dilutive common stock equivalents outstanding during the period. Diluted 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 and restricted stock units.

For the three and six month periods ended August 1, 2015, approximately 2,100 and 2,900 weighted average shares, respectively, were excluded from the calculation of diluted EPS because their effect would have been anti-dilutive for those periods presented. For the three and six month periods ended August 2, 2014, approximately 22,400 and 12,300 weighted average shares, respectively, were excluded from the calculation of diluted EPS because their effect would have been anti-dilutive for those periods presented.

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

Shares in (000s)	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, 2015						
Shares	404,760	2,933	407,693	406,211	3,351	409,562
Amount	\$ 0.64	\$ (0.01)	\$ 0.63	\$ 1.33	\$ (0.01)	\$ 1.32
August 2, 2014						
Shares	415,130	4,175	419,305	416,514	4,699	421,213
Amount	\$ 0.58	\$ (0.01)	\$ 0.57	\$ 1.16	\$ (0.01)	\$ 1.15

Note E: Debt

Senior notes. Unsecured senior debt, net of unamortized discounts and debt issuance costs, consists of the following:

(\$000)	August 1, 2015	January 31, 2015	August 2, 2014
6.38% Series A Senior Notes due 2018	\$ 84,889	\$ 84,873	\$ 84,857
6.53% Series B Senior Notes due 2021	64,872	64,861	64,851
3.375% Senior Notes due 2024	246,032	245,828	—
Total	\$ 395,793	\$ 395,562	\$ 149,708

In September 2014, the Company issued unsecured 3.375% Senior Notes due September 2024 (the “2024 Notes”) with an aggregate principal amount of \$250 million. Interest on the 2024 Notes is payable semi-annually.

As of August 1, 2015, the Company also had outstanding two other series of unsecured senior notes in the aggregate principal amount of \$150 million, held by various institutional investors. 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%. Borrowings under these senior notes are subject to certain financial covenants, including interest coverage and other financial ratios. As of August 1, 2015, the Company was in compliance with these covenants.

As of August 1, 2015, January 31, 2015, and August 2, 2014, total unamortized discount and debt issuance costs were \$4.2 million, \$4.4 million, and \$0.3 million, respectively, and were classified as a reduction of Long-term debt.

The 2024 Notes, Series A, and Series B senior notes are all subject to prepayment penalties for early payment of principal.

The aggregate fair value of the long-term debt was approximately \$425 million, \$442 million, and \$181 million as of August 1, 2015, January 31, 2015, and August 2, 2014, respectively. The fair values are estimated by obtaining comparable market quotes which are considered to be Level 1 inputs under the fair value measurements and disclosures guidance.

Interest expense and income for the three and six month periods ended August 1, 2015 and August 2, 2014 consists of the following:

(\$000)	Three Months Ended		Six Months Ended	
	August 1, 2015	August 2, 2014	August 1, 2015	August 2, 2014
Interest expense on long-term debt	\$ 4,642	\$ 2,430	\$ 9,284	\$ 4,860
Other interest expense	303	303	644	644
Capitalized interest	(3,193)	(2,731)	(6,002)	(5,502)
Interest income	(100)	(97)	(271)	(202)
Interest expense (income), net	\$ 1,652	\$ (95)	\$ 3,655	\$ (200)

Revolving credit facility. The Company's \$600 million unsecured revolving credit facility expires in June 2017 and contains a \$300 million sublimit for issuance of standby letters of credit. Interest on this facility is based on LIBOR plus an applicable margin (currently 100 basis points) and is payable quarterly and upon maturity. As of August 1, 2015 the Company had no borrowings or standby letters of credit outstanding under this facility and the \$600 million credit facility remains in place and available.

The revolving credit facility is subject to certain financial covenants, including interest coverage and other financial ratios. In addition, the interest rates under the revolving credit facility may vary depending on actual interest coverage ratios achieved. As of August 1, 2015, the Company was in compliance with these covenants.

Note F: Taxes on Earnings

As of August 1, 2015, January 31, 2015, and August 2, 2014, the reserves for unrecognized tax benefits were \$105.2 million, \$101.7 million, and \$101.9 million inclusive of \$20.8 million, \$23.6 million, and \$23.7 million of related interest and penalties, 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, \$51.8 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 \$3.6 million.

The Company is open to audit by the Internal Revenue Service under the statute of limitations for fiscal years 2011 through 2014. The Company's state income tax returns are generally open to audit under the various statutes of limitations for fiscal years 2010 through 2014. 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.

Report of Independent Registered Public Accounting Firm

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

We have reviewed the accompanying condensed consolidated balance sheets of Ross Stores, Inc. and subsidiaries (the "Company") as of August 1, 2015 and August 2, 2014, and the related condensed consolidated statements of earnings and comprehensive income for the three-month and six-month periods ended August 1, 2015 and August 2, 2014, and of cash flows for the six-month periods ended August 1, 2015 and August 2, 2014. These interim 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 sheets of Ross Stores, Inc. and subsidiaries as of January 31, 2015, and the related consolidated statements of earnings, comprehensive income, stockholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated March 31, 2015, 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, 2015, 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 9, 2015

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 2014. All information is based on our fiscal calendar.

Overview

Ross Stores, Inc. operates two brands of off-price retail apparel and home fashion stores -- Ross Dress for Less® ("Ross") and dd's DISCOUNTS®. Ross is the largest off-price apparel and home fashion chain in the United States with 1,259 locations in 33 states, the District of Columbia and Guam as of August 1, 2015. Ross offers first-quality, in-season, name brand and designer apparel, accessories, footwear, and home fashions for the entire family at savings of 20% to 60% off department and specialty store regular prices every day. We also operate 165 dd's DISCOUNTS stores in 15 states that feature a more moderately-priced assortment of first-quality, in-season, name brand apparel, accessories, footwear, and home fashions for the entire family at savings of 20% to 70% off moderate department and discount store regular prices every day.

Results of Operations

The following table summarizes the financial results for the three and six month periods ended August 1, 2015 and August 2, 2014:

	Three Months Ended		Six Months Ended	
	August 1, 2015	August 2, 2014	August 1, 2015	August 2, 2014
Sales				
Sales (millions)	\$ 2,968	\$ 2,729	\$ 5,906	\$ 5,410
Sales growth	8.7%	7.0 %	9.2%	6.3 %
Comparable store sales growth	4%	2 %	5%	2 %
Costs and expenses (as a percent of sales)				
Cost of goods sold	71.4%	71.2 %	70.9%	71.2 %
Selling, general and administrative	14.7%	14.5 %	14.3%	14.3 %
Interest expense (income), net	0.0%	0.0 %	0.1%	0.0 %
Earnings before taxes (as a percent of sales)				
	13.9%	14.3 %	14.7%	14.5 %
Net earnings (as a percent of sales)				
	8.7%	8.8 %	9.2%	8.9 %

All share and per share amounts have been adjusted for the two-for-one stock split effective June 11, 2015.

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.

Store Count	Three Months Ended		Six Months Ended	
	August 1, 2015	August 2, 2014	August 1, 2015	August 2, 2014
Beginning of the period	1,399	1,309	1,362	1,276
Opened in the period	27	30	64	67
Closed in the period	(2)	(1)	(2)	(5)
End of the period	1,424	1,338	1,424	1,338

Sales. Sales for the three month period ended August 1, 2015 increased \$239 million, or 8.7%, compared to the three month period ended August 2, 2014, due to the opening of 86 net new stores between August 2, 2014 and August 1, 2015 and a 4% 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, 2015 increased \$496 million, or 9.2%, compared to the six month period ended August 2, 2014, due to the opening of 86 net new stores between August 2, 2014 and August 1, 2015 and a 5% increase in comparable store sales.

Our sales mix for the three and six month periods ended August 1, 2015 and August 2, 2014 is shown below:

	Three Months Ended		Six Months Ended	
	August 1, 2015	August 2, 2014	August 1, 2015	August 2, 2014
Ladies	30%	31%	30%	31%
Home Accents and Bed and Bath	23%	22%	23%	22%
Men's	14%	14%	13%	13%
Shoes	13%	13%	13%	13%
Accessories, Lingerie, Fine Jewelry, and Fragrances	13%	12%	13%	13%
Children's	7%	8%	8%	8%
Total	100%	100%	100%	100%

We intend 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, diversify our merchandise mix, and 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, 2015, 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 and six month periods ended August 1, 2015 increased \$175 million and \$335 million compared to the same periods in the prior year, mainly due to increased sales from the opening of 86 net new stores and a 4% and 5% increase in comparable store sales, respectively.

Cost of goods sold as a percentage of sales for the three month period ended August 1, 2015 increased approximately 20 basis points from the same period in the prior year. These higher expenses were primarily due to a 40 basis point increase in distribution expenses mainly from the opening of a new distribution center and higher freight and buying costs of 10 and five basis points, respectively. These unfavorable items were partially offset by a 25 basis point improvement in merchandise margin and occupancy leverage of 10 basis points.

Cost of goods sold as a percentage of sales for the six month period ended August 1, 2015 decreased approximately 30 basis points from the same period in the prior year primarily due to a 45 basis point increase in merchandise margin and five basis points of leverage on occupancy costs. These improvements were partially offset by 10 basis point increases in both freight and distribution costs.

We cannot be sure that the gross profit margins realized for the three and six month periods ended August 1, 2015 will continue in the future.

Selling, general and administrative expenses. For the three and six month periods ended August 1, 2015, selling, general and administrative expenses ("SG&A") increased \$40 million and \$69 million compared to the same periods in the prior year, mainly due to increased store operating costs reflecting the opening of 86 net new stores between August 2, 2014 and August 1, 2015.

Selling, general and administrative expenses as a percentage of sales for the three month period ended August 1, 2015 increased 15 basis points compared to the same period in the prior year. These higher costs resulted from an unfavorable comparison to last year's second quarter which included a one-time benefit of 20 basis points related to the resolution of a legal matter. This was partially offset by 5 basis points of leverage resulting from the 4% increase in comparable store sales.

Selling, general and administrative expenses as a percentage of sales for the six month period ended August 1, 2015 declined 5 basis points primarily due to leverage resulting from the 5% comparable store sales increase. This was partially offset by the unfavorable comparison to last year when we recognized a one-time benefit of 10 basis points related to the aforementioned legal matter.

Interest expense (income), net. Net interest expense as a percentage of sales for the three and six month periods ended August 1, 2015 increased compared to the same periods in the prior year primarily due to the issuance of our 2024 Notes in the third quarter of fiscal 2014.

Interest expense and income for the three and six month periods ended August 1, 2015 and August 2, 2014 consists of the following:

(\$000)	Three Months Ended		Six Months Ended	
	August 1, 2015	August 2, 2014	August 1, 2015	August 2, 2014
Interest expense on long-term debt	\$ 4,642	\$ 2,430	\$ 9,284	\$ 4,860
Other interest expense	303	303	644	644
Capitalized interest	(3,193)	(2,731)	(6,002)	(5,502)
Interest income	(100)	(97)	(271)	(202)
Interest expense (income), net	\$ 1,652	\$ (95)	\$ 3,655	\$ (200)

Taxes on earnings. Our effective tax rate for the three month periods ended August 1, 2015 and August 2, 2014 was approximately 37% and 39%, respectively, and our effective tax rate for both of the six month periods ended August 1, 2015 and August 2, 2014, was approximately 38%. Our effective tax rate 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 impacted by changes in law, location of new stores, level of earnings, and the resolution of tax positions with various taxing authorities. We anticipate that our effective tax rate for fiscal 2015 will be between 37% and 38%.

Net earnings. Net earnings as a percentage of sales for the three month period ended August 1, 2015 was lower compared to the same period in the prior year primarily due to both higher cost of goods sold and higher SG&A expenses as a percentage of sales.

Net earnings as a percentage of sales for the six month period ended August 1, 2015 was higher compared to the same period in the prior year primarily due to both lower cost of goods sold and lower SG&A expenses as a percentage of sales.

Earnings per share. Diluted earnings per share for the three and six month periods ended August 1, 2015 was \$0.63 and \$1.32, respectively, compared to \$0.57 and \$1.15, respectively, for the three and six month periods ended August 2, 2014. The increases in diluted earnings per share for both the three and six month periods ended August 1, 2015 is attributable to an increase in net earnings and a 3% reduction in weighted average diluted shares outstanding due to the 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, payroll, rent, taxes, and capital expenditures in connection with new and existing stores, and investments in distribution centers, information systems, and buying and corporate offices. We also use cash to repurchase stock under our stock repurchase program and to pay dividends.

(\$000)	Six Months Ended	
	August 1, 2015	August 2, 2014
Cash provided by operating activities	\$ 590,371	\$ 741,791
Cash used in investing activities	(193,297)	(248,371)
Cash used in financing activities	(463,394)	(366,804)
Net (decrease) increase in cash and cash equivalents	\$ (66,320)	\$ 126,616

Operating Activities

Net cash provided by operating activities was \$590.4 million and \$741.8 million for the six month periods ended August 1, 2015 and August 2, 2014, respectively, and was primarily driven by net earnings excluding non-cash expenses for depreciation and amortization. Our primary source of operating cash flow 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.

The decrease in cash flow from operating activities for the six month period ended August 1, 2015, compared to the same period in the prior year was primarily driven by an increase in and the timing of packaway receipts versus last year, partially offset by higher earnings. The increase in packaway inventory was driven by opportunistic buys available in the marketplace. The earlier timing of these packaway receipts versus last year resulted in lower accounts payable leverage (defined as accounts payable divided by merchandise inventory) which was 69%, 73%, and 77% as of August 1, 2015, January 31, 2015, and August 2, 2014, respectively.

As a regular part of our business, packaway inventory levels will vary over time based on availability of compelling opportunities in the marketplace. Packaway merchandise is purchased with the intent that it will be stored in our warehouses until a later date. The timing of the release of packaway inventory to our stores is principally driven by the product mix and seasonality of the merchandise, and its relation to our store merchandise assortment plans. As such, the aging of packaway varies by merchandise category and seasonality of purchase, but typically packaway remains in storage less than six months. We expect to continue to take advantage of packaway inventory opportunities to deliver bargains to our customers.

Changes in packaway inventory levels impact our operating cash flow. As of August 1, 2015, packaway inventory was 46% of total inventory compared to 45% at the end of fiscal 2014. As of August 2, 2014, packaway inventory was 43% of total inventory compared to 49% at the end of fiscal 2013.

Investing Activities

Net cash used in investing activities was \$193.3 million and \$248.4 million for the six month periods ended August 1, 2015 and August 2, 2014, respectively. The decrease in cash used for investing activities for the six month period ended

August 1, 2015, compared to the six month period ended August 2, 2014 was primarily due to a reduction in our capital expenditures.

Our capital expenditures were \$193.1 million and \$253.4 million for the six month periods ended August 1, 2015 and August 2, 2014, respectively. Our capital expenditures include costs to build or expand distribution centers, open new stores and improve existing stores, and for various other expenditures related to our information technology systems, buying, and corporate offices. The decrease in capital expenditures for the six month period ended August 1, 2015 compared to the six month period ended August 2, 2014 is primarily due to lower distribution center related spending.

We are currently forecasting approximately \$400 million in capital expenditures for fiscal year 2015 to fund costs for fixtures and leasehold improvements to open new Ross and dd's DISCOUNTS stores, the upgrade or relocation of existing stores, investments in information technology systems, and for various other expenditures related to our stores, distribution centers, buying and corporate offices. Our planned capital expenditures of \$400 million for fiscal year 2015 decreased from the amount we previously forecasted of \$450 million primarily due to lower distribution center construction costs and the deferral of certain other projects. We expect to primarily fund capital expenditures with available cash and cash flows from operations.

We had purchases of investments of \$0.7 million for the six month period ended August 1, 2015 and no purchases of investments for the six month period ended August 2, 2014. We had proceeds from investments of \$0.6 million and \$12.0 million for the six month periods ended August 1, 2015 and August 2, 2014, respectively.

Financing Activities

Net cash used in financing activities was \$463.4 million and \$366.8 million for the six month periods ended August 1, 2015 and August 2, 2014, respectively. For the six month periods ended August 1, 2015 and August 2, 2014, our liquidity and capital requirements were provided by available cash and cash flows from operations.

We repurchased 6.9 million and 8.1 million shares of common stock for aggregate purchase prices of approximately \$351.5 million and \$277.4 million during the six month periods ended August 1, 2015, and August 2, 2014, respectively. We also acquired 1.2 million and 1.0 million shares of treasury stock through our employee equity compensation programs, for aggregate purchase prices of approximately \$63.6 million and \$37.6 million during the six month periods ended August 1, 2015 and August 2, 2014, respectively. In February 2015, our Board of Directors approved a new two-year \$1.4 billion stock repurchase program for fiscal 2015 and 2016.

For the six month periods ended August 1, 2015 and August 2, 2014, we paid cash dividends of \$96.9 million and \$84.9 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 credit, bank lines, and other credit sources to meet our capital and liquidity requirements, including lease payment obligations in 2015.

Our existing \$600 million unsecured revolving credit facility expires in June 2017 and contains a \$300 million sublimit for issuance of standby letters of credit. Interest on this facility is based on LIBOR plus an applicable margin (currently 100 basis points) and is payable quarterly and upon maturity. As of August 1, 2015 we had no borrowings or standby letters of credit outstanding on this facility and our \$600 million credit facility remains in place and available.

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

Contractual Obligations

The table below presents our significant contractual obligations as of August 1, 2015:

(\$000)	Less than one year	1 - 3 years	3 - 5 years	After 5 years	Total ¹
Senior notes	\$ —	\$ —	\$ 85,000	\$ 315,000	\$ 400,000
Interest payment obligations	18,105	36,210	27,398	43,805	125,518
Operating leases (rent obligations)	446,099	860,058	579,727	491,984	2,377,868
New York buying office ground lease ²	6,418	12,835	12,835	955,777	987,865
Purchase obligations	2,046,400	13,351	—	—	2,059,751
Total contractual obligations	\$ 2,517,022	\$ 922,454	\$ 704,960	\$ 1,806,566	\$ 5,951,002

¹We have a \$105.2 million liability for unrecognized tax benefits that is included in Other long-term liabilities on our interim Condensed Consolidated Balance Sheet. This liability is excluded from the schedule above as the timing of payments cannot be reasonably estimated.

²Our New York buying office building is subject to a 99-year ground lease.

Senior notes. In September 2014, we issued unsecured 3.375% Senior Notes due September 2024 with an aggregate principal amount of \$250 million. Interest on the 2024 Notes is payable semi-annually.

At August 1, 2015 we also had outstanding two other series of unsecured senior notes in the aggregate principal amount of \$150 million, held by various institutional investors. 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%. Borrowings under these senior notes are subject to certain financial covenants, including interest coverage and other financial ratios. As of August 1, 2015, we were in compliance with these covenants.

The 2024 Notes, Series A, and Series B senior notes are all subject to prepayment penalties for early payment of principal.

Off-Balance Sheet Arrangements

Operating leases. We currently lease all but three of our store locations, three warehouse facilities, and a buying office. In addition, we have a ground lease related to our New York buying office. Except for certain leasehold improvements and equipment, these leased locations do not represent long-term capital investments.

Two of our leased warehouses are in Carlisle, Pennsylvania with leases expiring in 2016 and 2017. The third warehouse lease is in Fort Mill, South Carolina, with a lease expiring in 2019. The leases for the two Carlisle, Pennsylvania warehouses contain renewal provisions.

We currently lease approximately 68,000 square feet of office space for our Los Angeles buying office. The lease term for this facility expires in 2017 and contains renewal provisions.

Purchase obligations. As of August 1, 2015 we had purchase obligations of approximately \$2,060 million. These purchase obligations primarily consist of merchandise inventory purchase orders, commitments related to construction projects, store fixtures and supplies, and information technology services, transportation, and maintenance contracts.

Commercial Credit Facilities

The table below presents our significant available commercial credit facilities at August 1, 2015:

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

For additional information relating to this credit facility, refer to Note E of Notes to Condensed Consolidated Financial Statements.

Revolving credit facility. Our existing \$600 million unsecured revolving credit facility expires in June 2017 and contains a \$300 million sublimit for issuance of standby letters of credit. Interest on this facility is based on LIBOR plus an applicable margin (currently 100 basis points) and is payable quarterly and upon maturity. As of August 1, 2015 we had no borrowings outstanding or standby letters of credit issued under this facility.

Our revolving credit facility has covenant restrictions requiring us to maintain certain interest coverage and other financial ratios. In addition, the interest rates under the revolving credit facility may vary depending on actual interest coverage ratios achieved. As of August 1, 2015 we were in compliance with these covenants.

Standby letters of credit and collateral trust. We use standby letters of credit outside of our revolving credit facility in addition to a funded trust to collateralize our insurance obligations. As of August 1, 2015 and August 2, 2014, we had \$19.5 million and \$24.3 million, respectively, in standby letters of credit outstanding and \$56.3 million and \$54.2 million, respectively, in a collateral trust. The standby letters of credit are collateralized by restricted cash and the collateral trust consists of restricted cash, cash equivalents, and investments.

Trade letters of credit. We had \$51.4 million and \$46.2 million in trade letters of credit outstanding at August 1, 2015 and August 2, 2014, respectively.

Dividends. In August 2015, our Board of Directors declared a cash dividend of \$0.1175 per common share, payable on September 30, 2015.

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.

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 2015, there have been no significant changes to the policies discussed in our Annual Report on Form 10-K for the year ended January 31, 2015.

Recently issued and adopted accounting standards. In April 2015, the FASB issued Accounting Standards Update 2015-03, *Simplifying the Presentation of Debt Issuance Costs* (ASU 2015-03). The standard amends existing guidance to require the presentation of debt issuance costs in the balance sheet as a deduction from the carrying amount of the related debt liability instead of as an asset. ASU 2015-03 is effective for annual and interim reporting periods after December 15, 2015, with early adoption permitted. We early adopted ASU 2015-03 retrospectively in our first fiscal quarter ended May 2, 2015. As a result of the retrospective adoption, we reclassified unamortized debt issuance costs of \$2.8 million and \$0.3 million as of January 31, 2015 and August 2, 2014, respectively, from Other long-term assets to a reduction in Long-term debt on the condensed consolidated balance sheets. Adoption of this standard did not impact results of operations, retained earnings, or cash flows in the current or previous interim and annual reporting periods.

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 those forward-looking statements and our previous 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 for Ross and dd's DISCOUNTS. 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 2014.

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 outstanding forward contracts as of August 1, 2015.

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, 2015, we had no borrowings outstanding under our revolving credit facility.

We have two outstanding series of unsecured notes held by institutional investors: Series A Senior Notes due December 2018 for \$85 million accrues interest at 6.38% and Series B Senior Notes due December 2021 for \$65 million accrues interest at 6.53%. The amount outstanding under these notes as of August 1, 2015 was \$150 million. We also have unsecured 3.375% Senior Notes due September 2024 with an aggregate principal amount of \$250 million. Interest that is payable on our senior notes is based on fixed interest rates, and is therefore unaffected by changes in market interest rates.

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 a material impact on 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 month period ended August 1, 2015. 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. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at that reasonable assurance level 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 2015 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 2015 second fiscal quarter.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The matters under the caption “Litigation, claims, and assessments” 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 2015, and information we provide in our press releases, and other investor communications, including those on our corporate website, may contain forward-looking statements with respect to anticipated future events and our projected growth, 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.”

We are subject to the economic and industry risks that affect large, multi-store retailers operating in the United States. We must continually and efficiently obtain and distribute a supply of merchandise our customers value throughout a large and growing network of stores and distribution centers around the country. The continued success and growth of our business depends in part upon our ability to increase sales and improve efficiencies at our existing store locations, open new stores, operate existing and new stores on a profitable basis, and maintain or reduce our costs.

We are also subject to various operational risks as we attempt to execute on our off-price retail merchandising and growth strategies. We must effectively manage all operating costs of the business, the largest of which are payroll and benefit costs for store and distribution center employees. Further, in order to support planned store growth, we must also add capacity to our existing distribution centers, find new distribution center sites, and build out planned additional distribution centers timely and cost effectively. Our existing strategies and store, buying organization, and distribution center expansion programs may not result in a continuation of our anticipated revenue or profit growth.

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:

- Competitive pressures in the apparel and home-related merchandise retailing industry are high.
- Unexpected changes may occur in the level of consumer spending on or preferences for apparel or home-related merchandise.
- We depend on the market availability, quantity, and quality of attractive brand name merchandise at desirable discounts, and on the ability of our buyers to purchase merchandise to enable us to offer customers a wide assortment of merchandise at competitive prices.
- We are subject to impacts from the macro-economic environment, financial and credit markets, and geopolitical conditions that affect consumer confidence and consumer disposable income.
- We must continually attract, train, and retain associates with the retail talent necessary to execute our off-price retail strategies.
- Unseasonable weather may affect shopping patterns and consumer demand for seasonal apparel and other merchandise.
- Data security breaches, including cyber-attacks on our transaction processing and computer information systems, could result in theft or unauthorized disclosure of customer, credit card, employee, or other private and valuable information that we handle in the ordinary course of our business. A breach of our data security, or our failure or delay in detecting and mitigating a loss of personal or business information, could result in damage to our reputation, loss of customer confidence, violation (or alleged violation) of applicable laws, and expose us to civil claims, litigation and regulatory action, and to unanticipated costs and disruption of our operations.
- Disruptions in our supply chain or in our information systems could impact our ability to process sales and to distribute merchandise to our stores in a timely and cost-effective manner.
- Issues involving the quality, safety, or authenticity of products we sell could increase our costs and/or adversely impact our sales.
- In order to achieve our planned gross margins, we must effectively manage our inventories, markdowns, and inventory shortage.
- We may experience volatility in revenues and earnings.
- An adverse outcome in various legal, regulatory, or tax matters could negatively impact our business.
- A natural or man-made disaster in California or in another region where we have a concentration of stores or a distribution center could harm our business.
- Our labor costs may increase as a result of industry trends and minimum wage requirements.
- To achieve growth, we need to expand in existing markets and enter new geographic markets where we are less well known.
- We need to obtain acceptable new store sites with favorable demographics to achieve our planned growth.
- Damage to our corporate reputation or brands could adversely affect our sales and operating results.
- We are subject to risks associated with importing merchandise from other countries.
- To support our continuing operations, our new store and distribution center growth plans, and our stock repurchase program and dividend programs, we must maintain sufficient liquidity.

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

Information regarding shares of common stock we repurchased during the second quarter of fiscal 2015 is as follows:

Period	Total number of shares (or units) purchased^{1,2}	Average price paid per share (or unit)¹	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)³
May (5/03/2015 - 5/30/2015)	874,272	\$49.88	849,594	\$1,181,800
June (5/31/2015 - 7/04/2015)	1,484,585	\$49.28	1,475,558	\$1,109,100
July (7/05/2015 - 8/01/2015)	1,165,646	\$51.99	1,165,646	\$1,048,500
Total	<u>3,524,503</u>	<u>\$50.33</u>	<u>3,490,798</u>	

¹All share and per share amounts have been adjusted for the two-for-one stock split effective June 11, 2015.

²We acquired 33,705 shares of treasury stock during the quarter ended August 1, 2015. Treasury stock includes shares acquired from employees for tax withholding purposes related to vesting of restricted stock grants. All remaining shares were repurchased under our publicly announced stock repurchase program.

³In February 2015 our Board of Directors approved a new two-year \$1.4 billion stock repurchase program for fiscal 2015 and 2016.

ITEM 6. EXHIBITS

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

ROSS STORES, INC.

(Registrant)

Date: September 9, 2015

By: /s/Michael J. Hartshorn

Michael J. Hartshorn

Group Senior Vice President, Chief Financial Officer, and Principal
Accounting Officer

INDEX TO EXHIBITS

Exhibit Number	Exhibit
3.1	Certificate of Incorporation of Ross Stores, Inc. as amended (Corrected First Restated Certificate of Incorporation, dated March 17, 1999, together with amendments thereto through Amendment of Certificate of Incorporation dated May 29, 2015).
3.2	Amended and Restated Bylaws of Ross Stores, Inc. as amended, January 23, 2013, incorporated by reference to Exhibit 3.3 to the Form 10-K filed by Ross Stores, Inc. for the year ended February 2, 2013.
10.1	Amended and Restated Ross Stores, Inc. Employee Stock Purchase Plan, Amended and Restated on March 11, 2015.
10.2	First Amendment to Employment Agreement between Michael Balmuth and Ross Stores, Inc. dated March 15, 2015.
15	Letter re: Unaudited Interim Financial Information from Deloitte & Touche LLP dated September 9, 2015.
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.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

CERTIFICATE OF AMENDMENT
TO
CERTIFICATE OF INCORPORATION
OF
ROSS STORES, INC.

Ross Stores, Inc., a Delaware corporation (the "Corporation"), hereby certifies:

1. That Article Fourth, subsection A of the Certificate of Incorporation is hereby amended to read in full as follows:

A. Capitalization. The total number of shares of all classes of stock which the Corporation will have authority to issue is One Billion Four Million (1,004,000,000), consisting of:

(1) Four Million (4,000,000) shares of Preferred Stock, par value one cent (\$.01) per share (the "Preferred Stock"); and

(2) One Billion (1,000,000,000) shares of Common Stock, par value one cent (\$.01) per share (the "Common Stock").

2. That the foregoing amendment has been duly adopted in accordance with the provisions of Section 242 of the General Corporation law of the State of Delaware.

The Corporation has caused this Certificate of Amendment of Certificate of Incorporation to be signed by its duly authorized officer, this 29 day of May 2015.

ROSS STORES, INC.

By: /s/J.Call

John G. Call

Corporate Secretary

[filed May 29, 2015]

**CERTIFICATE OF AMENDMENT
OF THE CERTIFICATE OF INCORPORATION OF
ROSS STORES, INC.**

Ross Stores, Inc., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies as follows:

1. Provisions B and C of Article SIXTH of the Corporation's Certificate of Incorporation are hereby amended and restated in their entirety to read in full as provided in the following indented paragraphs:

B . Annual Election of Directors. Until the 2014 annual meeting of stockholders, the directors shall be divided into three classes, as nearly equal in number as reasonably possible, with the term of office of the first class to expire at the 2014 annual meeting of stockholders, the term of office of the second class to expire at the 2012 annual meeting of stockholders, and the term of office of the third class to expire at the 2013 annual meeting of stockholders. At each annual meeting of stockholders beginning in 2012, directors shall be elected to succeed those directors whose terms expire, for a one-year term of office, to expire at the next annual meeting of stockholders after their election. Beginning with the 2014 annual meeting of stockholders, the entire Board of Directors shall be subject to election at each annual meeting of stockholders, for a one-year term of office, to expire at the next annual meeting of stockholders after their election, and the Board of Directors will no longer be divided into classes. All directors shall hold office until the expiration of the term for which elected, and until their respective successors are elected, except in the case of the death, resignation, or removal of any director.

C . Filling Vacancies on the Board. Subject to the rights of the holders of any series of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, removal from office, disqualification or other cause may be filled only by a majority vote of the directors then in office, though less than a quorum, and directors so chosen shall hold office for a term expiring at the next annual meeting of stockholders (or, prior to the 2014 annual meeting of stockholders, for a term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been elected expires). No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

2. The foregoing amendment to the Certificate of Incorporation has been duly adopted by the Corporation's Board of Directors and stockholders in accordance with the provisions of Sections 141, 211, 222 and 242 of the General Corporation Law of the State of Delaware.

3. This amendment to the Corporation's Certificate of Incorporation shall be effective on and as of the date of filing of this Certificate of Amendment with the Secretary of State of the State of Delaware.

EXHIBIT 3.1

IN WITNESS WHEREOF, this Certificate of Amendment has been executed on behalf of the Corporation by its Senior Vice President, General Counsel & Corporate Secretary this day, July 18, 2011.

ROSS STORES, INC.

By: /s/Mark LeHocky

Mark LeHocky, Senior Vice President
General Counsel & Corporate Secretary

[filed July 19, 2011]

**CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
ROSS STORES, INC.**

Ross Stores, Inc., a Delaware corporation (the "Corporation"), hereby certifies:

1. That Article Fourth, subsection A of the Certificate of Incorporation is hereby amended to read in full as follows:

A. Capitalization. The total number of shares of all classes of stock which the Corporation shall have authority to issue is six hundred four million (604,000,000), consisting of:

(1) four million (4,000,000) shares of Preferred Stock, par value one cent (\$.01) per share (the "Preferred Stock"); and

(2) six hundred million (600,000,000) shares of Common Stock, par value one cent (\$.01) per share (the "Common Stock").

2. That the foregoing amendment has been duly adopted in accordance with the provisions of Section 242 of the General Corporation law of the State of Delaware.

The Corporation has caused this Certificate of Amendment of Certificate of Incorporation to be signed by its duly authorized officer, this 21st day of May 2004.

ROSS STORES, INC.

By: /s/J.Call

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

[filed May 25, 2004]

**CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
ROSS STORES, INC.**

Ross Stores, Inc., a Delaware corporation (the "Corporation"), hereby certifies:

1. That the Corporation's Board of Directors has duly adopted the following resolution:

RESOLVED, that Article Fourth, subsection A of the Certificate of Incorporation is hereby amended to read in full as follows:

A. Capitalization. The total number of shares of all classes of stock which the Corporation shall have authority to issue is three hundred four million (304,000,000), consisting of:

(1) four million (4,000,000) shares of Preferred Stock, par value one cent (\$.01) per share (the "Preferred Stock"); and

(2) three hundred million (300,000,000) shares of Common Stock, par value one cent (\$.01) per share (the "Common Stock").

2. That the proposed amendment has been duly adopted in accordance with the provisions of Section 242 of the General Corporation law of the State of Delaware.

The Corporation has caused this Certificate of Amendment of Certificate of Incorporation to be signed by its duly authorized officer, this 5th day of June 2002.

ROSS STORES, INC.

By: /s/J.Call

John G. Call

Senior Vice President,

Chief Financial Officer and Corporate Secretary

[filed June 5, 2002]

**CORRECTED FIRST RESTATED CERTIFICATE OF INCORPORATION
OF
ROSS STORES, INC.
FILED IN THE OFFICE OF
THE SECRETARY OF STATE OF DELAWARE
ON JUNE 4, 1998**

ROSS STORES, INC., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

1. The name of the corporation is ROSS STORES, INC.
2. That a First Restated Certificate of Incorporation of Ross Stores, Inc. (the "Restated Certificate") was filed by the Secretary of State of Delaware on June 4, 1998 and that said Restated Certificate requires correction as permitted by Section 103 of the General Corporation Law of the State of Delaware.
3. The inaccuracy or defect of said Restated Certificate to be corrected is as follows:

Paragraph (2), Section A of Article FOURTH is deleted and replaced in its entirety by the following:

“(2) one hundred seventy million (170,000,000) shares of Common Stock, par value one cent (\$.01) per share (the “Common Stock”).”

**CORRECTED FIRST RESTATED
CERTIFICATE OF INCORPORATION
OF
ROSS STORES, INC.**

Pursuant to Sections 242 and 245
of the General Corporation Law of
the State of Delaware

Pursuant to Section 242 of the General Corporation Law of the State of Delaware, Susan L. Thorner, Director, Corporate Affairs and Assistant Secretary of Ross Stores, Inc. (hereinafter called the "Corporation"), organized and existing under the General Corporation Law of the State of Delaware (originally incorporated pursuant to a Certificate of Incorporation filed with the Delaware Secretary of State on March 29, 1989), in accordance with the provisions of Section 103 thereof, DOES HEREBY CERTIFY:

That (a) the Board of Directors on March 19, 1998 duly adopted a resolution pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware proposing that this First Restated Certificate of Incorporation (the "Restated Certificate") be approved and declaring the adoption of such Restated Certificate to be advisable; and (b) the

stockholders of the Corporation duly approved the amendment reflected in this Restated Certificate at the Corporation's 1998 Annual Stockholders Meeting in accordance with Section 242 of the General Corporation Law of the State of Delaware. In accordance therewith, the Certificate of Incorporation of the Corporation is hereby amended and restated in its entirety so that the same shall read as follows:

FIRST: The name of the corporation is Ross Stores, Inc.

SECOND: The address of the registered office of the Corporation in the State of Delaware is Incorporating Services Ltd., 410 South State Street, in the City of Dover, County of Kent. The name of the registered agent at that address is Incorporating Services, Ltd.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of Delaware.

FOURTH:

A. **Capitalization.** The total number of shares of all classes of stock which the Corporation shall have authority to issue is one hundred seventy-four million (174,000,000), consisting of:

(1) four million (4,000,000) shares of Preferred Stock, par value one cent (\$.01) per share (the "Preferred Stock"); and

(2) one hundred seventy million (170,000,000) shares of Common Stock, par value one cent (\$.01) per share (the "Common Stock").

B. **Series of Preferred Stock.** The Board of Directors is authorized, subject to any limitations prescribed by law, to provide for the issuance of the shares of Preferred Stock in series, and by filing a certificate pursuant to the applicable law of the State of Delaware, to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences, and rights of the shares of each such series and any qualifications, limitation or restrictions thereof. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the Common Stock, without a vote of the holders of the Preferred Stock, or of any series thereof, unless a vote of any such holders is required pursuant to the certificate or certificates establishing the series of Preferred Stock.

FIFTH: The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitations and regulation of the powers of the Corporation, and of its directors and stockholders:

A. **Powers of Directors.** The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authority expressly conferred upon them by Statute or by this Certificate of Incorporation or the Bylaws of the Corporation, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation.

B. **Ballot Unnecessary.** The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

C. Stockholders Must Meet To Act. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

D. Call of Special Meeting of Stockholders. Special meetings of stockholders of the Corporation may be called only (1) by the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption) or (2) by the holders of not less than ten percent (10%) of all of the shares entitled to cast votes at the meeting. The procedure for calling a special meeting of stockholders will be as set forth in this Certificate of Incorporation or the Bylaws.

SIXTH:

A. Number of Directors. The number of directors shall initially be nine and, thereafter, shall be fixed from time to time exclusively by the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption).

B. Classification of Directors. The directors shall be divided into three classes, as nearly equal in number as reasonably possible, with the term of office of the first class to expire at the 1990 annual meeting of stockholders, the term of office of the second class to expire at the 1991 annual meeting of stockholders and the term of office of the third class to expire at the 1992 annual meeting of stockholders. At each annual meeting of stockholders following such initial classification and election, directors shall be elected to succeed those directors whose terms expire for a term of office to expire at the third succeeding annual meeting of stockholders after their election. All directors shall hold office until the expiration of the term for which elected, and until their respective successors are elected, except in the case of the death, resignation, or removal of any director.

C. Filling Vacancies on the Board. Subject to the rights of the holders of any series of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, removal from office, disqualification or other cause may be filled only by a majority vote of the directors then in office, though less than a quorum, and directors so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been elected expires. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

D. Removal of Directors. Subject to the rights of the holders of any series of Preferred Stock then outstanding, any directors, or the entire Board of Directors, may be removed from office at any time, with or without cause, by the affirmative vote of the holders of at least a majority of the voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

SEVENTH: Power To Amend Bylaws. The Board of Directors is expressly empowered to adopt, amend or repeal Bylaws of the Corporation. Any adoption, amendment or repeal of Bylaws of the Corporation by the Board of Directors shall require the approval of a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any resolution providing for adoption, amendment or repeal is presented to the Board). The stockholders shall also have power to adopt, amend or repeal the Bylaws of the Corporation. In addition to any vote of the holders of any class or series of stock of this Corporation required by law or by this

Certificate of Incorporation, the affirmative vote of the holders of at least 66-2/3 percent of the combined voting power of the outstanding shares of stock of all classes and series of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to adopt, amend or repeal any provisions of the Bylaws of the Corporation.

EIGHTH: The vote of the stockholders of the Corporation which shall be required to approve any Business Combination (as hereinafter defined) shall be as set forth in this Article EIGHTH.

A. Vote Required for Certain Business Combinations. In addition to any affirmative vote required by law, any other provision of this Certificate of Incorporation or otherwise, and except as otherwise expressly provided in paragraph (2) of this Article EIGHTH, none of the following transactions shall be consummated unless and until such transaction shall have been approved by (i) the affirmative vote of the holders of at least 66-2/3 percent of the combined voting power of the outstanding shares of stock of all classes and series of the Corporation entitled to vote generally in the election of directors ("Capital Stock") and (ii) the affirmative vote of the holders of at least that percent of the Capital Stock equal to the sum of the percent of the Capital Stock held by an Interested Stockholder (as hereinafter defined) plus one share more than one half of the Capital Stock other than shares held by such Interested Stockholder:

(1) any merger or consolidation of the Corporation or any material Subsidiary (as hereinafter defined) with or into (i) any corporation which is an Interested Stockholder or (ii) any other corporation which is or after such merger or consolidation would be an Interested Stockholder; or

(2) any sale, License (as hereinafter defined), lease, exchange, mortgage, pledge, transfer or other disposition (whether in one transaction or a series of transactions) to or with any Interested Stockholder of any material asset or assets of the Corporation; or

(3) the issuance or transfer by the Corporation or any Subsidiary (whether in one transaction or a series of transactions) to an Interested Stockholder of any securities of the Corporation or any Subsidiary in exchange for cash, securities or other property (or a combination thereof) having an aggregate fair market value of \$5,000,000 million or more; or

(4) the adoption of any plan or proposal for the liquidation or dissolution of the Corporation or any material Subsidiary; or

(5) any reclassification of any securities of the Corporation (including any reverse stock split), any recapitalization of the Corporation, any merger or consolidation of the Corporation with or into any of its Subsidiaries, or any other transaction (whether or not with or involving any Interested Stockholder), which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of stock or series thereof of the Corporation or of any Subsidiary directly or indirectly Beneficially Owned (as hereinafter defined) by any Interested Stockholder or as a result of which the stockholders of the Corporation would cease to be stockholders of a corporation having, as part of its certificate of incorporation, provisions to the same effect as this Article EIGHTH and the provisions of Article ELEVENTH hereof relating to amendments or changes to this Article EIGHTH.

The terms "Business Combination" as used in this Article EIGHTH shall mean any transaction or proposed transaction which is referred to in any one or more of the foregoing subparagraphs (1) through (5) of this paragraph A of this Article EIGHTH.

B. Exception if Disinterested Directors Approve. The provisions of Paragraph A of this Article EIGHTH shall not be applicable to any particular Business Combination, and such Business Combination shall require only such vote, if any, as is required by law and other Articles hereof or any

agreement between the Corporation and any national securities exchange or otherwise if such Business Combination shall have been approved by a majority of the Disinterested Directors (as hereinafter defined) or, in the case of a License, approved by a majority of the Disinterested Directors or a committee of Disinterested Directors designated by the Board of Directors.

C. Certain Definitions. For the purpose of this Article EIGHTH:

(1) An "Affiliate" of a person shall mean any person who, directly or indirectly, controls, is controlled by or is under common control with such person.

(2) An "Associate" shall mean:

(i) with respect to a corporation or association, any officer or director thereof or of a subsidiary thereof;

(ii) with respect to a partnership, any general partner thereof or any limited partner thereof having a 10 percent ownership interest in such partnership;

(iii) with respect to a business trust, any officer or trustee thereof or of any subsidiary thereof;

(iv) with respect to any other trust or an estate, any trustee, executor or similar fiduciary and any person who has a substantial interest as a beneficiary of such trust or estate;

(v) with respect to a natural person, the spouses and children thereof and any other relative thereof or of the spouse thereof who has the same home; and

(vi) any Affiliate of any such person.

(3) A person shall be a "Beneficial Owner" of, or have "Beneficial Ownership" of or "Beneficially Own," any Capital Stock over which such person or any of its Affiliates or Associates, directly or indirectly, through any contract, arrangement, understanding or relationship, has or shares or, upon the exercise of any conversion right, exchange right, warrant, option or similar interest (whether or not then exercisable), would have or share either

(i) voting power (including the power to vote or to direct the voting) of such security or

(ii) investment power (including the power to dispose or direct the disposition) of such security.

For the purposes of determining whether a person is an Interested Stockholder, the number of shares of Capital Stock deemed to be outstanding shall include any shares Beneficially Owned by such person even though not actually outstanding, but shall not include any other shares of Capital Stock which are not outstanding but which may be issuable to other persons pursuant to any agreement, arrangement, or understanding, or upon exercise of any conversion right, exchange right, warrant, option or similar interest.

(4) "Disinterested Director" shall mean any member of the Board of Directors of the Corporation who is not an Affiliate or Associate of, and was not directly or indirectly a nominee of, any Interested Stockholder involved in such Business Combination or any Affiliate or Associate of such Interested Stockholder and who (i) was a member of the Board of Directors on May 25, 1989; or (ii) was a member of the Board of Directors prior to the time that such Interested Stockholder became an Interested Stockholder; or (iii) was a member of the Board of Directors nominated by a majority of the Disinterested Directors on the Board of Directors at the time of his or her nomination to fill a vacancy on the Board of Directors created by the death, resignation or removal of a Disinterested Director. Any reference to "Disinterested Directors" shall refer to a single Disinterested Director if there is only one. Any reference to an approval, designation or determination by a majority of the Disinterested Directors shall mean such

approval, designation or determination by a committee of the Board of Directors comprised of all Disinterested Directors and exercising its authority as a committee of the Board to the extent permissible by law.

(5) “Interested Stockholder” shall mean any person, other than the Corporation, any Subsidiary or any employee benefit plan of the Corporation or any Subsidiary, who or which:

(i) is the Beneficial Owner, directly or indirectly, of shares of Capital Stock which are entitled to cast 5 percent or more of the total votes which all the then outstanding shares of Capital Stock are entitled to cast in the election of directors or is an Affiliate or Associate of any such person; and

(ii) acts with any other person as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding or disposing of securities of the Corporation, and such group is the Beneficial Owner, directly or indirectly, of shares of Capital Stock which are entitled to cast 5 percent or more of the total votes which all of the then outstanding shares of Capital Stock are entitled to cast in the election of directors;

and any reference to a particular Interested Stockholder involved in a Business Combination shall also refer to any Affiliate or Associate thereof, any predecessor thereto and any other person acting as a member of a partnership, limited partnership, syndicate or group with such particular Interested Stockholder within the meaning of the foregoing clause (ii) of this subparagraph (5).

(6) “License” shall mean a material license which is not granted in standard commercial transactions and is not generally available to commercial customers of the Corporation.

(7) A “person” shall mean any individual, firm, corporation (which shall include a business trust), partnership, joint venture, trust or estate, association or other entity.

(8) “Subsidiary” shall mean any corporation or partnership of which a majority of any class of its equity securities is owned, directly or indirectly, by the Corporation.

D. Disinterested Directors Determine Applicability. A majority of the Disinterested Directors shall have the power and duty to determine, on the basis of information known to them after reasonable inquiry, all facts necessary to determine compliance with this Article EIGHTH, including, without limitation (i) whether a person is an Interested Stockholder, (ii) the number of shares of Capital Stock Beneficially Owned by any person, (iii) whether a person is an Affiliate or Associate of another person, (iv) whether the requirements of paragraph B of this Article EIGHTH have been met with respect to any Business Combination, and (v) whether two or more transactions constitute a “series of transactions” for purposes of paragraph A of this Article EIGHTH. The good faith determination of a majority of the Disinterested Directors on such matters shall be conclusive and binding for all purposes of this Article EIGHTH.

E. Nothing contained in this Article EIGHTH shall be construed to relieve any Interested Stockholder from any fiduciary obligation imposed by law.

NINTH: Board Discretion Regarding Certain Transactions. The Board of Directors of the Corporation (the “Board”), when evaluating any offer of another party, (a) to make a tender or exchange offer for any Capital Stock of the Corporation (as defined in Article EIGHTH) or (b) to effect any merger, consolidation, or sale of all or substantially all of the assets of the Corporation, shall, in connection with the exercise of its judgment in determining what is in the best interests of the Corporation as a whole, be authorized to give due consideration to such factors as the Board determines to be relevant, including, without limitation:

(i) the interests of the Corporation’s stockholders;

(ii) whether the proposed transaction might violate federal or state laws;

(iii) not only the consideration being offered in the proposed transaction, in relation to the then current market price for the outstanding capital stock of the Corporation, but also to the market price for the capital stock of the Corporation over a period of years, the estimated price that might be achieved in a negotiated sale of the Corporation as a whole or in part or through orderly liquidation, the premiums over market price for the securities of other corporations in similar transactions, current political, economic and other factors bearing on securities prices and the Corporation's financial condition and future prospects; and

(iv) the social, legal and economic effects upon employees, suppliers, customers and others having similar relationships with the Corporation, and the communities in which the Corporation conducts its business.

In connection with any such evaluation, the Board is authorized to conduct such investigations and to engage in such legal proceedings as the Board may determine.

TENTH: Elimination of Monetary Liability. The liability of the directors of the Corporation for monetary damages shall be eliminated to the fullest extent permissible under Delaware law.

Any repeal or modification of the foregoing provisions of this Article TENTH by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

ELEVENTH: Future Amendments. The Corporation reserves the right to amend or repeal any provision contained in this Certificate of Incorporation in the manner prescribed by the laws of the State of Delaware and all rights conferred upon stockholders are granted subject to this reservation; provided, however, that, notwithstanding any other provision of this Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any vote of the holders of any class or series of the stock of this Corporation required by law or by this Certificate of Incorporation, the affirmative vote of the holders of at least 66 2/3 percent of the combined voting power of the outstanding shares of stock of all classes and series of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend, repeal or adopt any provision inconsistent with Article FIFTH (except Section D thereof), SIXTH (except Section D thereof), SEVENTH, EIGHTH, NINTH, TENTH or this Article ELEVENTH.

IN WITNESS WHEREOF, the Corporation has caused this Corrected First Restated Certificate of Incorporation to be signed by its Assistant Secretary this 17th day of March, 1999, to be effective as of the original date of filing of the Restated Certificate.

ROSS STORES, INC., a Delaware corporation

By: /s/Susan L. Thorner

Susan L. Thorner

Director, Corporate Affairs and Assistant Secretary

[filed March 17, 1999]

AMENDED AND RESTATED

ROSS STORES, INC.

EMPLOYEE STOCK PURCHASE PLAN

Amended and Restated on March 11, 2015

1. **Purpose.** The Amended and Restated Ross Stores, Inc. Employee Stock Purchase Plan (the "**Plan**") is established to provide eligible employees of Ross Stores, Inc. ("**Ross**") and any current or future parent or subsidiary corporation of Ross (collectively referred to as the "**Company**") with an opportunity to acquire a proprietary interest in the Company by the purchase of common stock of Ross. For purposes of this Plan, a parent corporation and a subsidiary corporation shall be as defined in section 424(e) and 424(f) of the Internal Revenue Code of 1986, as amended (the "**Code**"). It is intended that the Plan shall qualify as an "employee stock purchase plan" under section 423 of the Code (including any future amendments or replacements of such section), and the Plan shall be so construed. Any term not expressly defined in the Plan but defined for purposes of section 423 of the Code shall have the same definition herein. The Plan was first made effective as of May 27, 1988. The Plan, as amended and restated on March 11, 2015, is effective for Offering Periods commencing on or after April 1, 2015.

2. **Administration.** The Plan shall be administered by the Board of Directors of Ross, including any committee or subcommittee of the Board of Directors, if any, duly appointed to administer the Plan and having such powers in each instance as shall be specified by the Board (collectively, the "**Board**"); provided, however, that the Senior Vice President, Human Resources or any other officer of the Company appointed by the Board for such purpose shall have the authority to take any and all actions assigned to the Board or the Company by the Plan, other than (a) an amendment to Section 3, Section 4 or Section 8 of the Plan, (b) termination of the Plan or (c) any amendment to the Plan that would require approval of the stockholders of the Company under any applicable law. All questions of interpretation of the Plan or of any option granted pursuant to the Plan (an "**Option**") shall be determined by the Board and shall be final and binding upon all persons having an interest in the Plan and/or any Option. Subject to the provisions of the Plan, the Board shall determine all of the relevant terms and conditions of Options granted pursuant to the Plan; *provided, however*, that all Participants granted Options pursuant to the Plan shall have the same rights and privileges within the meaning of section 423(b)(5) of the Code. All expenses incurred in connection with the administration of the Plan shall be paid by the Company.

3. **Share Reserve.** Subject to the provisions of Section 14 relating to adjustments upon changes in securities, the maximum number of shares which may be issued under the Plan shall be 22,500,000 shares of Ross common stock (the "**Shares**"). In the event that any Option for any reason expires or is terminated, the Shares allocable to the unexercised portion of such Option may again be subjected to an Option.

4. **Eligibility.** Any employee of the Company is eligible to participate in the Plan except the following:

- (a) employees who are customarily employed by the Company for less than twenty (20) hours a week;
- (b) employees who have not completed six (6) months of continuous employment with the Company as of the commencement of an Offering Period.
- (c) employees whose customary employment is for not more than five (5) months in any calendar year; and
- (d) employees who own or hold options to purchase or who, as a result of participation in this Plan, would own or hold options to purchase, stock of a corporation which comprises part of the Company possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of such corporation within the meaning of section 423(b)(3) of the Code.

5. **Offering Dates.**

- (a) **Offering Periods.** Except as otherwise set forth below, the Plan shall be implemented on and after January 1, 2008 by a single series of offerings (each an "**Offering**"). Unless otherwise determined by the Board, each Offering shall be approximately three (3) months in duration (an "**Offering Period**"). Offering Periods shall commence on or about January 1, April 1, July 1 and October 1 of each year and shall end on or about the next March 31, June 30, September 30 and December 31 respectively thereafter. The Board may establish a different term for one or more Offerings and/or different commencing and/or ending dates for such Offerings; *provided, however*,

that such different terms shall comply with the provisions of section 423(b)(7) of the Code. An employee who becomes eligible to participate in the Plan after an Offering Period has commenced shall not be eligible to participate in such Offering but may participate in any subsequent Offering provided such employee is still eligible to participate in the Plan as of the commencement of any such subsequent Offering. The first day of an Offering Period shall be the "**Offering Date**" for such Offering Period. In the event the first and/or last day of an Offering Period is not a day on which the primary market for the Shares is open for trading, the Company shall specify the trading day that will be deemed the first or last day, as the case may be, of the Offering Period.

(b) **Governmental Approval; Stockholder Approval.** Notwithstanding any other provision of the Plan to the contrary, any Option granted pursuant to the Plan shall be subject to (i) obtaining all necessary governmental approvals and/or qualifications of the sale and/or issuance of the Options and/or the Shares; and (ii) obtaining any necessary stockholder approval of the Plan.

6. Participation in the Plan.

(a) **Initial Participation.** An eligible employee shall become a Participant on the first Offering Date after satisfying the eligibility requirements and signing and delivering to the Company office or representative specified by Company (including a third-party administrator designated by the Company) at such time prior to such Offering Date as may be established by the Company (the "**Enrollment Date**") a subscription agreement indicating the employee's election to participate and authorizing payroll deductions. The subscription agreement may be in such written or electronic form as the Company may permit or require, provided that each electronic subscription agreement shall be digitally signed or authenticated by the Participant in the manner specified by the Company. An eligible employee who does not deliver a subscription agreement in the manner permitted or required prior to the applicable Enrollment Date for the first Offering Period after becoming eligible to participate in the Plan shall not participate in the Plan for that Offering Period or for any subsequent Offering Period unless such employee subsequently enrolls in the Plan by delivering a subscription agreement prior to the applicable Enrollment Date for such subsequent Offering Period.

(b) **Continued Participation.** Subject to satisfying the eligibility requirements for a particular Offering Period, a Participant shall automatically participate in each succeeding Offering Period until such time as such Participant withdraws from the Plan pursuant to Section 11 or terminates employment as provided in Section 12. A Participant is not required to deliver any additional subscription agreements for subsequent Offering Periods in order to continue participation in the Plan.

7. Right to Purchase Shares.

(a) Except as set forth below, as of the first day of an Offering Period (the "**Offering Date**"), each Participant in such Offering Period shall be granted an Option consisting of the right to purchase that number of whole Shares arrived at by dividing (i) the product of \$2,083.33 and the number of months (rounded to the nearest whole month) contained in the Offering Period by (ii) one hundred percent (100%) of the Fair Market Value of a Share on the Offering Date.

(b) "**Fair Market Value**" means the value of a security, as determined in good faith by the Board. Unless otherwise provided herein, if the security is listed on any established stock exchange or market system, the Fair Market Value of the security shall be the closing sale price (rounded up where necessary to the nearest whole cent) for such security (or the closing bid if no sales were reported) as quoted on such exchange or market system (or the exchange or market system with the greatest volume of trading in the relevant security of the Company) on the trading day which is coincident with the relevant determination date, as reported in *The Wall Street Journal* or such other source as the Board deems reliable.

8. Purchase Price. The purchase price at which Shares may be acquired in an Offering pursuant to the exercise of all or any portion of an Option granted under the Plan (the "**Offering Exercise Price**") shall be set by the Board; *provided, however*, that the purchase price per Share shall not be less than eighty-five percent (85%) of the lesser of (a) the Fair Market Value of a Share on the Offering Date of such Offering Period, or (b) the Fair Market Value of a Share at the time of exercise of the Option. Unless otherwise provided by the Board prior to the commencement of an Offering Period, the Offering Exercise Price shall be eighty-five percent (85%) of the Fair Market Value of a Share at the time of exercise of the Option.

9. Payment of Purchase Price. Shares which are acquired pursuant to the exercise of all or any portion of an Option may be paid for only by means of payroll deductions accumulated during the Offering Period. Except as set forth below, the amount of Compensation to be withheld from a Participant's Compensation during each pay period shall be determined by the Participant's subscription agreement. For purposes of the Plan, a Participant's "**Compensation**" with respect to an Offering shall include all amounts paid in cash and includable as "wages" subject

EXHIBIT 10.1

to tax under section 3101(a) of the Code without applying the dollar limitation of section 3121(a) of the Code; *provided, however*, Compensation shall not include amounts paid as a bonus to a Participant. Accordingly, Compensation shall include salaries, commission and overtime. "Compensation" shall not include reimbursements of expenses, allowances or any amount deemed received without the actual transfer of cash or any amounts directly or indirectly paid pursuant to the Plan or any other stock purchase or stock option plan.

(a) During an Offering Period, a Participant may elect to increase or decrease (including to zero) the amount withheld from his or her Compensation by filing an amended subscription agreement with the Company; provided, that a Participant may not increase the amount withheld from his or her Compensation with respect to any Offering Period that is ongoing at the time the Company receives the amended subscription agreement. A Participant's election to increase the amount withheld from his or her Compensation shall be effective as of the next Offering Period that begins after the date the Company receives the amended subscription agreement; provided that the Company receives the amended subscription agreement during the enrollment period established by the Company and on or before the Enrollment Date for that Offering Period. A Participant's election to decrease the amount withheld from his or her Compensation shall be effective as soon as administratively practicable after receipt of the amended subscription agreement by the Company.

(b) The amount of payroll withholding with respect to the Plan for any Participant during any pay period shall not exceed ten percent (10%) of the Participant's Compensation for such pay period.

(c) Payroll deductions shall commence on the first payday following the Offering Date and shall continue to the end of the Offering Period unless sooner altered or terminated as provided in the Plan.

(d) Individual accounts shall be maintained for each Participant. All payroll deductions from a Participant's Compensation shall be credited to such account and shall be deposited with the general funds of the Company. All payroll deductions received or held by the Company may be used by the Company for any corporate purpose.

(e) Interest shall not be paid on sums withheld from a Participant's Compensation.

(f) On the last day of an Offering Period, each Participant who has not withdrawn from the Offering or whose participation in the Offering has not terminated on or before such last day shall automatically acquire pursuant to the exercise of the Participant's Option the number of whole Shares arrived at by dividing the total amount of the Participant's accumulated payroll deductions for the Offering by the Offering Exercise Price; *provided, however*, in no event shall the number of Shares purchased by the Participant exceed the number of Shares subject to the Participant's Option.

(g) Any cash balance remaining in the Participant's account shall be refunded to the Participant as soon as practical after the last day of the Offering Period. In the event the cash to be returned to a Participant pursuant to the preceding sentence is an amount less than the amount necessary to purchase a whole Share, the Company may establish procedures whereby such cash is maintained in the Participant's account and applied toward the purchase of Shares in the subsequent Offering.

(h) At the time the Option is exercised, in whole or in part, or at the time some or all of the Shares are disposed of, the Company shall withhold from the Participant's Compensation, or the Participant shall otherwise make adequate provision for, an amount equal to the federal, state, local and foreign tax withholding obligations of the Company, if any, which arise upon exercise of the Option or disposition of Shares, respectively.

(i) No Shares shall be purchased on behalf of a Participant whose participation in the Offering or the Plan has terminated on or before the date of exercise.

(j) The Company may, from time to time, establish or implement (i) a minimum required withholding amount for participation in any Offering which shall not exceed one percent (1%) of the Participant's Compensation, (ii) limitations on the frequency and/or number of changes in the amount withheld during an Offering, (iii) an exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, (iv) changes to a payroll deduction to an amount in excess of or less than the amount designated by a Participant in order to adjust for delays or administrative errors in the Company's processing of a subscription agreement or otherwise affecting a Participant's election or as advisable to comply with Section 423 of the Code, and/or (v) such other limitations or procedures as deemed advisable by the Company in the Company's sole discretion which are consistent with the Plan and in accordance with the requirements of Section 423 of the Code.

(k) Any portion of a Participant's Option remaining unexercised after the end of the Offering Period to which such Option relates shall expire immediately upon the end of such Offering Period. Any Shares subject to the unexercised portion of an Option at the end of an Offering Period shall be returned to the Plan's share reserve.

10. Limitations on Purchase of Shares; Rights as a Stockholder.

(a) **Fair Market Value Limitation.** No Participant shall be entitled to purchase Shares under the Plan (or any other employee stock purchase plan which is intended to meet the requirements of section 423 of the Code sponsored by Ross, a parent corporation of Ross as defined in section 424(e) of the Code or a subsidiary corporation of Ross as defined in section 424(f) of the Code) at a rate which exceeds \$25,000 in Fair Market Value, determined as of the Offering Date for each Offering Period (or such other limit as may be imposed by the Code), for each calendar year in which the Participant participates in the Plan (or any other employee stock purchase plan described in this sentence).

(b) **Pro Rata Allocation.** In the event the number of Shares which might be purchased by all Participants in the Plan exceeds the number of Shares available in the Plan, the Company shall make a pro rata allocation of the remaining Shares in as uniform a manner as shall be practicable and as the Company shall determine to be equitable.

(c) **Rights as a Stockholder and Employee.** A Participant shall have no rights as a stockholder by virtue of the Participant's participation in the Plan until the date of the issuance of a stock certificate(s) for the shares being purchased pursuant to the exercise of the Participant's Option. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such stock certificate(s) are issued. Nothing herein shall confer upon a Participant any right to continue in the employ of the Company or interfere in any way with any right of the Company to terminate the Participant's employment at any time.

11. Withdrawal from Plan.

(a) **Withdrawal.** A Participant may withdraw from an Offering and the Plan by signing and delivering to the Company office or representative specified by Company (including a third-party administrator designated by the Company), a written or electronic notice of withdrawal in a form permitted or required by the Company for such purpose. Any electronic notice of withdrawal shall be digitally signed or authenticated by the Participant in the manner specified by the Company. Such withdrawal may be elected at any time prior to the end of an Offering Period. Notwithstanding anything to the contrary in Section 6(b), in the event a Participant voluntarily elects to withdraw from an Offering, the Participant may not resume participation in the Plan during the same Offering Period, but may participate in any subsequent Offering under the Plan by filing a new subscription agreement in the same manner as set forth above for initial participation in the Plan.

(b) **Return of Payroll Deductions.** Upon withdrawal from an Offering, the withdrawn Participant's accumulated payroll deductions shall be returned as soon as practicable after the withdrawal, without the payment of any interest, to the Participant and all of the Participant's rights in the Offering shall terminate. Such accumulated payroll deductions may not be applied to any other Offering under the Plan.

12. Termination of Employment. Termination of a Participant's employment with the Company for any reason, including retirement or death or the failure of a Participant to remain an employee eligible to participate in the Plan, shall terminate the Participant's participation in the Plan immediately. In such event, the payroll deductions credited to the Participant's account shall, as soon as practicable, be returned to the Participant or, in the case of the Participant's death, to the Participant's legal representative, and all of the Participant's rights under the Plan shall terminate. Interest shall not be paid on sums returned to a Participant pursuant to this Section 12. A Participant whose participation has been so terminated may again become eligible to participate in the Plan by again satisfying the requirements of Section 4.

13. Repayment of Payroll Deductions. In the event a Participant's rights in the Plan or any Offering therein are terminated, the Company shall deliver as soon as practicable to the Participant any payroll deductions credited to the Participant's account with respect to the Plan or any such Offering. Interest shall not be paid on sums returned to a Participant pursuant to this Section 13.

14. Adjustments Upon Changes in Securities.

(a) If any change is made in the Shares subject to the Plan, or subject to any Option, without the receipt of consideration by the Company (through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other transaction not involving the receipt of consideration by the Company), the Plan will be appropriately adjusted in the type of security and the maximum number of Shares subject to the Plan pursuant to Section 3 and the outstanding Options will be appropriately adjusted in the type of security, number of shares, and purchase limits of such outstanding Options. The Board shall make such adjustments, and its determination shall be final, binding and conclusive. (The conversion of any convertible securities of the Company shall not be treated as a transaction that does not involve the receipt of consideration by the Company.)

(b) In the event of a Change in Control, then, as determined by the Board in its sole discretion (i) any surviving or acquiring corporation may assume outstanding Options or substitute similar Options for those under the Plan, (ii) such Options may continue in full force and effect, or (iii) the Participants' accumulated payroll deductions may be used to purchase Shares immediately prior to the effective date of the Change in Control transaction and the Participants' Options under the ongoing Offering(s) terminated. In the event that no affirmative determination is made by the Board pursuant to the preceding sentence, then alternative (iii) shall apply automatically.

(c) "Change in Control" means the occurrence of any of the following events:

(i) A dissolution or liquidation of the Company.

(ii) A sale, lease or other disposition of all or substantially all of the assets of the Company.

(iii) A merger, reverse merger, consolidation or reorganization of the Company with or into another corporation or other legal person, or any other capital reorganization in which more than fifty percent (50%) of the shares of the Company entitled to vote are exchanged.

15. Non-Transferability. An Option may not be transferred in any manner otherwise than by will or the laws of descent and distribution and shall be exercisable during the lifetime of the Participant only by the Participant.

16. Reports. Each Participant who exercised all or part of his or her Option for an Offering Period shall receive a report of such Participant's account, the contents of which shall be determined by the Company.

17. Covenants of the Company. The Company shall seek to obtain from each federal, state, foreign or other regulatory commission or agency having jurisdiction over the Plan such authority as may be required to issue and sell Shares upon exercise of the Options granted under the Plan. If, after reasonable efforts, the Company is unable to obtain from any such regulatory commission or agency the authority which counsel for the Company deems necessary for the lawful issuance and sale of Shares under the Plan, the Company shall be relieved from any liability for failure to issue and sell Shares upon exercise of such Options unless and until such authority is obtained.

18. Use of Proceeds from Shares. Proceeds from the sale of Shares pursuant to Options granted under the Plan shall constitute general funds of the Company.

19. Plan Term. This Plan shall continue until terminated by the Board or until all of the Shares reserved for issuance under the Plan have been issued, whichever shall first occur.

20. Amendment, Suspension or Termination of the Plan. The Board may at any time amend, suspend or terminate the Plan, except that (a) no such amendment, suspension or termination shall affect Options previously granted under the Plan unless expressly provided by the Board and (b) no such amendment, suspension or termination may adversely affect an Option previously granted under the Plan without the consent of the Participant, except to the extent permitted by the Plan or as may be necessary to qualify the Plan as an employee stock purchase plan pursuant to Section 423 of the Code or to comply with any applicable law, regulation or rule. In addition, an amendment to the Plan must be approved by the stockholders of the Company within twelve (12) months of the adoption of such amendment if such amendment would authorize the sale of more shares than are then authorized for issuance under the Plan or would change the definition of the corporations whose employees may be offered Options under the Plan.

IN WITNESS WHEREOF, the undersigned Senior Vice President of Human Resources of the Company certifies that the foregoing Amended and Restated Ross Stores, Inc. Employee Stock Purchase Plan was duly adopted by the Compensation Committee of the Board of Directors of the Company on March 11, 2015.

/s/Deon Riley

Deon Riley

Senior Vice President, Human Resources

FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT

THE FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT (the "Amendment") is made, effective as of March 15, 2015, by Ross Stores, Inc. (the "Company") and Michael Balmuth (the "Executive"). The Executive and the Company previously entered into an Employment Agreement, effective June 1, 2012 (attached hereto), and it is now the intention of the Executive and the Company to amend the Employment Agreement as set forth below. Accordingly, the Company and the Executive hereby agree as follows:

- I. Paragraph 2 of the Employment Agreement is hereby amended by replacing "May 31, 2016" with "May 31, 2018".
 - II. The third sentence of Paragraph 2 of the Employment Agreement is amended to read as follows:

"In his role as Executive Chairman: (i) the Executive shall assist in the transition of the incoming Chief Executive Officer and advise senior management on strategy; (ii) the presidents of the Company's real estate department and dd's Discounts shall report to the Executive, except as otherwise determined by the Board and agreed to by the Executive; and (iii) the Executive shall serve as interim president of dd's Discounts as requested by the Board and agreed to by the Executive."
 - III. Paragraph 4(a) of the Employment Agreement is hereby amended by replacing "May 31, 2016" with "March 15, 2015" in subsection (ii) and adding the following new subsection (iii): "and (iii) One Million One Hundred Thousand Dollars (\$1,100,000) per annum during the period from March 15, 2015 through May 31, 2018."
 - IV. Paragraph 4(i) of the Employment Agreement is hereby amended by adding the phrase "(including claims administration support)" immediately after the phrase "behavioral health insurance" in the first sentence thereof.
 - V. Paragraph 4 of the Employment Agreement is hereby amended by adding new subsection (q) at the end thereof as follows:

"(q). Performance Share Awards: 2015 - 2018. The Executive shall be eligible to receive for the fiscal years ending in 2016, 2017, 2018 and 2019 Performance Shares Awards ("PS Grants") consistent with the existing practice of the Company. PS Grants represent the right to receive Common Shares of Company stock determined by the extent to which the target level of adjusted pre-tax profit for the applicable fiscal year, approved by the Compensation Committee of the Board, has been attained and certified by the Compensation Committee. The terms and conditions of the PS Grants shall be set forth in the Notice of Grant of Performance Shares, the Performance Share Agreement, and the 2008 Equity Incentive Plan (the "PS Documents"). Notwithstanding anything in this Agreement or the PS Documents to the contrary, provided the Executive remains employed by the Company through May 31, 2018: (i) unvested Common Shares attributable to PS Grants for the fiscal years ending in 2017 and 2018 shall become vested on the earlier of the date specified in the Notice of Grant or May 31, 2018; (ii) the number of Vested Performance Shares attributable to the PS Grant for the fiscal year ending in 2019 ("2019 PS Grant") shall be determined on the basis of the extent to which the target level of adjusted pre-tax profit for such fiscal year is attained; and (iii) if the term of the Agreement is not extended beyond May 31, 2018, all unvested Common Shares attributable to the 2019 PS Grant shall become Vested Common Shares on the Performance Share Vesting Date specified in the PS Documents (determined as if the Executive remained employed with the Company).
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Capitalized terms in this paragraph 4(q) shall have the same meanings assigned to such terms in the PS Documents.”

VI. Paragraph 14 of the Employment Agreement is hereby amended by changing the address of the Company to “5130 Hacienda Drive, Dublin, California 94568.”

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

In Witness Whereof, the parties have executed this Amendment as of the date and year first written above.

ROSS STORES, INC.

EXECUTIVE

/s/George P. Orban

/s/Michael Balmuth

By: George Orban
Chairman of the Compensation Committee

Michael Balmuth

6/6/15

5/27/15

Date

Date

EXHIBIT 15

September 9, 2015
Ross Stores, Inc.
Dublin, 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, 2015, and August 2, 2014, as indicated in our report dated September 9, 2015; 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, 2015, is incorporated by reference in Registration Statements No. 33-61373, No. 333-06119, No. 333-34988, No. 333-51478, No. 333-56831, No. 333-115836, and No. 333-151116 on Form S-8, and No. 333-198738 on Form S-3.

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 Statements 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, Barbara Rentler, 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, 2015

/s/Barbara Rentler

Barbara Rentler

Chief Executive Officer

EXHIBIT 31.2

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

I, Michael J. Hartshorn, 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, 2015

/s/Michael J. Hartshorn

Michael J. Hartshorn

Group 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, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Barbara Rentler, 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, 2015

/s/Barbara Rentler

Barbara Rentler

Chief Executive Officer

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, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. Hartshorn, 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, 2015

/s/Michael J. Hartshorn

Michael J. Hartshorn

Group Senior Vice President, Chief Financial Officer, and Principal
Accounting Officer

