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 November 1, 2003

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 0-14678

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes ☒ No ☐

The number of shares of Common Stock, with $.01 par value, outstanding on November 28, 2003 was 75,607,680.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

($000, except stores and per share data, unaudited)	Three Months Ended November 1, 2003	Three Months Ended November 2, 2002	Nine Months Ended November 1, 2003	Nine Months Ended November 2, 2002
SALES	**$ 976,940**	$ 870,196	**$ 2,821,834**	$ 2,566,738
COSTS AND EXPENSES				
Cost of goods sold, including related buying distribution and occupancy costs	**730,245**	649,694	**2,107,699**	1,908,128
Selling, general and administrative	**163,962**	146,398	**460,933**	424,235
Interest (income) expense, net	**(142)**	85	**(273)**	493
Total costs and expenses	**894,065**	796,177	**2,568,359**	2,332,856
Earnings before taxes	**82,875**	74,019	**253,475**	233,882
Provision for taxes on earnings	**32,404**	28,941	**99,109**	91,448
Net earnings	**$ 50,471**	$ 45,078	**$ 154,366**	$ 142,434
EARNINGS PER SHARE				
Basic	**$ .67**	$ .58	**$ 2.02**	$ 1.82
Diluted	**$ .65**	$ .57	**$ 1.99**	$ 1.78
WEIGHTED AVERAGE SHARES OUTSTANDING (000)				
Basic	**75,645**	77,714	**76,323**	78,338
Diluted	**77,238**	79,203	**77,740**	79,974
Stores open at end of period	**573**	510	**573**	510

See notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED BALANCE SHEETS

($000)	November 1, 2003 (Unaudited)	February 1, 2003 (Note A)	November 2, 2002 (Unaudited)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents (includes $10,000 of restricted cash as of November 1, 2003 and February 1, 2003)	**$ 117,717**	$ 150,649	$ 101,490
Accounts receivable	**26,310**	18,349	29,238
Merchandise inventory	**866,864**	716,518	751,845
Prepaid expenses and other	**31,034**	36,904	46,198
Total Current Assets	**1,041,925**	922,420	928,771
PROPERTY AND EQUIPMENT			
Land and buildings	**54,772**	54,772	54,580
Fixtures and equipment	**457,408**	412,496	402,291
Leasehold improvements	**246,600**	232,388	221,421
Construction-in-progress	**107,769**	61,720	41,524
	866,549	761,376	719,816
Less accumulated depreciation and amortization	**399,752**	358,693	343,073
Property and equipment, net	**466,797**	402,683	376,743
Other long-term assets	**50,850**	36,242	35,735
Total Assets	**$ 1,559,572**	$ 1,361,345	$ 1,341,249
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable	**$ 448,029**	$ 397,193	$ 404,880
Accrued expenses and other	**150,192**	114,586	123,833
Accrued payroll and benefits	**99,834**	99,115	107,669
Income taxes payable	**37,785**	15,790	39,265
Total Current Liabilities	**735,840**	626,684	675,647
Long-term debt	**50,000**	25,000	25,000
Other long-term liabilities	**57,693**	41,452	40,556
Deferred income taxes	**25,021**	25,021	7,646
STOCKHOLDERS' EQUITY			
Common stock	**757**	775	776
Additional paid-in capital	**359,734**	341,041	316,317
Retained earnings	**330,527**	301,372	275,307
Total Stockholders' Equity	**691,018**	643,188	592,400
Total Liabilities and Stockholders' Equity	**$ 1,559,572**	$ 1,361,345	$ 1,341,249

See notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

($000 unaudited)	Nine Months Ended November 1, 2003	Nine Months Ended November 2, 2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Net earnings	**$ 154,366**	$ 142,434
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	**54,740**	48,879
Change in assets and liabilities:		
Merchandise inventory	**(150,346)**	(128,455)
Other current assets, net	**(2,091)**	(24,186)
Accounts payable	**55,292**	94,100
Other current liabilities	**59,518**	92,062
Other	**1,222**	6,659
Net cash provided by operating activities	**172,701**	231,493
CASH FLOWS USED IN INVESTING ACTIVITIES		
Additions to property and equipment	**(109,261)**	(88,012)
Net cash used in investing activities	**(109,261)**	(88,012)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Proceeds from long-term debt	**25,000**	25,000
Issuance of common stock related to stock plans	**17,063**	27,198
Repurchase of common stock	**(125,214)**	(123,376)
Dividends paid	**(13,221)**	(11,164)
Net cash used in financing activities	**(96,372)**	(82,342)
Net increase (decrease) in cash and cash equivalents	**(32,932)**	61,139
Cash and cash equivalents:		
Beginning of period	**150,649**	40,351
End of period	**$ 117,717**	$ 101,490

See notes to condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three and Nine Months Ended November 1, 2003 and November 2, 2002
(Unaudited)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation. The accompanying unaudited condensed consolidated financial statements have been prepared from the records of the Company without audit and, in the opinion of management, include all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position at November 1, 2003 and November 2, 2002; the results of operations for the three and nine months ended November 1, 2003 and November 2, 2002; and changes in cash flows for the nine months ended November 1, 2003 and November 2, 2002. The balance sheet at February 1, 2003, presented herein, has been derived from the audited financial statements of the Company for the fiscal year then ended.

Accounting policies followed by the Company are described in Note A to the audited consolidated financial statements for the fiscal year ended February 1, 2003. Certain information and disclosures normally included in the notes to annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted for purposes of the interim condensed consolidated financial statements. The interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements, including notes thereto, contained in the Company's Annual Report on Form 10-K for the year ended February 1, 2003.

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

The condensed consolidated financial statements as of November 1, 2003 and November 2, 2002, and for the three and nine months then ended have been reviewed, prior to filing, by the registrant's independent accountants whose report covering their review of the financial statements is included in this report on page 10.

Reclassifications. Certain reclassifications have been made in the income statements for the three and nine months ended November 2, 2002 to conform to the current year presentation. The Company reclassified buying and distribution costs that were previously included with "selling, general and administrative" expenses to "cost of goods sold." In addition, cost of goods sold also now includes occupancy costs as well as depreciation and amortization related to the Company's stores, buying and distribution operations. Included in selling, general and administrative expenses are costs related to store operating expenses as well as general and administrative expenses including related depreciation and occupancy costs.

Stock Split. On November 19, 2003, subsequent to the end of the three and nine months ended November 1, 2003, the Company announced a two-for-one split of its common stock to be effected in the form of a 100 percent stock dividend to be paid on or about December 18, 2003 to stockholders of record as of December 2, 2003. All share and per share information in this Form 10-Q is presented on a pre-split basis—none of the shares and per share information have been adjusted to reflect the two-for-one stock split.

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

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

		Three Months Ended		Nine Months Ended	
($000, except per share data)		**November 1, 2003**	November 2, 2002	**November 1, 2003**	November 2, 2002
Net earnings	As reported	**$ 50,471**	$ 45,078	**$ 154,366**	$ 142,434
Add: Stock-based employee compensation expense included in reported net earnings, net of tax		**1,975**	1,889	**6,321**	5,543
Deduct: Stock-based employee compensation expense determined under the fair value based method for all awards, net of tax		**(4,071)**	(3,972)	**(12,865)**	(11,642)
Net earnings	Pro forma	**$ 48,375**	$ 42,995	**$ 147,822**	$ 136,335
Basic earnings per share	As reported	**$ .67**	$ .58	**$ 2.02**	$ 1.82
	Pro forma	**.64**	.55	**1.94**	1.74
Diluted earnings per share	As reported	**$ .65**	$ .57	**$ 1.99**	$ 1.78
	Pro forma	**.63**	.55	**1.91**	1.71

At November 1, 2003, the Company had five stock-based compensation plans. SFAS No. 123 establishes a fair value method of accounting for stock options and other equity instruments. For determining pro forma earnings per share, the fair value of the stock options and employees' purchase rights were estimated using the Black-Scholes option pricing model using the following assumptions:

	Three Months Ended		Nine Months Ended	
Stock Options	**November 1, 2003**	November 2, 2002	**November 1, 2003**	November 2, 2002
Expected life from grant date (years)	**2.8**	3.5	**3.0**	3.3
Expected volatility	**39.4%**	50.0%	**43.9%**	48.5%
Risk-free interest rate	**2.0%**	2.3%	**2.0%**	3.1%
Dividend yield	**0.5%**	0.5%	**0.5%**	0.5%

Employee Stock Purchase Plan	Three Months Ended November 1, 2003	Three Months Ended November 2, 2002	Nine Months Ended November 1, 2003	Nine Months Ended November 2, 2002
Expected life from grant date (years)	**1.0**	1.0	**1.0**	1.0
Expected volatility	**31.7%**	38.5%	**31.7%**	38.5%
Risk-free interest rate	**1.4%**	2.0%	**1.4%**	2.0%
Dividend yield	**0.5%**	0.5%	**0.5%**	0.5%

The weighted average fair values per share of stock options granted for the three months ended November 1, 2003 and November 2, 2002, were $12.86 and $14.18, and for the nine months ended November 1, 2003 and November 2, 2002, were $12.42 and $13.61, respectively.

B. EARNINGS PER SHARE (EPS)

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

For the three months ended November 1, 2003 and November 2, 2002, there were 14,989 and 93,052 shares; and for the nine months ended November 1, 2003 and November 2, 2002, there were 145,309 and 43,556 shares that could potentially dilute basic EPS in the future that were excluded from the calculation of diluted EPS because their effect would have been anti-dilutive in the periods presented.

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

	Three Months Ended Basic EPS	Three Months Ended Effect of Dilutive Common Stock Equivalents	Three Months Ended Diluted EPS	Nine Months Ended Basic EPS	Nine Months Ended Effect of Dilutive Common Stock Equivalents	Nine Months Ended Diluted EPS
November 1, 2003						
Shares	**75,645**	**1,593**	**77,238**	**76,323**	**1,417**	**77,740**
Amount	**$ .67**	**$ (.02)**	**$ .65**	**$ 2.02**	**$ (.03)**	**$ 1.99**
November 2, 2002						
Shares	77,714	1,489	79,203	78,338	1,636	79,974
Amount	$ .58	$ (.01)	$ .57	$ 1.82	$ (.04)	$ 1.78

C. LEASES

In July 2003, the Company refinanced its existing five-year operating lease, commonly referred to as a synthetic lease, for its Southern California distribution center with a new ten-year synthetic lease facility that expires in July 2013. Rent expense on this center is payable monthly at a fixed annual rate of 5.8% of the lease balance of $70 million. At the end of the lease term, the Company must refinance the $70 million synthetic lease facility, purchase the distribution center at the amount of the then-outstanding lease balance, or arrange a sale of the distribution center to a third party. If the distribution center is sold to a third party for less than $70 million, the Company has agreed under a residual value guarantee to pay the lessor the shortfall below $70 million not to exceed $56 million.

The Company also entered into an arrangement to lease certain equipment in its stores for its new point of sale system. This lease is accounted for as an operating lease for financial reporting purposes. The initial term of this lease is two years and the Company has options to renew the lease for three one-year periods. Alternatively, the Company may purchase or return the equipment at the end of the initial lease term or each renewal term. The Company has guaranteed the value of the equipment at the end of the initial lease term and each renewal period, if exercised, at amounts not to exceed 57%, 43%, 27% and 10%, respectively, of the equipment's estimated initial fair market value of $24 million.

In accordance with Financial Accounting Standards Board ("FASB") Interpretation ("FIN") 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others," the Company has recognized a liability and corresponding asset for the fair value of the residual value guarantee in the amount of $8.3 million for the Southern California distribution center and $1.5 million for the point of sale lease. These residual value guarantees are being amortized on a straight-line basis over the original terms of the leases. The current portion of the related asset and liability is recorded in "Prepaid expenses and other" and "Accrued expenses and other", respectively, and the long-term portion of the related assets and liabilities is recorded in "Other long-term assets" and "Other long-term liabilities", respectively, in the accompanying condensed consolidated balance sheets.

Other debt and lease obligations of the Company are detailed in the Company's Annual Report on Form 10-K for the year ended February 1, 2003.

D. RECENTLY ISSUED ACCOUNTING STANDARDS

In January 2003, the FASB issued FIN 46, "Consolidation of Variable Interest Entities," which addresses consolidation by business enterprises of entities that are not controllable through voting interests or in which the equity investors do not bear the residual economic risks and rewards. FIN 46 explains how to identify variable interest entities and how an enterprise should assess its interest in an entity to decide whether to consolidate that entity.

The Company believes that consolidation of its $87 million synthetic lease facility for its South Carolina distribution center and its $70 million synthetic lease facility for its Southern California distribution center are not required under FIN 46 because the lessors/owners of these distribution centers are not variable interest entities. Further guidance or clarification related to FIN 46 may be issued by the FASB, Securities and Exchange Commission, or other authoritative bodies which could impact the accounting for these synthetic leases.

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities". SFAS No. 149 amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under Statement 133. SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. The guidance should be applied prospectively. The Company does not expect the adoption of SFAS No. 149 to have a significant impact on its operating results or financial position.

INDEPENDENT ACCOUNTANTS' REPORT

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

We have reviewed the accompanying condensed consolidated balance sheet of Ross Stores, Inc. and subsidiaries (the "Company") as of November 1, 2003 and November 2, 2002, and the related condensed consolidated statements of earnings for the three-month and nine-month periods then ended, and the related condensed consolidated statements of cash flows for the nine-month periods then ended. These interim financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to such condensed consolidated 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 auditing standards generally accepted in the United States of America, the consolidated balance sheet of Ross Stores, Inc. and subsidiaries as of February 1, 2003, and the related consolidated statements of earnings, stockholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated March 12, 2003, 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 February 1, 2003 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ Deloitte & Touche LLP
San Francisco, California
December 12, 2003

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

This section and other parts of this Form 10-Q contain forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in the subsection below entitled "Forward-Looking Statements and Factors Affecting Future Performance." The following discussion should be read in conjunction with the condensed consolidated financial statements and notes thereto included elsewhere in this Form 10-Q and the consolidated financial statements and notes thereto in the Company's 2002 Form 10-K. All information is based on the Company's fiscal calendar.

RESULTS OF OPERATIONS

	Three Months Ended		Nine Months Ended	
	November 1, 2003	November 2, 2002	**November 1, 2003**	November 2, 2002
SALES				
Sales (millions)	**$ 977**	$ 870	**$ 2,822**	$ 2,567
Sales growth	**12.3%**	17.7%	**9.9%**	20.0%
Comparable store sales growth	**2%**	7%	**0%**	9%
COSTS AND EXPENSES (as a percent of sales)				
Cost of goods sold, including related buying, distribution and occupancy costs	**74.7%**	74.7%	**74.7%**	74.4%
Selling, general and administrative	**16.8%**	16.8%	**16.3%**	16.5%
EARNINGS BEFORE TAXES	**8.5%**	8.5%	**9.0%**	9.1%
NET EARNINGS	**5.2%**	5.2%	**5.5%**	5.5%

Certain reclassifications have been made in the income statements for the three and nine months ended November 2, 2002 to conform to the current year presentation. The Company reclassified buying and distribution costs that were previously included with "selling, general and administrative" expenses to "cost of goods sold." In addition, cost of goods sold also now includes occupancy costs as well as depreciation and amortization related to the Company's stores, buying and distribution operations. Included in selling, general and administrative expenses are costs related to store operating expenses as well as general and administrative expenses including related depreciation and occupancy costs.

Stores. Total stores open as of November 1, 2003 and November 2, 2002 were 573 and 510, respectively.

	Three Months Ended		Nine Months Ended	
	November 1, 2003	November 2, 2002	**November 1, 2003**	November 2, 2002
Stores at the beginning of the period	**553**	487	**507**	452
Stores opened in the period	**20**	23	**66**	60
Stores closed in the period	**—**	—	**—**	(2)
Stores at the end of the period	**573**	510	**573**	510

Sales. The 12% total sales increase for the three months ended November 1, 2003 over the prior year period reflects the opening of 20 new stores, a 2% increase over the prior year in "comparable" store sales (defined as stores that have been open for more than 14 complete months), and the three months impact of the non-comparable stores opened in 2002 and 2003. The 10% total sales increase for the nine months ended November 1, 2003 over the prior year period reflects the opening of 66 new stores, "comparable" store sales that were flat compared with the prior year period, and the nine months impact of the non-comparable stores opened in 2002 and 2003.

The Company's sales mix for the three and nine months ended November 1, 2003 and November 2, 2002 was as follows:

	Three Months Ended		Nine Months Ended	
	November 1, 2003	November 2, 2002	**November 1, 2003**	November 2, 2002
Ladies'	**35%**	35%	**35%**	35%
Home accents and bed and bath	**20%**	18%	**19%**	18%
Men's	**16%**	18%	**17%**	18%
Fine jewelry, accessories, lingerie and fragrances	**11%**	12%	**12%**	12%
Children's	**10%**	10%	**9%**	9%
Shoes	**8%**	7%	**8%**	8%
Total	**100%**	100%	**100%**	100%

Management expects to address the competitive climate for apparel and off-price retailers by pursuing and refining the Company's existing strategies and by continuing to strengthen the merchandise organization, diversifying the merchandise mix, and more fully developing the organization and systems to strengthen regional merchandise offerings. Although the Company's existing strategies and store expansion program contributed to sales and earnings gains for the three and nine month periods ended November 1, 2003, there can be no assurance that these strategies will result in a continuation of revenue and profit growth.

Cost of Goods Sold. Cost of goods sold as a percentage of sales for the three months ended November 1, 2003, were flat compared with the same period in the prior year. Merchandise margins increased by approximately 10 basis points, and distribution and logistics costs decreased by approximately 10 basis points, compared to the same period in the prior year. These increases in merchandise margins and decreases in distribution costs as a percentage of sales in the most recent quarter were more than offset by store occupancy costs, which increased by approximately 30 basis points as a percentage of sales compared to the same period in the prior year, largely due to reduced leverage resulting from the decrease in the rate of comparable store sales increase from the same period in the prior year.

Cost of goods sold as a percentage of sales increased from 74.4% to 74.7% for the nine months ended November 1, 2003, compared to the same period in the prior year. Merchandise margins decreased by approximately 15 basis points, offset by lower distribution and logistics costs of approximately 15 basis points. In addition, store occupancy costs increased by approximately 30 basis points largely attributable to reduced leverage resulting from the decrease in the rate of comparable store sales increase from the same period in the prior year.

There can be no assurance that the gross profit margins realized for the three and nine months ended November 1, 2003 will continue in the future.

Selling, General and Administrative Expenses. For the three months ended November 1, 2003, Selling, general and administrative expenses (SG&A) as a percentage of sales decreased by approximately 5 basis points, due primarily to lower benefit and incentive plan costs compared to the prior year. These expense reductions more than offset a slight increase in store expenses as a percentage of sales for the three months ended November 1, 2003.

For the nine months ended November 1, 2003, SG&A as a percentage of sales decreased by approximately 20 basis points due primarily to lower benefit and incentive plan costs compared to the prior year. These expense improvements more than offset a slight increase in store expenses as a percentage of sales for the nine months ended November 1, 2003.

Taxes on Earnings. The Company's effective tax rate for the three and nine months ended November 1, 2003 and November 2, 2002 was approximately 39%, which represents the applicable federal and state statutory rates reduced by the federal benefit received for state taxes. During 2003, the Company expects its effective tax rate to remain at approximately 39%.

Net Earnings. Net earnings as a percentage of sales for the three and nine months ended November 1, 2003, were flat compared to the same period in the prior year. A slight increase in cost of goods sold as a percentage of sales was partially offset by a decrease in SG&A as a percentage of sales.

Diluted Earnings. Diluted earnings per share for the three months ended November 1, 2003 increased by approximately 14% as a result of a 12% increase in net earnings and a reduction in weighted average diluted shares outstanding which was largely attributable to the acquisition of common stock under the Company's stock repurchase program. Diluted earnings per share for the nine months ended November 1, 2003 increased by approximately 12% as a result of an 8% increase in net earnings and a reduction in weighted average diluted shares outstanding which was largely attributable to the acquisition of common stock under the Company's stock repurchase program.

FINANCIAL CONDITION

LIQUIDITY AND CAPITAL RESOURCES

($000)	Nine Months Ended November 1, 2003	Nine Months Ended November 2, 2002
Cash flows from Operating activities	$ **172,701**	$ 231,493
Cash flows used in Investing activities	**(109,261)**	(88,012)
Cash flows used in Financing activities	**(96,372)**	(82,342)
Net increase (decrease) in cash and cash equivalents	$ **(32,932)**	$ 61,139

Operating Activities

Net cash provided by operating activities was $172.7 million for the nine months ended November 1, 2003, and $231.5 million for the nine months ended November 2, 2002. The primary source of cash from operations for the nine months ended November 1, 2003 was net earnings plus non-cash expenses for depreciation and amortization, partially offset by cash used to finance merchandise inventory. Working capital (defined as current assets less current liabilities) was $306 million as of November 1, 2003, compared to $253 million as of November 2, 2002. The Company's primary source of liquidity is the sale of its merchandise inventory. Management regularly reviews the age and condition of its merchandise and is able to maintain current inventory in its stores through the replenishment processes and liquidation of slower-moving merchandise through clearance markdowns.

Investing Activities

During the nine month periods ended November 1, 2003 and November 2, 2002, the Company spent approximately $109 million and $88 million, respectively for capital expenditures (net of leased equipment) for fixtures and leasehold improvements to open new stores, implementation of management information systems, implementation of materials handling equipment and related distribution center systems and for various other expenditures related to existing stores, merchant and corporate offices.

Financing Activities

As of November 1, 2003 and November 2, 2002, liquidity and capital requirements were provided by cash flows from operations, bank credit facilities and trade credit. Substantially all of the Company's store sites, certain distribution centers and buying offices are leased and, except for certain leasehold improvements and equipment, do not represent long-term capital investments. The Company owns its distribution centers and corporate headquarters in Newark, California, and its distribution center in Carlisle, Pennsylvania.

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

The table below presents significant contractual payment obligations of the Company as of November 1, 2003:

($000) Contractual Obligations	Less than 1 Year	2 – 3 Years	4 – 5 Years	After 5 Years	Total
Long-term debt	$ —	$ —	$ 50,000	$ —	$ 50,000
Operating leases	194,138	351,081	289,734	439,595	1,274,548
Distribution Center Financings:					
Synthetic leases	9,611	16,458	8,176	19,759	54,004
Other synthetic lease obligations	—	87,519	—	56,000	143,519
Total contractual obligations	$ 203,749	$ 455,058	$ 347,910	$ 515,354	$ 1,522,071

Long-Term Debt. In June 2002, the Company entered into a new $50 million senior unsecured term loan agreement to finance the equipment and information systems for the new Southern California distribution center. The Company borrowed $25 million under this term loan in September 2002 and made the final draw of $25 million under this term loan in February 2003. Interest is payable no less than quarterly at the bank's applicable prime rate or at LIBOR plus an applicable margin (currently 150 basis points), which resulted in an effective interest rate of 2.6% at November 1, 2003. All amounts outstanding under the term loan will be due and payable in December 2006. Borrowings under this term loan are subject to certain operating and financial covenants including maintaining certain interest rate coverage and leverage ratios.

Leases. Substantially all of the Company's store sites, buying offices and certain distribution centers are leased. The Company owns its distribution center and corporate headquarters in Newark, California, and its distribution center in Carlisle, Pennsylvania.

In July 2003, the Company entered into an arrangement to lease certain equipment in its stores for its new point of sale system. This lease is accounted for as an operating lease for financial reporting purposes. The initial term of this lease is two years and the Company has options to renew the lease for three one-year periods. Alternatively, the Company may purchase or return the equipment at the end of the initial or each renewal term. The Company has guaranteed the value of the equipment at the end of the initial lease term and each renewal period, if exercised, at amounts not to exceed 57%, 43%, 27% and 10%, respectively, of the equipment's estimated initial fair market value of $24 million. The Company's obligation under the residual value guarantee at the end of the original lease term of 57% of the equipment's initial fair value, or $13.3 million, is included in "Other synthetic lease obligations" in the table above.

Distribution Center Financings. The Company leases a 1.3 million square foot distribution center in Fort Mill, South Carolina, which was completed in July 2002. This distribution center, including equipment and systems, is being financed under an $87.3 million, five-year operating lease, commonly referred to as a synthetic lease, which expires in May 2006. Monthly rent expense is currently payable at 75 basis points over 30-day LIBOR on the lease balance of $87.3 million. At the end of the lease term, the Company must refinance the $87.3 million synthetic lease facility, purchase the distribution center at the amount of the lease balance, or arrange a sale of the distribution center to a third party. The Company has agreed under a residual value guarantee to pay the lessor up to 85% of the lease balance. The Company's obligation under this residual value guarantee of $74.2 million is included in Other synthetic lease obligations in the table above.

In April 2002, construction began on a new 1.3 million square foot distribution center, which opened in September 2003. This new center is located in Perris, California approximately 70 miles southeast of Los Angeles. The Company is currently transitioning production from its current 19-year-old Newark, California distribution center to the new Southern California center and expects to complete the transition in the fourth quarter of fiscal 2003.

In July 2003, the Company refinanced its existing five-year operating lease, commonly referred to as a synthetic lease, for its Southern California distribution center with a new ten-year synthetic lease facility that expires in July 2013. Rent expense on this center is payable monthly at a fixed annual rate of 5.8% on the lease balance of $70 million. At the end of the lease term, the Company must refinance the $70 million synthetic lease facility, purchase the distribution center at the amount of the then-outstanding lease balance, or arrange a sale of the distribution center to a third party. If the distribution center is sold to a third party for less than $70 million, the Company has agreed under a residual value guarantee to pay the lessor the shortfall below $70 million not to exceed $56 million. The Company's contractual obligation of $56 million is included in "Other synthetic lease obligations" in the above table. The equipment and systems for the Southern California center were financed with a $50 million, five year senior unsecured term debt facility, which is included in "Long-term debt" in the table above.

The two synthetic lease facilities described above, as well as the Company's long-term debt and revolving credit facility, have covenant restrictions requiring the Company to maintain certain interest rate coverage and leverage ratios. In addition, the interest rates under these agreements may vary depending on the Company's actual interest coverage ratios. As of November 1, 2003, the Company was in compliance with these covenants.

In January 2003, the FASB issued FIN 46, "Consolidation of Variable Interest Entities," which addresses consolidation by business enterprises of entities that are not controllable through voting interests or in which the equity investors do not bear the residual economic risks and rewards. FIN 46 explains how to identify variable interest entities and how an enterprise should assess its interest in an entity to decide whether to consolidate that entity.

The Company believes that consolidation of its $87 million synthetic lease facility for its South Carolina distribution center and its $70 million synthetic lease facility for its Southern California distribution center are not required under FIN 46 because the lessors/owners of these distribution centers are not variable interest entities. Further guidance or clarification related to FIN 46 may be issued by the FASB, Securities and Exchange Commission, or other authoritative bodies which could impact the accounting for these synthetic leases.

The table below presents significant commercial credit facilities available to the Company as of November 1, 2003:

($000) Commercial Credit Available	Amount of Commitment Expiration Per Period: Less than 1 Year	2 - 3 Years	4 - 5 Years	Over 5 Years	Total Amount Committed
Revolving credit facility*	$ 350,000	$ —	$ —	$ —	$ 350,000
Standby letters of credit, excluding those secured by the revolving credit facility	50,559	—	—	—	50,559
Total commercial commitments	$ 400,559	$ —	$ —	$ —	$ 400,559

* Contains a $75 million sublimit for issuances of letters of credit, $58 million of which is available as of November 1, 2003.

Revolving Credit Facility. The Company has a three-year, $350 million revolving credit facility with its banks, which contains a $75 million sublimit for issuances of letters of credit. Interest is LIBOR-based plus an applicable margin (currently 87.5 basis points) and is payable upon borrowing maturity but no less than quarterly. Borrowing under this credit facility is subject to the Company maintaining certain interest rate coverage and leverage ratios. As of November 1, 2003, the Company had no borrowings outstanding under this facility.

Standby Letters of Credit. The Company uses standby letters of credit to collateralize certain obligations related to its self-insured workers' compensation and general liability claims. The Company had $67.3 million in standby letters of credit outstanding as of November 1, 2003.

Trade Letters of Credit. The Company had $15.7 million in trade letters of credit as of November 1, 2003.

Dividends. In May 2003, a quarterly cash dividend payment of $.0575 per common share was declared by the Company's Board of Directors, and was paid on July 1, 2003. In August 2003, a quarterly cash dividend of $.0575 per common share was declared by the Company's Board of Directors, and was paid on October 1, 2003. On November 19, 2003, a quarterly cash dividend of $.0575 per common share was declared by the Company's Board of Directors, payable on or about January 2, 2004, to stockholders of record as of December 2, 2003. Cash payments for dividends on the Company's common stock totaled $13.2 million and $11.2 million for the nine months ended November 1, 2003 and November 2, 2002, respectively.

Stock Repurchase Program. In January 2002, the Company announced that the Board of Directors authorized a stock repurchase program of up to $300 million over two years. The Company repurchased a total of $150 million of common stock during 2002 under this program and expects to complete the remaining $150 million authorization in 2003. During the nine months ended November 1, 2003, the Company repurchased approximately 3.0 million shares for an aggregate purchase price of approximately $125.2 million.

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

FORWARD-LOOKING STATEMENTS AND FACTORS AFFECTING FUTURE PERFORMANCE

This report includes a number of forward-looking statements, which reflect the Company's current beliefs and estimates with respect to future events and the Company's future financial performance, operations and competitive position. The words "expect," "anticipate," "estimate," "believe," "looking ahead," "forecast," "plan" and similar expressions identify forward-looking statements.

The Company's continued success depends, in part, upon its ability to increase sales at existing locations, to open new stores and to operate stores on a profitable basis. There can be no assurance that the Company's existing strategies and store expansion program will result in a continuation of revenue and profit growth. Future economic and industry trends that could potentially impact revenue and profitability remain difficult to predict.

The forward-looking statements that are contained in this report are subject to risks and uncertainties that could cause the Company's actual results to differ materially from historical results or current expectations. These factors include, without limitation, a general deterioration in economic trends, changes in geopolitical conditions, ongoing competitive pressures in the apparel industry, the Company's ability to obtain acceptable store locations, the Company's ability to continue to purchase attractive brand-name merchandise at desirable discounts, the Company's ability to successfully transition and retrofit certain of its distribution centers in a timely and cost-effective manner, the Company's ability to successfully extend its geographic reach into new markets, unseasonable weather trends, changes in the level of consumer spending on or preferences in apparel or home-related merchandise, the Company's ability to attract and retain personnel with the retail talent necessary to execute its strategies, the Company's ability to implement and integrate various new systems and technologies, and greater than planned costs. In addition, the Company's corporate headquarters, two of its distribution centers and 32% of its stores are located in California. Therefore, a downturn in the California economy or a major natural disaster there could significantly affect the Company's operating results and financial condition.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

Interest that is payable on the Company's revolving credit facilities and long-term debt is based on variable interest rates and is, therefore, affected by changes in market interest rates. In addition, lease payments under certain of the Company's synthetic lease agreements are determined based on variable interest rates and are, therefore, affected by changes in market interest rates. As of November 1, 2003, the Company had no borrowings outstanding under its revolving credit facilities and had $50 million of long-term debt outstanding which accrues interest at LIBOR plus 150 basis points.

A hypothetical 100 basis point increase in prevailing market interest rates would not have materially impacted its consolidated financial position, results of operations, or cash flows for the nine months ended November 1, 2003. The Company does not consider the potential losses in future earnings and cash flows from reasonably possible near term changes in interest rates to be material. The Company does not currently use derivative financial instruments in its investment portfolio.

ITEM 4. CONTROLS AND PROCEDURES

(a) Under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, the Company's management has evaluated the effectiveness of its disclosure controls and procedures, as such term is defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's existing disclosure controls and procedures were effective as of the end of the period covered by this quarterly report.

(b) There have been no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation referenced in paragraph (a) above.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Incorporated herein by reference to the list of Exhibits contained in the Exhibit Index that begins on page 21 of this Report.

(b) Reports on Form 8-K

During the period that is the subject of this quarterly report, the Company furnished current reports on Form 8-K, to reference and include as exhibits press releases issued to the public by the Company, on the following dates:

1. August 7, 2003 – reporting under Item 12
2. August 20, 2003 – reporting under Item 12
3. September 4, 2003 – reporting under Item 5

SIGNATURES

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

ROSS STORES, INC.
Registrant

Date: December 12, 2003

/s/ J. Call

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

INDEX TO EXHIBITS

Exhibit Number	Exhibit
3.1	Amendment of Certificate of Incorporation dated June 5, 2002 and Corrected First Restated Certificate of Incorporation, incorporated by reference to Exhibit 3.1 to the Form 10-Q filed by Ross Stores for its quarter ended May 4, 2002.
3.2	Amended By-laws, dated August 25, 1994, incorporated by reference to Exhibit 3.2 to the Form 10-Q filed by Ross Stores for its quarter ended July 30, 1994.
10.31	Amendment to the 2002 Independent Contractor Consultancy Agreement between Ross Stores, Inc., and Stuart G. Moldaw, effective as of August 21, 2003.
15	Letter re: Unaudited Interim Financial Information.
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.

Exhibit 10.31

AMENDMENT TO 2002 INDEPENDENT CONTRACTOR CONSULTANCY AGREEMENT

This Amendment to the 2002 Independent Contractor Consultancy Agreement (the "Consultancy Agreement", attached hereto) is made and entered into effective August 21, 2003, by and between Ross Stores, Inc. (the "Company") and Stuart G. Moldaw (the "Consultant"). The Company and the Contractor previously entered into the Consulting Agreement, which became effective April 1, 2002 and which continues in effect through March 31, 2005. It is now the intention of the Company and the Contractor to amend the Consultancy Agreement as set forth below. Accordingly, the Company and the Contractor now amend the Consultancy Agreement as follows:

A. Amendments.

Paragraph 1.2(a) will be amended to add the following sentence to the existing paragraph:

"Beginning the calendar quarter starting October 2003, Consultant's quarterly payment will increase from $20,000 to $25,000 per calendar quarter, payable on the first day of each calendar quarter."

Paragraph 1.2(c) will be amended in its entirety to read as follows:

"Consultant understands that he is receiving the above increase in his quarterly payment in lieu of Ross continuing to pay the premiums of the Split-Dollar Life Insurance Policy No. L86920003 with AIG Life Insurance Company (the "Policy"), which the Company has otherwise agreed to pay through the completion date of this Agreement. In the event the Company resumes paying such premium on behalf of Consultant, Consultant's quarterly payments will revert back to their original levels of $20,000.00 per calendar quarter."

Paragraph 4.4 will be amended in its entirety to read as follows:

"4.4 Complete Understanding: Modification. This Agreement and any amendments thereto constitute the complete and exclusive understanding and agreement of the parties and supersedes all prior understandings and agreement, whether written or oral, with respect to the subject matter hereof. Any waiver, modification or further amendment of any provision of this Agreement or the First Amendment will be effective only if in writing and signed by the parties hereto."

B. No Other Modifications.

Except as modified by this Amendment, the Independent Contractor Consultancy Agreement which became effective April 1, 2002, and all provisions in that agreement, shall remain in force as provided therein.

The parties have executed this Amendment on the date(s) shown below.

ROSS STORES, INC. **(the "Company")**		**STUART G. MOLDAW** **("Consultant")**	
By:	/s/ Michael Balmuth	By:	/s/ Stuart G. Moldaw
Name:	Michael Balmuth	Date:	9/4/03
Title:	Vice Chairman and CEO		
Date:	9-10-03		

EXHIBIT 15

December 12, 2003

Ross Stores, Inc.
Newark, California

We have made a review, in accordance with standards established by the American Institute of Certified Public Accountants, of the unaudited interim condensed consolidated financial information of Ross Stores, Inc. and subsidiaries for the periods ended November 1, 2003 and November 2, 2002, as indicated in our report dated December 12, 2003; 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 November 1, 2003, is incorporated by reference in Registration Statements Nos. 33-61373, 33-51916, 33-51896, 33-51898, 33-41415, 33-41413, 33-29600, 333-56831, 333-06119, 333-34988 and 333-51478 on Form S-8.

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

Yours truly,

/s/ Deloitte & Touche LLP
San Francisco, California

EXHIBIT 31.1

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

I, Michael Balmuth, certify that:

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

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) 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

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 12, 2003

/s/ Michael Balmuth
Michael Balmuth
Vice Chairman and Chief Executive Officer

EXHIBIT 31.2

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

I, John G. Call, certify that:

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

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) 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

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 12, 2003

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

EXHIBIT 32.1

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

In connection with the Quarterly Report of Ross Stores, Inc. (the "Company") on Form 10-Q for the quarter ended November 1, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Balmuth, as Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 ("Section 906"), that, to the best of my knowledge:

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

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

Date:	December 12, 2003	/s/ Michael Balmuth
		Michael Balmuth,
		Chief Executive Officer

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

EXHIBIT 32.2

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

In connection with the Quarterly Report of Ross Stores, Inc. (the “Company”) on Form 10-Q for the quarter ended November 1, 2003 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, John G. Call, as Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (“Section 906”) , that, to the best of my knowledge:

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

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

Date: December 12, 2003

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

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