ROSS STORES, INC.

JANUARY 2006 SALES RELEASE

RECORDED COMMENTS

BY

JOHN CALL

SENIOR VICE PRESIDENT &

CHIEF FINANCIAL OFFICER

THURSDAY, FEBRUARY 2, 2006

Good morning:

Welcome to this Ross Stores pre-recorded message that provides additional information on our January sales release issued on Thursday, February 2nd, 2006. This is John Call, the Company's Chief Financial Officer. This recording will be available through Friday, February 3rd. In addition, a written transcript will be available on our website at rossstores.com through the end of February.

As a reminder, today's press release and recorded comments contain forward-looking statements regarding expected sales and earnings levels that are subject to risks and uncertainties which could cause the Company's actual results to differ materially from management's current expectations. The estimated earnings per share for the fourth quarter and fiscal year ended January 28, 2006 are preliminary and subject to adjustments. The words "plan," "expect," "anticipate," "estimate," "believe," "forecast," "projected," "guidance," "looking ahead" and similar expressions identify forward-looking statements. Risk factors for Ross Stores and dd's DISCOUNTS® include, without limitation, the Company's ability to effectively operate and integrate various supply chain and core merchandising systems, including generation of all necessary information in a timely and cost effective manner; achieving and maintaining targeted levels of productivity and efficiency in its distribution centers; obtaining acceptable new store locations; competitive pressures in the apparel industry; changes in the level of consumer spending on or preferences for apparel or home-related merchandise; changes in geopolitical and general economic conditions; unseasonable weather trends; disruptions in supply chain; lower than planned gross margin, including higher than planned markdowns and higher than expected inventory shortage; and greater than planned operating costs. Other risk factors are detailed in the Company's SEC filings including, without limitation, the Form 10-K for fiscal 2004 and the Form 10-Q's and Form 8-K's for fiscal 2005. The factors underlying our forecasts are dynamic and subject to change. As a result, our forecasts speak only as of the date they are given and do not necessarily reflect the Company's outlook at any other point in time. The Company does not undertake to update or revise these forward-looking statements.

Sales for the four weeks ended January 28th, 2006 were 289 million dollars, a 19 percent increase from the 242 million dollars in sales for the four weeks ended January 29th, 2005. Same store sales for the four weeks ended January 28th, 2006 increased 9 percent over the prior year.

For the 13 weeks ended January 28th, 2006, sales rose 16 percent to 1 billion 411 million dollars, compared to 1 billion 212 million dollars for the 13 weeks ended January 29th, 2005. Comparable store sales for the fourth quarter grew 6 percent over the prior year.

For the 52 weeks ended January 28th, 2006, sales totaled 4 billion 944 million dollars, up 17 percent from the 4 billion 240 million dollars in sales for the 52 weeks ended January 29th, 2005. Comparable store sales for fiscal 2005 increased 6 percent over the prior year.

The strongest regions during January were the Southwest and the mid Atlantic, both of which posted percentage same store sales growth in the mid to high teens for the month. California comparable store sales rose a solid 6 percent during January.

Juniors and Shoes remained the strongest performing merchandise departments during the month, with same store sales up in the 20 percent range. Children's and Men's also posted healthy percentage gains in comparable store sales in the high single to low double digit range.

As we ended January, average in-store inventories were relatively flat to the prior year on a comparable store basis. Total consolidated inventories are estimated to be up about 10 percent, driven mainly by the growth in new stores offset by lower levels of packaway. Packaway is estimated to be about 41 percent of total inventories at month end, compared to 43 percent at the same time last year.

Our January sales results were well ahead of our expectation for a 3 to 4 percent increase in comparable store sales. As a result, we now estimate that earnings per share for the 13 and 52 week periods ended January 28, 2006 will be about 48 to 49 cents and $1.35 to $1.36, respectively. We expect to report final results for the 13 and 52 weeks ended January 28, 2006 on Wednesday, March 15, 2006.

Looking ahead, for the 52 weeks ending January 27, 2007, we continue to forecast same store sales gains of 3 to 4 percent, on top of a 6 percent increase in fiscal 2005. For the full 2006 fiscal year (the 53 weeks ending February 3, 2007), we project that earnings per share will be in the range of $1.53 to $1.64, inclusive of projected non-cash charges for stock option expense equivalent to about 6 to 7 cents per share for the period. Like most other public companies, we will begin taking a charge for the value of stock options in the first quarter of 2006. Excluding the new stock option expenses, we continue to project that earnings per share for our 53-week fiscal year in 2006 would be in the range of $1.60 to $1.70. Both of these forecasts are inclusive of an estimated benefit of about 6 to 7 cents in earnings per share from the 53rd week in fiscal 2006.

Following are more detailed operating statement assumptions supporting our earnings per share forecasts for fiscal 2006. Note that all operating margin trends described below are before the impact of the projected non-cash charges related to stock option expensing.

- Sales are projected to grow about 11 to 12 percent for the 53 weeks ending February 3, 2007 compared to the 52 weeks ended January 28, 2006. We estimate that the 53rd week in 2006 will add about 80 million dollars in revenue, which is included in this projected growth rate.
- We are planning total unit growth of about 8 percent -- a net addition of about 55 new Ross locations and about 5 dd's DISCOUNTS® stores.
- As previously noted, same store sales on a 52-week basis are forecast to increase about 3 to 4 percent during fiscal 2006.

- Operating margin before stock option expense for the upcoming year is projected to be about 6.9 to 7.3 percent compared to our estimate of approximately 6.5 to 6.6 percent for 2005.
- The main drivers of forecasted operating margin improvement in 2006 are a projected improvement in merchandise gross margin and distribution expenses, partially offset by some incremental pressures on occupancy and other fixed costs resulting mainly from our forecast for relatively flat average store volumes in 2006 compared to the prior year.
- dd's DISCOUNTS® is projected to pressure total operating margin in 2006 by about 40 basis points.
- Depreciation and amortization expense in 2006 is forecast to be approximately 130 million dollars, compared to an estimated 110 million dollars in 2005.
- Capital expenditures in 2006 are estimated to be about 255 million dollars compared to about 175 million dollars in 2005. Capital expenditures for 2006 include 145 million dollars in distribution center investments, reflecting the buyout of the current lease for our Southeast distribution center and capital investments in equipment for our new Moreno Valley, California facility. The balance of 110 million dollars in capital spending for 2006 is for new stores, maintenance, systems and miscellaneous corporate and buying office investments.
- Interest costs are forecasted to be approximately 2 million dollars.
- The tax rate is expected to remain unchanged at about 39 percent.
- We expect to buy back additional shares of common stock and utilize about one-half of our new two-year 400 million dollar stock repurchase authorization in 2006 – or about 200 million dollars.
- Diluted shares are forecasted to be approximately 144 million.

For the first quarter ending April 29, 2006, we currently project that same store sales will grow 4 to 5 percent compared to the prior year and that earnings per share will be in the range of 37 to 39 cents, inclusive of projected non-cash charges for stock option expense equivalent to about one to two cents per share for the period. Excluding the new stock option expenses, the projected earnings per share for the same period would be in the range of 38 to 40 cents, compared to 34 cents for the 13 weeks ended April 30, 2005. Looking ahead to the balance of the year, we are planning same store sales to grow 3 to 4 percent in both the second and third quarters, and 2 to 3 percent in the fourth quarter (on a 52-week basis).

Following are more detailed operating statement assumptions that support the projected first quarter 2006 earnings per share range of 38 to 40 cents before projected non-cash charges related to stock option expensing:

- Sales are expected to grow about 11 to 13 percent for the 13 weeks ending April 29, 2006, compared to the 13 weeks ended April 30, 2005.
- We are forecasting a net addition of 12 new stores during the quarter, to end the period with 746 locations.
- Same store sales are forecasted to increase 4 to 5 percent. By month, we are forecasting same store sales to be up 4 to 5 percent in February, up 1 to 2

percent in March, and up 7 to 8 percent in April. March and April sales assumptions reflect the Easter calendar shift, with the holiday moving from the last Sunday of March in 2005 to the third Sunday of April in 2006.

- Operating margin before stock option expense is projected to be in the range of 7.3 to 7.5 percent, compared to 7.3 percent for the first quarter of fiscal 2005. As a percent of sales, a forecasted decline in selling, general and administrative costs is expected to be partially offset by slightly lower total gross margin, with projected improvements in distribution costs forecast to be offset by higher shrink expense and some incremental pressure on occupancy costs.
- We are forecasting interest income of approximately 1 million dollars for the quarter.
- Our tax rate is expected to remain unchanged at about 39 percent, and
- We estimate weighted average diluted shares outstanding of about 145 million.

We plan to report February sales results on Thursday, March 2nd and final fourth quarter and fiscal 2005 earnings results on Wednesday, March 15th. If you have any further questions, please do not hesitate to call me at (925) 965-4315 or Katie Loughnot, Vice President of Investor Relations, at (925) 965-4509.