

Ross Stores, Inc. (ROST)

Ross Stores, Inc
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Ross Stores (ROST)

- Ross Stores, Inc., along with its subsidiaries, operates two brands of off-price retail apparel and home fashion stores.
 - As of January 28, 2012, the Company operated a total of 1,125 stores:
 - 1,037 were Ross Dress for Less (Ross) locations in 29 states, the District of Columbia, and Guam
 - 88 were dd's DISCOUNTS stores in seven states



Ross Stores (ROST)

- Ross Dress For Less
 - offers first-quality, in-season, name brand and designer apparel, accessories, footwear and home fashions for the entire family
 - everyday savings of 20% to 60% off department and specialty store regular prices.
- dd's DISCOUNTS
 - features a more moderately-priced assortment of first-quality, in-season, name brand and designer apparel, accessories, footwear and home fashions for the entire family
 - everyday savings of 20% to 70% off moderate department and discount store regular prices.



Ross Stores (ROST)

- Mission
 - Maintain an appropriate level of recognizable brands, labels and fashions at strong discounts throughout the store
 - Meet customer needs on a local basis
 - Deliver an in-store shopping experience that reflects the expectations of the off-price customer
 - Manage real estate growth to compete effectively across all our markets



Ross Stores (ROST)

- Majority of apparel and apparel-related merchandise acquired through opportunistic purchases
 - Manufacture overruns
 - Canceled orders
 - Both during and at the end of a season
- Close-out
 - Can be shipped to stores in-season, allowing in-season goods into the stores at lower prices
- Packaway (49% of the business)
 - Purchased with the intent that it will be stored in our warehouses until a later date

Ross Stores (ROST)

	Three Months Ended		Nine Months Ended	
	October 27, 2012	October 29, 2011	October 27, 2012	October 29, 2011
Ladies	29%	29%	30%	31%
Home accents and bed and bath	23%	24%	23%	24%
Accessories, lingerie, fine jewelry, and fragrances	14%	13%	13%	12%
Shoes	13%	13%	13%	13%
Men's	12%	12%	13%	12%
Children's	9%	9%	8%	8%
Total	100%	100%	100%	100%



Ross Stores (ROST)

- Competition
 - Department stores
 - Specialty stores
 - Discount stores
 - Warehouse stores
 - Other off-price retailers and manufacturer-owned outlet stores

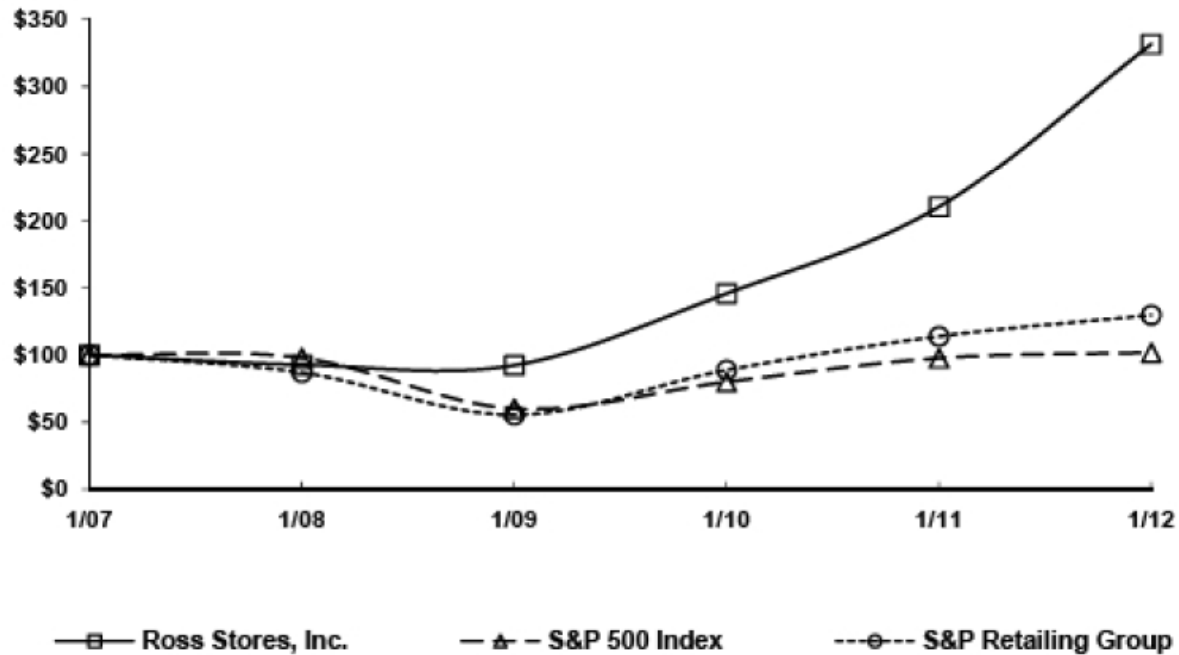


Ross Stores (ROST)

- Implied Growth
 - 2012 – 9 months ended – Oct 27, 2012 – 79 net new stores opened
 - 2011 – 70 net new stores
 - 2010 – 50 net new stores
 - 2009 – 49 net new stores
- Recent entry into the Midwest
 - Illinois – 12
 - Arkansas - 2

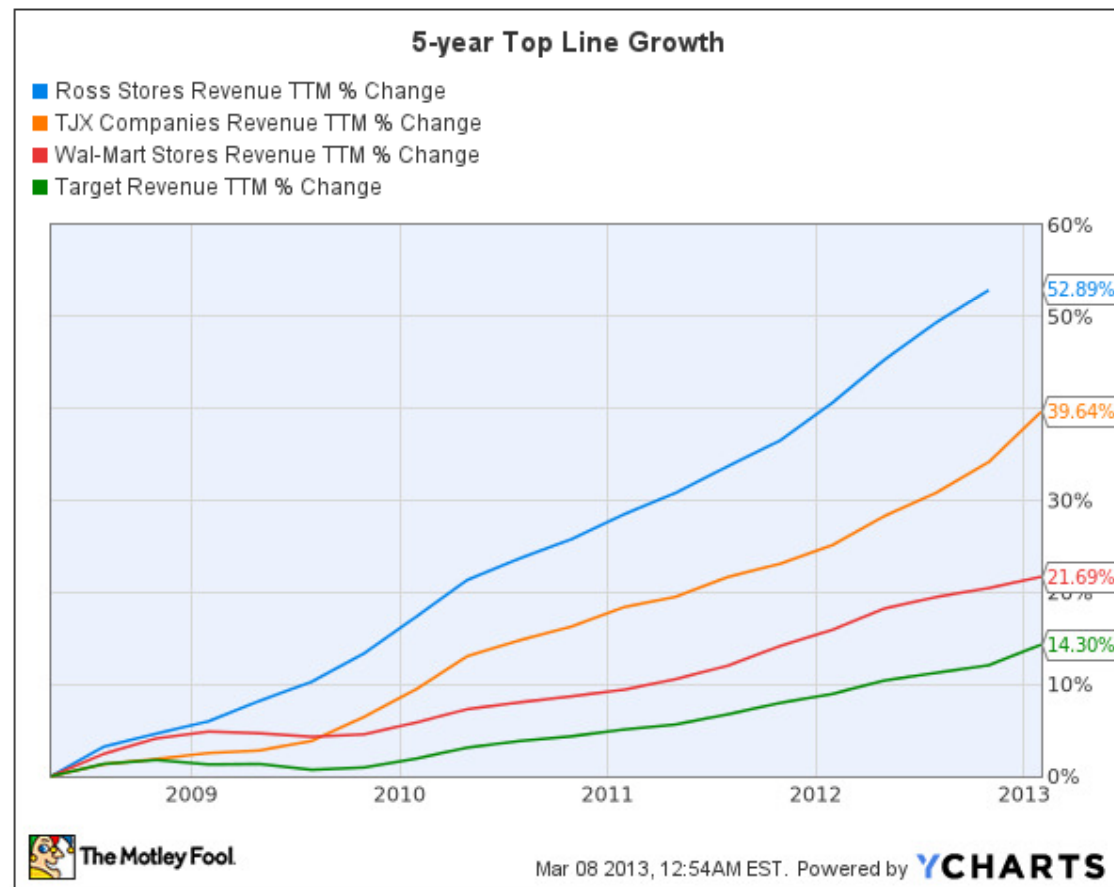
Ross Stores (ROST)

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*
Among Ross Stores, Inc., the S&P 500 Index, and S&P Retailing Group

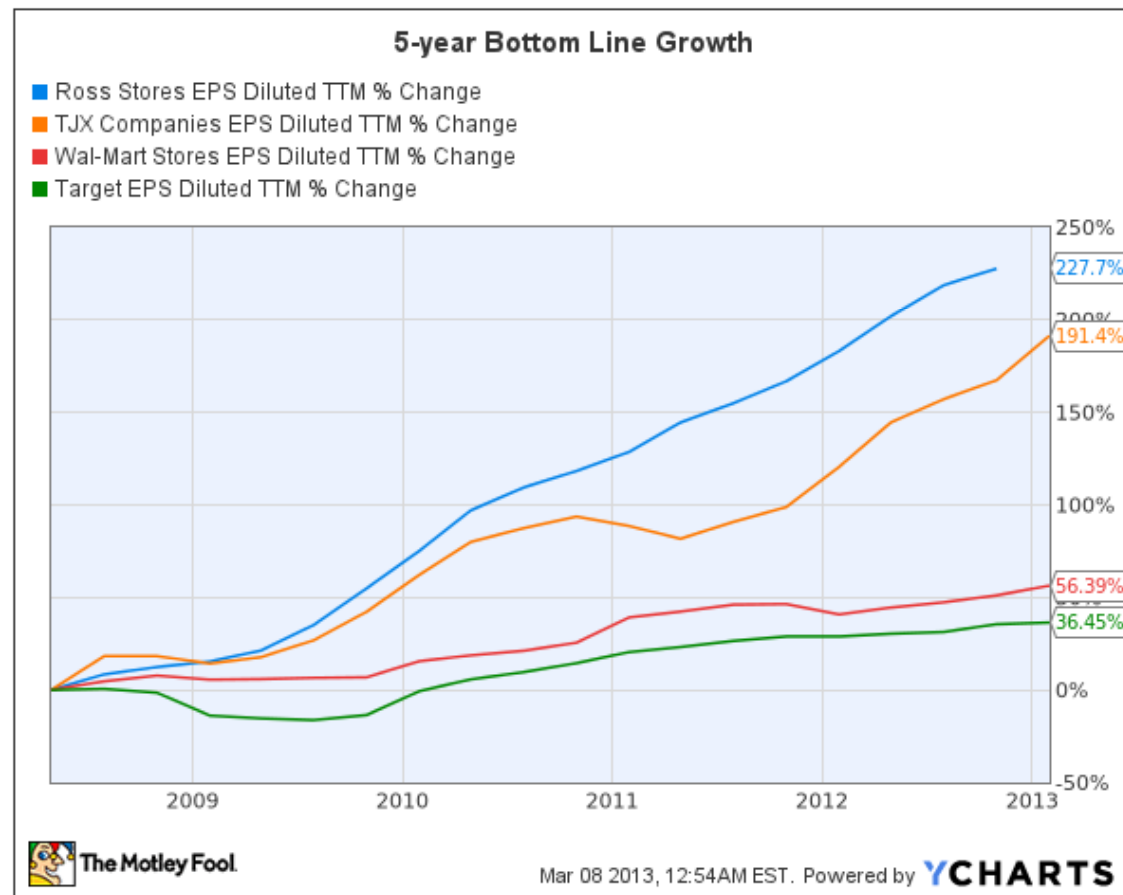


*\$100 invested on 2/3/07 in stock or 1/31/07 in index, including reinvestment of dividends. Indexes calculated on month-end basis.

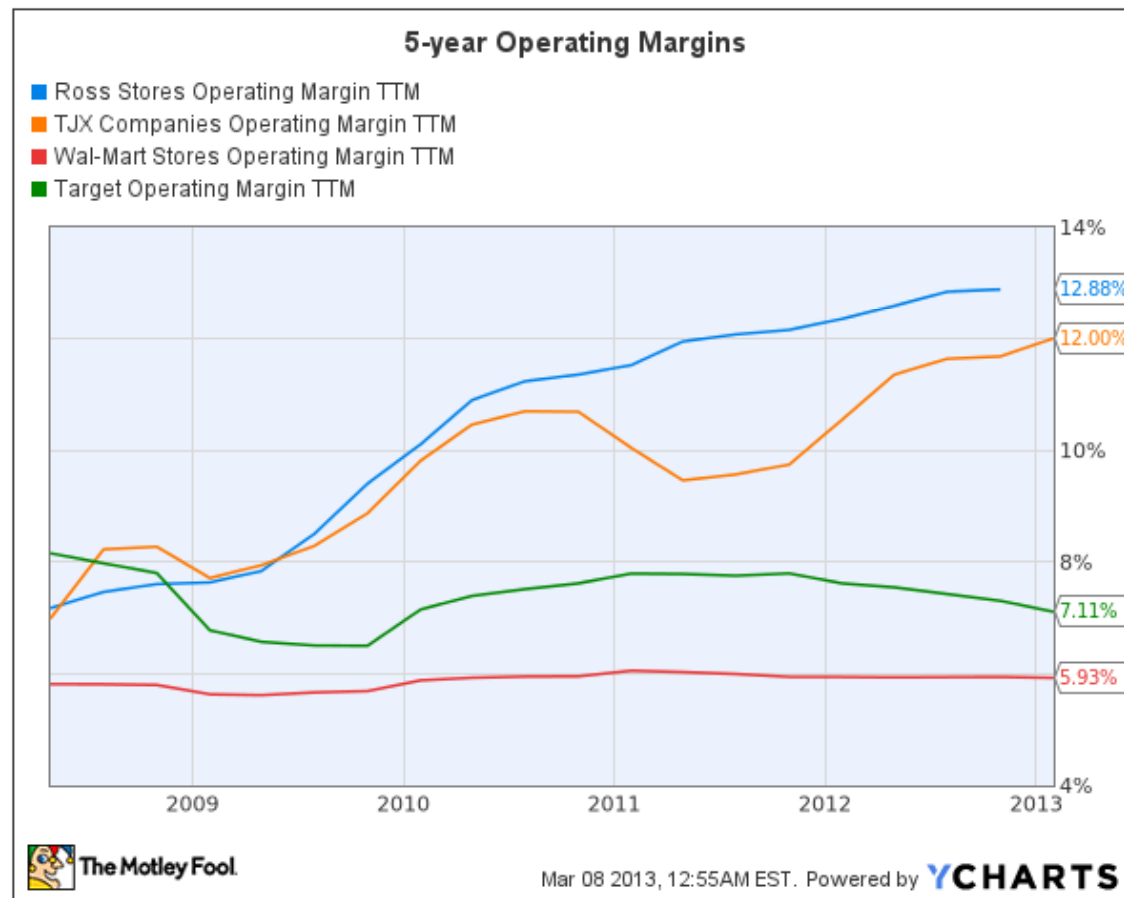
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Last 4 Quarters

# Positive Surprises (> 2%)	0
# Negative Surprises (< -2%)	0
# In-Line (within 2%)	4
Avg Surprise	0.1%

Earnings / Earnings Per Share

Earnings Surprise

Investors frequently compare a company's actual earnings to the mean expectation of professional analysts. The difference between the two is referred to as a "positive" or "negative"

surprise. Academic research has shown that when a company reports a surprise, it is often followed by more of the same surprise type.

Surprise Summary - Last 12 Quarters

Surprise Type	#	%
Positive Quarters (> 2%)	0	--
Negative Quarters (< -2%)	0	--
In-Line Quarters (within 2%)	12	100.0%

Surprise Detail - Last 6 Periods

Surprise Type	Announce Date	Period End Date	Actual EPS (USD)	Mean EPS (USD)	Surprise (%)
IN-LINE	11/15/12	10/12	0.720	0.720	0.0%
IN-LINE	08/16/12	07/12	0.810	0.808	0.2%
IN-LINE	05/17/12	04/12	0.930	0.930	0.0%
IN-LINE	03/15/12	01/12	0.850	0.850	0.0%
IN-LINE	11/17/11	10/11	0.630	0.628	0.3%
IN-LINE	08/18/11	07/11	0.640	0.640	0.0%



Ross Stores (ROST)

- What I like...
 - A store design that creates a self-service retail format
 - Centralized merchandising, marketing and purchasing
 - 60% and 58% of transactions – credit/debit card (2012/2011, respectively)
 - Technology initiatives – merchandising, allocation systems, networks and point of sale systems
 - Inventory reduction
 - <http://beta.fool.com/leokornsun/2013/03/10/can-this-retailer-keep-rising-in/26708/?source=eogyholnk0000001>



Ross Stores (ROST)

- Possible Red Flags...
 - Highly competitive
 - Inventory management