



## Costco Wholesale Corporation Reports Fourth Quarter and Fiscal Year 2009 Operating Results and September Sales Results

October 7, 2009

ISSAQUAH, WA, Oct 07, 2009 (MARKETWIRE via COMTEX) -- Costco Wholesale Corporation (NASDAQ: COST) announced today its operating results for the 16 weeks (fourth quarter) and the 52 weeks (fiscal year) ended August 30, 2009, and its September sales results.

Net sales for the fiscal 2009 fourth quarter, the 16 weeks ended August 30, 2009, were \$21.89 billion, a decrease of three percent from \$22.63 billion in the 16-week fourth quarter of fiscal 2008 ended August 31, 2008. Net sales for the 52-week fiscal year 2009 were \$69.89 billion, a decrease of two percent from \$70.98 billion in the 52-week fiscal year 2008 ended August 31, 2008.

Comparable sales for the 16-week fiscal fourth quarter and the 52-week fiscal year 2009 were as follows:

	16 Weeks	52 Weeks
U.S.	-6%	-2%
International	-3%	-8%
Total Company	-5%	-4%
	=====	=====

Comparable sales for the 16-week and 52-week periods, excluding the negative impacts from gasoline deflation and foreign exchange (primarily in Canada, the United Kingdom and Korea), were as follows:

	16 Weeks	52 Weeks
U.S.	-1%	+1%
International	+7%	+7%
Total Company	+1%	+3%
	=====	=====

Net income for the fourth quarter of fiscal year 2009 was \$374 million, or \$.85 per diluted share, compared to \$398 million, or \$.90 per diluted share, during the fourth quarter of fiscal 2008. Results benefited from a LIFO credit of \$17 million (\$11 million, or \$.02 per diluted share, after-tax). Fiscal year 2008 fourth quarter results included a non-cash pre-tax LIFO charge of \$32 million (\$21 million, or \$.05 per diluted share, after-tax), and a \$16 million pre-tax charge (\$10 million, or \$.02 per diluted share, after-tax) recorded in connection with a litigation settlement.

Net income for fiscal 2009 was \$1.09 billion, or \$2.47 per diluted share, compared to \$1.28 billion, or \$2.89 per diluted share, during fiscal year 2008. The fiscal 2009 results include: a \$32 million pretax LIFO credit, reversing the prior year's \$32 million pretax LIFO charge; a \$23 million pretax mark-to-market charge to the cash surrender value of certain life insurance contracts; and a \$34 million pretax third-quarter charge related to a litigation settlement concerning our membership renewal policy.

According to Richard Galanti, Chief Financial Officer of Costco, "Fiscal 2009 results, including those of the fourth quarter, were negatively impacted by these previously reported factors: on-going softness in U.S. sales, primarily the result of a weak economic environment; higher employee benefit costs, mainly consisting of higher health care eligibility and usage; and lower U.S. dollar amounts of international profits as a result of weaker foreign currencies."

For the five-week reporting month of September, ended October 4, 2009, the Company reported net sales of \$6.85 billion, an increase of three percent from \$6.67 billion during the similar five-week period of the prior year.

Comparable sales for the five-week retail-reporting month of September were as follows:

	5 Weeks
U.S.	-1%
International	+6%
Total Company	+1%
	=====

Comparable sales for the five-week period, excluding the negative impacts from gasoline deflation and foreign exchange (primarily in Canada, the United Kingdom and Korea), were as follows:

	5 Weeks
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U.S.	+3%
International	+9%
Total Company	+4%
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Costco currently operates 560 warehouses, including 407 in the United States and Puerto Rico, 77 in Canada, 21 in the United Kingdom, seven in Korea, six in Taiwan, nine in Japan, 32 in Mexico and one in Australia. The Company also operates Costco Online, an electronic commerce web site, at [www.costco.com](http://www.costco.com) and at [www.costco.ca](http://www.costco.ca) in Canada. The Company plans to open an additional six to seven new warehouses (including the relocation of one to two warehouses to larger and better-located facilities), prior to the end of calendar 2009.

A conference call to discuss these fiscal 2009 fourth quarter and year-end results is scheduled for 8:00 a.m. (PT) today, October 7, 2009, and is available via a webcast on [www.costco.com](http://www.costco.com) (click on Investor Relations and "Play Webcast").

Certain statements contained in this document constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. For these purposes, forward-looking statements are statements that address activities, events, conditions or developments that the Company expects or anticipates may occur in the future. Such forward-looking statements involve risks and uncertainties that may cause actual events, results or performance to differ materially from those indicated by such statements. These risks and uncertainties include, but are not limited to, domestic and international economic conditions, including exchange rates, the effects of competition and regulation, uncertainties in the financial markets, consumer and small business spending patterns and debt levels, conditions affecting the acquisition, development, ownership or use of real estate, actions of vendors, rising costs associated with employees (including health care costs), geopolitical conditions and other risks identified from time to time in the Company's public statements and reports filed with the Securities and Exchange Commission.

COSTCO WHOLESALE CORPORATION  
CONSOLIDATED STATEMENTS OF INCOME  
(dollars in millions, except per share data)

	16 Weeks Ended		52 Weeks Ended	
	August 30, 2009	August 31, 2008	August 30, 2009	August 31, 2008
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REVENUE				
Net sales	\$ 21,888	\$ 22,626	\$ 69,889	\$ 70,977
Membership fees	490	474	1,533	1,506
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Total revenue	22,378	23,100	71,422	72,483
OPERATING EXPENSES				
Merchandise costs	19,512	20,298	62,335	63,503
Selling, general and administrative	2,254	2,187	7,252	6,954
Preopening expenses	12	17	41	57
Provision for impaired assets and closing costs, net	2	(6)	17	-
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Operating income	598	604	1,777	1,969
OTHER INCOME (EXPENSE)				
Interest expense	(33)	(32)	(108)	(103)
Interest income and other	15	35	45	133
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INCOME BEFORE INCOME TAXES	580	607	1,714	1,999
Provision for income taxes	206	209	628	716
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NET INCOME	\$ 374	\$ 398	\$ 1,086	\$ 1,283
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NET INCOME PER COMMON SHARE:				
Basic	\$ 0.86	\$ 0.92	\$ 2.50	\$ 2.95
	=====	=====	=====	=====
Diluted	\$ 0.85	\$ 0.90	\$ 2.47	\$ 2.89
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Shares used in calculation (000's)				
Basic	435,255	434,282	433,988	434,442

Diluted		441,699		443,874		440,454		444,240
Dividends per share	\$	0.18	\$	0.16	\$	0.68	\$	0.61

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SOURCE: Costco