



DATE: February 29, 2012

TO: INTERESTED PARTIES

FROM: Richard Galanti, EVP/CFO

RE: **Additional Second Quarter Fiscal 2012 Information - Costco Wholesale Corporation**

The attached information is provided to address questions about Costco Wholesale's Second Quarter Fiscal 2012 results (dollars in millions).

1. Calculation of Diluted Earnings Per Share – see attached.
2. What was the effect of the Foreign Exchange rates for FY 2012? FY 2011? FY 2010?

CANADA (CN \$ vs. US \$)

Exchange Rates	FY 2012	FY 2011	FY 2010
1st Quarter	.9891	.9776	.9370
2ndQuarter	.9828	.9982	.9507
3rd Quarter	-	1.0312	.9794
4th Quarter	-	1.0294	.9606
Total/YTD	.9860	1.0107	.9572

UK (Pound vs. US \$)

Exchange Rates	FY 2012	FY 2011	FY 2010
1st Quarter	1.5837	1.5795	1.6353
2ndQuarter	1.5606	1.5743	1.6159
3rd Quarter	-	1.6261	1.5223
4th Quarter	-	1.6245	1.5091
Total/YTD	1.5721	1.6029	1.5659

JAPAN (YEN vs. US \$)

Exchange Rates	FY 2012	FY 2011	FY 2010
1st Quarter	.01300	.01206	.01104
2ndQuarter	.01293	.01206	.01109
3rd Quarter	-	.01214	.01088
4th Quarter	-	.01259	.01128
Total/YTD	.01296	.01224	.01109

KOREA (WON vs. US \$)

Exchange Rates	FY 2012	FY 2011	FY 2010
1st Quarter	.00089	.00088	.00084
2ndQuarter	.00088	.00088	.00087
3rd Quarter	-	.00091	.00088
4th Quarter	-	.00093	.00084
Total/YTD	.00088	.00090	.00086

TAIWAN (TI vs. US \$)

Exchange Rates	FY 2012	FY 2011	FY 2010
1st Quarter	.03336	.03222	.03086
2ndQuarter	.03324	.03387	.03118
3rd Quarter	-	.03419	.03153
4th Quarter	-	.03467	.03122
Total/YTD	.03330	.03381	.03120

MEXICO (PESO vs. US \$)

Exchange Rates	FY 2012	FY 2011	FY 2010
1st Quarter	.0754	.0797	.0753
2ndQuarter	.0740	.0817	.0777
3rd Quarter	-	.0842	.0800
4th Quarter	-	.0845	.0784
Total/YTD	.0747	.0826	.0779

AUSTRALIA (Ausie vs. US \$)

Exchange Rates	FY 2012	FY 2011	FY 2010
1st Quarter	1.0226	.9665	.8919
2ndQuarter	1.0283	.9949	.9039
3rd Quarter	-	1.0327	.9139
4th Quarter	-	1.0628	.8729
Total/YTD	1.0254	1.0180	.8939

Euro (Euro \$ vs. US \$)

Exchange Rates	FY 2012	FY 2011	FY 2010
1st Quarter	1.3755	1.3539	1.4736
2ndQuarter	1.3102	1.3351	1.4389
3rd Quarter	-	1.4159	1.3460
4th Quarter	-	1.4305	1.2596
Total/YTD	1.3428	1.3874	1.3703

3. What was the impact of LIFO in FY 2012? FY 2011? FY 2010?

	<u>LIFO Charge/(Benefit) (Pre-tax)</u> <u>(\$MMs/% to Sales)</u>		
	<u>Fiscal 2012</u>	<u>Fiscal 2011</u>	<u>Fiscal 2010</u>
1st Quarter	\$0/0%	\$0/0%	\$0/0%
2nd Quarter	\$2.5/.01%	\$6/.03%	\$0/0%
3rd Quarter	-	\$49/.24%	\$0/0%
4th Quarter	-	\$32/.12%	\$0/0%
Total/YTD	\$2.5/.01%	\$87/.10%	\$0/0%

4. What was the impact of income tax rates in FY 2012? FY 2011? FY 2010?

	<u>Fiscal 2012*</u>	<u>Fiscal 2011*</u>	<u>Fiscal 2010</u>
1st Quarter	40.80%	34.21%	36.06%
2nd Quarter	34.18%	35.49%	35.63%
3rd Quarter	-	36.11%	34.48%
4th Quarter	-	35.27%	36.10%
Total/YTD	37.28%	35.29%	35.61%

*Includes Mexico

5. Breakdown of Total and Comparable Warehouse Sales Increases:

	<u>FY 2012*</u>		<u>FY 2011*</u>		<u>FY 2010</u>	
	<u>Total Sales</u>	<u>Comp. Sales</u>	<u>Total Sales</u>	<u>Comp. Sales</u>	<u>Total Sales</u>	<u>Comp. Sales</u>
1st Quarter	13%	10%	11%	7%	6%	3%
2nd Quarter	10%	8%	11%	7%	11%	9%
3rd Quarter	-	-	16%	12%	12%	10%
4th Quarter	-	-	17%	12%	8%	6%
Total YTD	11%	9%	14%	10%	9%	7%

*Includes Mexico

6. Warehouse Openings for FY 2012:

At the end of the Second Quarter of Fiscal 2012, the Company operated 598 warehouses, including 433 in the United States and Puerto Rico, 82 in Canada, 32 in Mexico, 22 in the United Kingdom, 11 in Japan, eight in Taiwan, seven in Korea, and three in Australia. Four warehouses were opened in the First Quarter of Fiscal 2012; two warehouses in Japan were opened in the Second Quarter; and two warehouses have opened in the Third Quarter bringing the current total to 600.

Date

First Qtr '12

10/21/11 Bucks County, PA
 10/22/11 Frisco, TX
 10/27/11 Pewaukee, WI
 11/16/11 Augusta, GA

Third Qtr '12

02/24/12 Tamasakai, JP (reopen)
 02/25/12 Kobe Seishin, JP
 03/08/12 Ancaster, ON (relo)
 03/15/12 Pharr, TX
 05/02/12 Huntington Beach, CA

Second Qtr '12

12/09/11 Yawata Kyoto, JP
 12/10/11 Zama, JP

COSTCO WHOLESALE CORPORATION
ADDITIONAL Q2 FY 2012 QUARTER INFORMATION
CALCULATION OF DILUTED EARNINGS PER SHARE
(dollars in thousands, except per share data)

DILUTED EPS*	<u>Q1</u> (12 weeks)	<u>Q2</u> (12 weeks)	<u>Q3</u> (12 weeks)	<u>Q4</u> (17 weeks)	<u>YTD</u> (24 weeks)
Net Income attributable to Costco	\$ 319,670	\$ 394,747	\$	\$	\$ 714,417
Add back Interest on subordinated convertible notes less related taxes (3-1/2% Zero Coupons)	147	160			307
Net income attributable to Costco, adjusted	<u>\$ 319,817</u>	<u>\$ 394,907</u>	<u>\$</u>	<u>\$</u>	<u>\$ 714,724</u>
SHARES (000)	434,222	434,535			434,374
Weighted average shares used in basic EPS					
Stock Options and restricted stock units	5,520	4,094			4,801
Conversion of subordinated notes (3-1/2% Zero Coupons)	<u>873</u>	<u>839</u>			<u>861</u>
Total Shares	<u>440,615</u>	<u>439,468</u>			<u>440,036</u>
EPS - Diluted	\$ 0.7258	\$ 0.8986	\$	\$	\$ 1.6242
Earnings Per Share - Rounded *Includes Mexico	<u>\$ 0.73</u>	<u>\$ 0.90</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1.62</u>