



Costco Wholesale Corporation Reports First Quarter Operating Results for Fiscal 2003

December 12, 2002

ISSAQUAH, Wash.--(BUSINESS WIRE)--Dec. 12, 2002--Costco Wholesale Corporation (Nasdaq: COST) announced today its operating results for the first quarter (12 weeks) of fiscal 2003, ended November 24, 2002.

Net sales for the first quarter of fiscal 2003 increased 9% to \$9.01 billion from \$8.30 billion during the first quarter of fiscal 2002. On a comparable warehouse basis, that is warehouses open at least a year, net sales increased 4%.

Net income for the first quarter of fiscal 2003 increased 12% to \$145.7 million, or \$.31 per share (diluted), from \$129.7 million, or \$.28 per share (diluted), during the first quarter of fiscal 2002.

Costco currently operates 411 warehouses, including 304 in the United States and Puerto Rico, 61 in Canada, 15 in the United Kingdom, five in Korea, three in Taiwan, three in Japan and 20 in Mexico. The Company also operates Costco Online, an electronic commerce web site, at www.costco.com. The Company plans to open one additional new warehouse -- in Celaya, Mexico -- prior to the end of calendar year 2002.

A conference call to discuss these first quarter results is scheduled for 8:00 a.m. (PST) today, December 12, 2002, and is available via a webcast on www.costco.com (go to Customer Service, Investor Relations, Financial Releases and click on the "Live Webcast" icon).

Certain statements contained in this release 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, conditions affecting the acquisition, development, ownership or use of real estate, actions of vendors, and other risks identified from time to time in the Company's public statements and reports filed with the SEC.

COSTCO WHOLESALE CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (dollars in thousands, except per share data) (unaudited)

	12 Weeks Ended	
	November 24, 2002	November 25, 2001
REVENUE		
Net sales	\$ 9,010,571	\$ 8,297,076
Membership fees and other	188,014	169,477
Total revenue	9,198,585	8,466,553
OPERATING EXPENSES		
Merchandise costs	8,048,897	7,434,397
Selling, general and administrative	888,779	786,118
Preopening expenses	18,117	22,134
Provision for impaired assets and closing costs	5,000	8,550
Operating income	237,792	215,354
OTHER INCOME (EXPENSE)		
Interest expense	(8,468)	(6,238)
Interest income and other	7,634	6,977
INCOME BEFORE INCOME TAXES	236,958	216,093
Provision for income taxes	91,229	86,437
NET INCOME	\$ 145,729	\$ 129,656
NET INCOME PER COMMON AND COMMON EQUIVALENT SHARE:		

Basic	\$ 0.32	\$ 0.29
	=====	=====
Diluted	\$ 0.31	\$ 0.28
	=====	=====
Shares used in calculation (000's)		
Basic	455,570	451,990
Diluted	478,857	477,395

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