



DATE: December 8, 2011

TO: INTERESTED PARTIES

FROM: Richard Galanti, EVP/CFO

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

The attached information is provided to address questions about Costco Wholesale's First 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
2nd Quarter	-	.9982	.9507
3rd Quarter	-	1.0312	.9794
4th Quarter	-	1.0294	.9606
Total/YTD	.9891	1.0107	.9572

UK (Pound vs. US \$)		
FY 2012	FY 2011	FY 2010
1.5837	1.5795	1.6353
-	1.5743	1.6159
-	1.6261	1.5223
-	1.6245	1.5091
1.5837	1.6029	1.5659

JAPAN (YEN vs. US \$)			
Exchange Rates	FY 2012	FY 2011	FY 2010
1st Quarter	.01302	.01206	.01104
2nd Quarter	-	.01206	.01109
3rd Quarter	-	.01214	.01088
4th Quarter	-	.01259	.01128
Total/YTD	.01302	.01224	.01109

KOREA (WON vs. US \$)		
FY 2012	FY 2011	FY 2010
.00089	.00088	.00084
-	.00088	.00087
-	.00091	.00088
-	.00093	.00084
.00089	.00090	.00086

TAIWAN (TI vs. US \$)			
Exchange Rates	FY 2012	FY 2011	FY 2010
1st Quarter	.03336	.03222	.03086
2nd Quarter	-	.03387	.03118
3rd Quarter	-	.03419	.03153
4th Quarter	-	.03467	.03122
Total/YTD	.03336	.03381	.03120

MEXICO (PESO vs. US \$)		
FY 2012	FY 2011	FY 2010
.0754	.0797	.0753
-	.0817	.0777
-	.0842	.0800
-	.0845	.0784
.0754	.0826	.0779

AUSTRALIA (Ausie vs. US \$)			
Exchange Rates	FY 2012	FY 2011	FY 2010
1st Quarter	1.0226	.9665	.8919
2nd Quarter	-	.9949	.9039
3rd Quarter	-	1.0327	.9139
4th Quarter	-	1.0628	.8729
Total/YTD	1.0226	1.0180	.8939

Euro (Euro \$ vs. US \$)		
FY 2012	FY 2011	FY 2010
1.3755	1.3539	1.4736
-	1.3351	1.4389
-	1.4159	1.3460
-	1.4305	1.2596
1.3755	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	-	\$6/.03%	\$0/0%
3rd Quarter	-	\$49/.24%	\$0/0%
4th Quarter	-	\$32/.12%	\$0/0%
Total/YTD	\$0/0%	\$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	-	35.49%	35.63%
3rd Quarter	-	36.11%	34.48%
4th Quarter	-	35.27%	36.10%
Total/YTD	40.80%	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	-	-	11%	7%	11%	9%
3rd Quarter	-	-	16%	12%	12%	10%
4th Quarter	-	-	17%	12%	8%	6%
Total YTD	13%	10%	14%	10%	9%	7%

*Includes Mexico

6. Warehouse Openings for FY 2012:

At the end of the First Quarter of Fiscal 2012, the Company operated 596 warehouses, including 433 in the United States and Puerto Rico, 82 in Canada, 32 in Mexico, 22 in the United Kingdom, nine in Japan, eight in Taiwan, seven in Korea, and three in Australia. Four warehouses were opened in the First Quarter of Fiscal 2012 (see below); two warehouses in Japan will open in the Second Quarter, bringing the total to 598 at the end of calendar 2011.

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

Location

Second Qtr '12

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

Location

COSTCO WHOLESALE CORPORATION
ADDITIONAL Q1 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> (12 weeks)
Net Income attributable to Costco	\$ 319,670	\$	\$	\$	\$ 319,670
Add back Interest on subordinated convertible notes less related taxes (3-1/2% Zero Coupons)	147				147
Net income attributable to Costco, adjusted	<u>\$ 319,817</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 319,817</u>
SHARES (000)	434,222				434,222
Weighted average shares used in basic EPS					
Stock Options and restricted stock units	5,520				5,520
Conversion of subordinated notes (3-1/2% Zero Coupons)	<u>873</u>				<u>873</u>
Total Shares	<u>440,615</u>				<u>440,615</u>
EPS - Diluted	\$ 0.7258	\$	\$	\$	\$ 0.7258
Earnings Per Share - Rounded *Includes Mexico	<u>\$ 0.73</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 0.73</u>