



DATE: May 24, 2012

TO: INTERESTED PARTIES

FROM: Richard Galanti, EVP/CFO

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

The attached information is provided to address questions about Costco Wholesale's Third 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	1.0060	1.0312	.9794
4th Quarter	-	1.0294	.9606
<b>Total/YTD</b>	<b>.9927</b>	<b>1.0107</b>	<b>.9572</b>

**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	1.5898	1.6261	1.5223
4th Quarter	-	1.6245	1.5091
<b>Total/YTD</b>	<b>1.5781</b>	<b>1.6029</b>	<b>1.5659</b>

**JAPAN (YEN vs. US \$)**

Exchange Rates	FY 2012	FY 2011	FY 2010
1st Quarter	.01300	.01206	.01104
2ndQuarter	.01293	.01206	.01109
3rd Quarter	.01231	.01214	.01088
4th Quarter	-	.01259	.01128
<b>Total/YTD</b>	<b>.01275</b>	<b>.01224</b>	<b>.01109</b>

**KOREA (WON vs. US \$)**

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

**TAIWAN (TI vs. US \$)**

Exchange Rates	FY 2012	FY 2011	FY 2010
1st Quarter	.03336	.03222	.03086
2ndQuarter	.03324	.03387	.03118
3rd Quarter	.03391	.03419	.03153
4th Quarter	-	.03467	.03122
<b>Total/YTD</b>	<b>.03350</b>	<b>.03381</b>	<b>.03120</b>

**MEXICO (PESO vs. US \$)**

Exchange Rates	FY 2012	FY 2011	FY 2010
1st Quarter	.0754	.0797	.0753
2ndQuarter	.0740	.0817	.0777
3rd Quarter	.0776	.0842	.0800
4th Quarter	-	.0845	.0784
<b>Total/YTD</b>	<b>.0757</b>	<b>.0826</b>	<b>.0779</b>

**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	1.0487	1.0327	.9139
4th Quarter	-	1.0628	.8729
<b>Total/YTD</b>	<b>1.0332</b>	<b>1.0180</b>	<b>.8939</b>

**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	1.3195	1.4159	1.3460
4th Quarter	-	1.4305	1.2596
<b>Total/YTD</b>	<b>1.3351</b>	<b>1.3874</b>	<b>1.3703</b>

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

**LIFO Charge/(Benefit) (Pre-tax)  
(\$MMs/% to Sales)**

	<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	\$6.5/.03%	\$49/.24%	\$0/0%
4th Quarter	-	\$32/.12%	\$0/0%
<b>Total/YTD</b>	<b>\$9.0/.01%</b>	<b>\$87/.10%</b>	<b>\$0/0%</b>

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	34.84%	36.11%	34.48%
4th Quarter	-	35.27%	36.10%
<b>Total/YTD</b>	<b>36.44%</b>	<b>35.29%</b>	<b>35.61%</b>

\*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	8%	5%	16%	12%	12%	10%
4th Quarter	-	-	17%	12%	8%	6%
<b>Total YTD</b>	<b>10%</b>	<b>8%</b>	<b>14%</b>	<b>10%</b>	<b>9%</b>	<b>7%</b>

\*Includes Mexico

6. **Warehouse Openings for FY 2012:**

At the end of the Third Quarter of Fiscal 2012, the Company operated 602 warehouses, including 435 in the United States and Puerto Rico, 82 in Canada, 32 in Mexico, 22 in the United Kingdom, 13 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 five warehouses were opened in the Third Quarter, bringing the current total to 602. The Company plans to open up to an additional six new warehouses prior to the end of its fiscal year on September 2, 2012.

**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

**Fourth Qtr '12**

06/27/12	Coralville, IA
06/28/12	Chicago (S. Loop), IL
06/29/12	Pittsfield Township, MI
08/24/12	Sarasota Square Mall, FL
08/28/12	Taoyuan, TW
08/29/12	Ulson, KO

**COSTCO WHOLESALE CORPORATION**  
**ADDITIONAL Q3 FY 2012 QUARTER INFORMATION**  
**CALCULATION OF DILUTED EARNINGS PER SHARE**  
(dollars in millions, except per share data)

<b>DILUTED EPS</b>	<u>Q1</u> <small>(12 weeks)</small>	<u>Q2</u> <small>(12 weeks)</small>	<u>Q3</u> <small>(12 weeks)</small>	<u>Q4</u> <small>(17 weeks)</small>	<u>YTD</u> <small>(36 weeks)</small>
Net income available to common stockholders used in basic and diluted net income per common share	\$ 320	\$ 394	\$ 386	\$	\$ 1,100
Interest on convertible notes, net of tax	<u>0</u>	<u>0</u>	<u>0</u>		<u>1</u>
Net income available to common stockholders after assumed conversions of dilutive securities	<u>\$ 320</u>	<u>\$ 394</u>	<u>\$ 386</u>	<u>\$</u>	<u>\$ 1,101</u>
SHARES (000's)					
Weighted average number of common shares used in basic net income per common share	434,222	434,535	433,791		434,180
Stock Options and RSUs	5,520	4,094	4,532		4,713
Conversion of convertible notes	<u>873</u>	<u>839</u>	<u>843</u>		<u>855</u>
Weighted number of common shares and dilutive potential of common stock used in diluted net income per share	<u>440,615</u>	<u>439,468</u>	<u>439,166</u>		<u>439,748</u>
Earnings Per Share - Diluted	<u>\$ 0.73</u>	<u>\$ 0.90</u>	<u>\$ 0.88</u>	<u>\$</u>	<u>\$ 2.50</u>