



**DATE:** October 7, 2009  
**TO:** INTERESTED PARTIES  
**FROM:** Richard Galanti, EVP/CFO  
**RE:** **Additional Fourth Quarter Fiscal 2009 Information**

The attached information is provided to address questions about Costco Wholesale's Fourth Quarter Fiscal 2009 results (dollars in thousands):

1. **Calculation of Diluted Earnings Per Share – see attached.**
2. **FY 2009/FY 2008 Condensed Balance Sheets - see attached.**
3. **What was the effect of the Canadian and UK exchange rates for FY 2009? FY 2008? FY 2007?**

| Exchange Rates | CANADA (CN vs. U.S.) |              |              | UK (UK vs. U.S.) |               |               |
|----------------|----------------------|--------------|--------------|------------------|---------------|---------------|
|                | FY 2009              | FY 2008      | FY 2007      | FY 2009          | FY 2008       | FY 2007       |
| 1st Quarter    | .8794                | 1.0142       | .8875        | 1.6929           | 2.0444        | 1.8861        |
| 2nd Quarter    | .8122                | .9959        | .8584        | 1.4667           | 1.9923        | 1.9596        |
| 3rd Quarter    | .8074                | .9930        | .8725        | 1.4494           | 1.9859        | 1.9693        |
| 4th Quarter    | .8942                | .9801        | .9410        | 1.6256           | 1.9516        | 2.0050        |
| <b>Total</b>   | <b>.8518</b>         | <b>.9941</b> | <b>.8925</b> | <b>1.5638</b>    | <b>1.9903</b> | <b>1.9577</b> |

4. **What was the impact of LIFO in FY 2009? FY 2008? FY 2007?**

|              | <u>LIFO Charge/(Benefit) (Pre-tax)</u><br><u>(000's/% to Sales)</u> |                      |               |
|--------------|---|----------------------|---------------|
|              | Fiscal 2009   | Fiscal 2008          | Fiscal 2007   |
| 1st Quarter  | (\$2,200)/(.01%)  | \$0/0%               | \$0/0%        |
| 2nd Quarter  | (\$7,000)/(.04%)  | \$0/0%               | \$0/0%        |
| 3rd Quarter  | (\$6,500)/(.04%)  | \$0/0%               | \$0/0%        |
| 4th Quarter  | (\$16,616)/(.08%)   | \$32,316/.14%        | \$0/0%        |
| <b>Total</b> | <b>(\$32,316)/(.05%)</b>  | <b>\$32,316/.05%</b> | <b>\$0/0%</b> |

5. **Income tax rates for FY 2009, FY 2008 and FY 2007?**

|              | Fiscal 2009   | Fiscal 2008   | Fiscal 2007   |
|--------------|---------------|---------------|---------------|
| 1st Quarter  | 36.66%        | 35.34%        | 37.35%        |
| 2nd Quarter  | 37.22%        | 37.13%        | 36.72%        |
| 3rd Quarter  | 38.01%        | 36.59%        | 37.06%        |
| 4th Quarter  | 35.47%        | 34.46%        | 35.98%        |
| <b>Total</b> | <b>36.65%</b> | <b>35.83%</b> | <b>36.68%</b> |

6.

**Breakdown of Total and Comparable Warehouse Sales Increases:**

|              | <u>FY 2009</u>     |                    | <u>FY 2008</u>     |                    | <u>FY 2007**</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  | 4%                 | 1%                 | 12%                | 8%                 | 9%                 | 4%                 |
| 2nd Quarter  | -1%                | -3%                | 12%                | 7%                 | 9%                 | 5%                 |
| 3rd Quarter  | -5%                | -7%                | 13%                | 8%                 | 12%                | 7%                 |
| 4th Quarter  | -3%                | -5%                | 13%                | 9%                 | 3%/9%*             | 5%                 |
| <b>Total</b> | <b>-2%</b>         | <b>-4%</b>         | <b>13%</b>         | <b>8%</b>          | <b>7%/9%*</b>      | <b>6%</b>          |

\*Reflects 53-week fiscal year 2006

\*\*Excludes 2nd and 3rd Qtr Sales Returns Reserve Adjustments

**7. Warehouse Openings for FY 2009:**

At the end of Fiscal 2009, the Company operated 559 warehouses, including 406 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. In the first quarter of fiscal 2010 a new warehouse opened in Paradise Valley (Phoenix), AZ on 9/18/09.

**Date**

**First Qtr '09**

**Location**

10/02/08 Peterborough, Ontario  
 10/05/08 Las Vegas, NV (Closed)  
 10/22/08 Houston (Galleria), TX  
 10/23/08 Pocatello, ID  
 10/25/08 Covington, WA  
 11/12/08 Brandywine, MD  
 11/13/08 Bloomfield, MI (Re-opened)  
 11/14/08 St. Charles, IL  
 11/22/08 Croydon, UK

**Fourth Qtr '09**

**Location**

5/13/09 Dartmouth, NS  
 7/03/09 Kirkland, WA Home Store (Closed)  
 7/03/09 Tempe, AZ Home Store (Closed)  
 7/07/09 Shin Misato, JP  
 7/08/09 Busan, KO  
 7/09/09 Hsinchu, TW  
 7/23/09 Commerce, CA (Business Center)  
 8/14/09 Guadalajara II, MX  
 8/17/09 Docklands, Aust

**Second Qtr '09**

**Location**

No warehouse openings or closings

**First Qtr '10**

**Location**

9/18/09 Paradise Valley (Phoenix), AZ

**Third Qtr '09**

**Location**

2/19/09 Las Vegas, NV (Re-opened as a Business Center)  
 2/26/09 Lakewood, CA  
 2/27/09 Kapolei, HI  
 3/20/09 Hawthorne, CA (Business Center)  
 4/08/09 Rockwall, TX  
 4/11/09 Redwood City, CA (Closed for Oct '09 Relocation)

**COSTCO WHOLESALE CORPORATION**  
**ADDITIONAL Q4 FY 2009 QUARTER INFORMATION**  
**CALCULATION OF DILUTED EARNINGS PER SHARE**

| <b>DILUTED EPS</b>   | <u>Q1</u><br>(12 weeks) | <u>Q2</u><br>(12 weeks) | <u>Q3</u><br>(12 weeks) | <u>Q4</u><br>(16 weeks) | <u>YTD</u><br>(52 weeks) |
|--|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| Net Income   | \$ 262,500              | \$ 239,740              | \$ 209,592              | \$ 373,806              | \$ 1,085,638             |
| Add back Interest on subordinated convertible<br>notes less related taxes<br>(3-1/2% Zero Coupons) | <u>248</u>              | <u>233</u>              | <u>238</u>              | <u>279</u>              | <u>998</u>               |
| Net income, adjusted   | <u>\$ 262,748</u>       | <u>\$ 239,973</u>       | <u>\$ 209,830</u>       | <u>\$ 374,085</u>       | <u>\$ 1,086,636</u>      |
| <b>SHARES</b>  |                         |                         |                         |                         |                          |
| Weighted average shares used in basic EPS  | 432,451                 | 433,476                 | 434,354                 | 435,255                 | 433,988                  |
| Stock Options and restricted stock units   | 6,562                   | 4,763                   | 4,200                   | 5,220                   | 5,072                    |
| Conversion of subordinated notes<br>(3-1/2% Zero Coupons)  | <u>1,520</u>            | <u>1,449</u>            | <u>1,443</u>            | <u>1,224</u>            | <u>1,394</u>             |
| Total Shares   | <u>440,533</u>          | <u>439,688</u>          | <u>439,997</u>          | <u>441,699</u>          | <u>440,454</u>           |
| EPS - Diluted  | \$ 0.5964               | \$ 0.5458               | \$ 0.4769               | \$ 0.8469               | \$ 2.4671                |
| Earnings Per Share - Rounded   | <u>\$ 0.60</u>          | <u>\$ 0.55</u>          | <u>\$ 0.48</u>          | <u>\$ 0.85</u>          | <u>\$ 2.47</u>           |

**COSTCO WHOLESALE CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(dollars in millions)  
(unaudited)

Subject to Reclassifications

|  | August 30,<br>2009 | August 31,<br>2008 |
|--|--------------------|--------------------|
| <b>ASSETS</b>  |                    |                    |
| Cash and cash equivalents.....                                   | \$ 3,157           | \$ 2,619           |
| Short-term investments .....                                     | 570                | 656                |
| Receivables, net .....   | 834                | 748                |
| Merchandise inventories .....                                    | 5,405              | 5,039              |
| Deferred income taxes and other current assets .....             | 371                | 400                |
| Total current assets.....  | 10,337             | 9,462              |
| Property and equipment, net.....                                 | 10,900             | 10,355             |
| Other assets .....   | 742                | 865                |
|  | \$21,979           | \$20,682           |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                      |                    |                    |
| Accounts payable .....   | \$ 5,450           | \$ 5,225           |
| Short-term borrowings and current portion of long-term debt..... | 97                 | 140                |
| Other current liabilities.....                                   | 3,734              | 3,509              |
| Total current liabilities.....                                   | 9,281              | 8,874              |
| Long-term debt, excluding current portion.....                   | 2,206              | 2,206              |
| Deferred income taxes and other liabilities .....                | 388                | 328                |
| Total liabilities .....  | 11,875             | 11,408             |
| Minority Interest .....  | 86                 | 82                 |
| Total stockholders' equity.....                                  | 10,018             | 9,192              |
|  | \$21,979           | \$20,682           |