



DATE: March 3, 2010
 TO: INTERESTED PARTIES
 FROM: Richard Galanti, EVP/CFO
 RE: **Additional Second Quarter Fiscal 2010 Information**

The attached information is provided to address questions about Costco Wholesale's Second Quarter Fiscal 2010 results (dollars in thousands):

1. Calculation of Diluted Earnings Per Share – see attached.
2. What was the effect of the Canadian, UK and Asian exchange rates for FY 2010? FY 2009? FY 2008?

Exchange Rates	CANADA (CN vs. US)			UK (UK vs. US)		
	FY 2010	FY 2009	FY 2008	FY 2010	FY 2009	FY 2008
1st Quarter	.9370	.8794	1.0142	1.6353	1.6929	2.0444
2nd Quarter	.9507	.8122	.9959	1.6159	1.4667	1.9923
3rd Quarter	-	.8074	.9930	-	1.4494	1.9859
4th Quarter	-	.8942	.9801	-	1.6256	1.9516
Total/YTD	.9438	.8518	.9941	1.6256	1.5638	1.9903

Exchange Rates	JAPAN (YEN vs. US)			KOREA (WON vs. US)		
	FY 2010	FY 2009	FY 2008	FY 2010	FY 2009	FY 2008
1st Quarter	.01104	.00985	.00873	.00084	.00080	.00110
2nd Quarter	.01109	.01099	.00917	.00087	.00073	.00110
3rd Quarter	-	.01022	.00976	-	.00072	.00100
4th Quarter	-	.01048	.00934	-	.00080	.00100
Total/YTD	.01106	.01039	.00925	.00086	.00076	.00105

Exchange Rates	TAIWAN (TI vs. US)		
	FY 2010	FY 2009	FY 2008
1st Quarter	.03086	.03076	.03063
2nd Quarter	.03118	.02999	.03100
3rd Quarter	-	.02940	.03270
4th Quarter	-	.03047	.03265
Total/YTD	.03102	.03018	.03181

3. What was the impact of LIFO in FY 2010? FY 2009? FY 2008?

	LIFO Charge/(Benefit) (Pre-tax) (000's/% to Sales)		
	Fiscal 2010	Fiscal 2009	Fiscal 2008
1st Quarter	\$0/0%	(\$2,200)/(.01%)	\$0/0%
2nd Quarter	\$0/0%	(\$7,000)/(.04%)	\$0/0%
3rd Quarter	-	(\$6,500)/(.04%)	\$0/0%
4th Quarter	-	(\$16,616)/(.08%)	\$32,316/.14%
Total/YTD	\$0/0%	(\$32,316)/(.05%)	\$32,316/.05%

4. **What was the impact of income tax rates in FY 2010? FY 2009? FY 2008?**

	<u>Fiscal 2010</u>	<u>Fiscal 2009</u>	<u>Fiscal 2008</u>
1st Quarter	36.06%	36.66%	35.34%
2nd Quarter	35.63%	37.22%	37.13%
3rd Quarter	-	38.01%	36.59%
4th Quarter	-	35.47%	34.46%
Total/YTD	35.83%	36.65%	35.83%

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

	<u>FY 2010</u>		<u>FY 2009</u>		<u>FY 2008</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	6%	3%	4%	1%	12%	8%
2nd Quarter	11%	9%	-1%	-3%	12%	7%
3rd Quarter	-	-	-5%	-7%	13%	8%
4th Quarter	-	-	-3%	-5%	13%	9%
Total YTD	8%	6%	-2%	-4%	13%	8%

6. **Warehouse Openings for FY 2010:**

At the end of the Second Quarter of Fiscal 2010, the Company operated 566 warehouses, including 413 in the United States and Puerto Rico, 77 in Canada, 21 in the United Kingdom, seven in Korea, six in Taiwan, nine in Japan, one in Australia and 32 in Mexico. Six warehouses were opened in the First Quarter of Fiscal 2010; two warehouses were opened in the Second Quarter; and a warehouse is schedule for opening on March 4, 2010 in the Third Quarter.

Date

First Qtr '10

9/18/09

10/21/09

10/29/09

11/12/09

11/17/09

11/18/09

Location

Paradise Valley (Phoenix), AZ

Redwood City, CA (Re-opened)

Colorado Springs West, CO

Manhattan, NY

Manchester, MO

Strongsville, OH

Second Qtr '10

11/24/09

11/25/09

Third Qtr '10

03/04/10

Location

Hayward, CA

Warrenton, OR (Relo)

Location

Pacoima, CA

COSTCO WHOLESALE CORPORATION
ADDITIONAL Q2 FY 2010 QUARTER INFORMATION
CALCULATION OF DILUTED EARNINGS PER SHARE
(dollars in millions, per share data)

DILUTED EPS	<u>Q1</u> (12 weeks)	<u>Q2</u> (12 weeks)	<u>Q3</u> (12 weeks)	<u>Q4</u> (16 weeks)	<u>YTD</u> (52 weeks)
Net Income attributable to Costco	\$ 266	\$ 299	\$	\$	\$ 565
Add back Interest on subordinated convertible notes less related taxes (3-1/2% Zero Coupons)	—	—			—
Net income attributable to Costco, adjusted	<u>\$ 266</u>	<u>\$ 299</u>	<u>\$</u>	<u>\$</u>	<u>\$ 565</u>
SHARES (000)					
Weighted average shares used in basic EPS	437,173	439,786			438,475
Stock Options and restricted stock units	6,716	6,182			6,440
Conversion of subordinated notes (3-1/2% Zero Coupons)	<u>960</u>	<u>950</u>			<u>955</u>
Total Shares	<u>444,849</u>	<u>446,918</u>			<u>445,870</u>
EPS - Diluted	\$ 0.5972	\$ 0.6701	\$	\$	\$ 1.2676
Earnings Per Share - Rounded	<u>\$ 0.60</u>	<u>\$ 0.67</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1.27</u>