



Costco Companies, Inc. Reports First Quarter Fiscal 1998 Operating Results

December 18, 1997

ISSAQUAH, Wash., December 18 ³/₄ Costco Companies, Inc. ("Costco" or the "Company") (Nasdaq: COST) announced today its operating results for the first quarter of fiscal 1998, the 12 weeks ended November 23, 1997.

Sales for the first quarter of fiscal 1998 increased 11% to \$5.32 billion from \$4.79 billion during the first quarter of fiscal 1997. On a comparable warehouse basis, that is warehouses open at least a year, net sales increased by 8%.

Net income for the first quarter of fiscal 1998 increased 208% to \$97.9 million, or \$.44 per share, from \$31.8 million, or \$.16 per share, for the first quarter of fiscal 1997. Net income for the first quarter of fiscal 1997 was impacted by a \$65 million pretax, non-cash charge, reflecting a provision for the impairment of long-lived assets as required by the Company's adoption of Financial Accounting Standard No. 121. Excluding this charge, net earnings for the first quarter of fiscal 1997 would have been \$70.5 million, or \$.34 per share, and the year-over-year increase in first quarter fiscal 1998 net earnings would be 39%.

The Company currently operates 268 warehouses, including 204 in the United States, 56 in Canada, seven in the United Kingdom, and one warehouse in Taiwan. The Company also operates 14 warehouses in Mexico with a joint venture partner, and has a license agreement for the operation of two membership warehouses in Korea.



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