



Costco Wholesale Corporation Reports Third Quarter and Year-to-date Operating Results for Fiscal 2001

May 31, 2001

ISSAQUAH, Wash.--(BUSINESS WIRE)--May 31, 2001--Costco Wholesale Corporation ("Costco" or the "Company") (Nasdaq: COST) announced today its operating results for the third quarter (12 weeks) and the first thirty-six weeks of fiscal 2001, ended May 13, 2001.

Net sales for the third quarter of fiscal 2001 increased 12% to \$7.56 billion from \$6.77 billion during the third quarter of fiscal 2000. On a comparable warehouse basis, that is warehouses open at least a year, net sales increased 5%.

Net income for the third quarter of fiscal 2001 decreased 12% to \$105.3 million, or \$.23 per share (diluted), from \$120.3 million, or \$.26 per share (diluted), during the third quarter of fiscal 2000.

Net sales for the first thirty-six weeks of fiscal 2001 increased 10% to \$23.22 billion from \$21.21 billion during the first thirty-six weeks of fiscal 2000. Comparable warehouse sales during the first thirty-six weeks of fiscal 2001 increased 4% over the prior year's levels.

Net income for the first thirty-six weeks of fiscal 2001 decreased 5% to \$411.4 million, or \$.88 per diluted share, compared to net income for the first thirty-six weeks of fiscal 2000 of \$431.3 million, or \$.92 per diluted share.

Costco currently operates 360 warehouses, including 259 in the United States, 60 in Canada, 11 in the United Kingdom, five in Korea, three in Taiwan, two in Japan and 20 in Mexico. The Company also operates Costco Online, an electronic commerce web site, at www.costco.com. The Company plans to open five additional new warehouses prior to the end of its 2001 fiscal year on September 2, 2001, and an additional 26 to 28 new warehouses (including four to five relocations of existing warehouses to larger and better-located facilities) prior to the end of calendar year 2001.

A conference call to discuss these third quarter results is scheduled for 8:00 a.m. (PDT) today, May 31, 2001, and is available via a webcast on www.costco.com (go to Customer Service, Investor Relations, Financial Releases and click on the "Live Webcast" icon).

Certain statements contained in this release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. For these purposes, forward-looking statements are statements that address activities, events, conditions or developments that the Company expects, or anticipates may occur in the future. Such forward-looking statements involve risks and uncertainties that may cause actual events, results or performance to differ materially from those indicated by such statements. These risks and uncertainties include, but are not limited to, domestic and international economic conditions including exchange rates, the effects of competition and regulation, conditions affecting the acquisition, development, ownership or use of real estate, actions of vendors, and other risks identified from time to time in the Company's public statements and reports filed with the SEC.

COSTCO WHOLESALE CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (dollars in thousands, except per share data) (unaudited)

	12 Weeks Ended		36 Weeks Ended	
	May 13, 2001	May 7, 2000	May 13, 2001	May 7, 2000
REVENUE				
Net sales	\$7,563,494	\$6,768,608	\$23,222,453	\$21,206,406
Membership fees and other	155,401	126,000	440,029	368,701
Total revenue	7,718,895	6,894,608	23,662,482	21,575,107
OPERATING EXPENSES				
Merchandise costs	6,825,636	6,084,246	20,815,238	18,996,814
Selling, general and administrative	705,858	604,924	2,128,396	1,838,380
Preopening expenses	12,751	6,728	43,003	25,170
Provision for impaired assets and closing costs	--	1,500	2,000	4,000
Operating income	174,650	197,210	673,845	710,743

OTHER INCOME (EXPENSE)				
Interest expense	(9,023)	(9,604)	(24,889)	(30,577)
Interest income and other	9,801	12,943	36,635	38,593
INCOME BEFORE INCOME TAXES				
	175,428	200,549	685,591	718,759
Provision for income taxes	70,171	80,220	274,236	287,504
NET INCOME	\$105,257	\$120,329	\$411,355	\$431,255
NET INCOME PER COMMON AND COMMON EQUIVALENT SHARE:				
Basic	\$.23	\$0.27	\$.92	\$0.97
Diluted	\$.23	\$0.26	\$.88	\$0.92
Shares used in calculation (000's)				
Basic	450,195	448,113	448,886	445,557
Diluted	475,840	478,750	474,973	476,409

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