



Costco Wholesale Corporation Reports Third Quarter and Year-to-Date Operating Results for Fiscal 2002

May 30, 2002

ISSAQUAH, Wash., May 30, 2002 (BUSINESS WIRE) -- Costco Wholesale Corporation (Nasdaq: COST) announced today its operating results for the third quarter (12 weeks) and the first thirty-six weeks of fiscal 2002, ended May 12, 2002.

Net sales for the third quarter of fiscal 2002 increased 12% to \$8.44 billion from \$7.56 billion during the third quarter of fiscal 2001. On a comparable warehouse basis, that is warehouses open at least a year, net sales increased 6%.

Net income for the third quarter of fiscal 2002 increased 24% to \$130.4 million, or \$.28 per share (diluted), from \$105.3 million, or \$.23 per share (diluted), during the third quarter of fiscal 2001.

Net sales for the first thirty-six weeks of fiscal 2002 increased 12% to \$25.94 billion from \$23.22 billion during the first thirty-six weeks of fiscal 2001. Comparable warehouse sales during the first thirty-six weeks of fiscal 2002 increased 6% over the prior year's level.

Net income for the first thirty-six weeks of fiscal 2002 increased 10% to \$452.6 million, or \$.96 per diluted share, compared to net income for the first thirty-six weeks of fiscal 2001 of \$411.4 million, or \$.88 per diluted share.

Costco currently operates 389 warehouses, including 285 in the United States, 60 in Canada, 14 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 seven additional new warehouses (including the relocation of two warehouses to larger and better-located facilities) prior to the end of its 2002 fiscal year on September 1, 2002, and an additional 16 to 18 new warehouses (including one relocation of an existing warehouse to a larger and better-located facility) prior to the end of calendar year 2002.

A conference call to discuss these third quarter results is scheduled for 8:00 a.m. (PDT) today, May 30, 2002, 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 12, 2002	May 13, 2001	May 12, 2002	May 13, 2001
REVENUE				
Net sales	\$ 8,436,807	\$ 7,563,494	\$ 25,942,296	\$ 23,222,453
Membership fees and other	179,940	155,401	523,856	440,029
Total revenue	8,616,747	7,718,895	26,466,152	23,662,482
OPERATING EXPENSES				
Merchandise costs	7,583,251	6,825,636	23,229,678	20,815,238
Selling, general and administrative	806,617	705,858	2,432,740	2,128,396
Preopening expenses	6,077	12,751	36,827	43,003
Provision for impaired assets and closing costs	4,500	--	16,050	2,000

Operating income	216,302	174,650	750,857	673,845
OTHER INCOME (EXPENSE)				
Interest expense	(8,643)	(9,023)	(21,080)	(24,889)
Interest income and other	9,624	9,801	24,527	36,635
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INCOME BEFORE INCOME TAXES	217,283	175,428	754,304	685,591
Provision for income taxes	86,913	70,171	301,722	274,236
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NET INCOME	\$ 130,370	\$ 105,257	\$ 452,582	\$ 411,355
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NET INCOME PER COMMON AND COMMON EQUIVALENT SHARE:				
Basic	\$.29	\$.23	\$ 1.00	\$.92
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Diluted	\$.28	\$.23	\$.96	\$.88
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Shares used in calculation (000's)				
Basic	454,272	450,195	453,047	448,886
Diluted	480,256	475,840	479,250	474,973

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