



Costco Wholesale Corporation Releases Fourth Quarter and Fiscal Year 2002 Results of Operations and September Sales Results

October 10, 2002

ISSAQUAH, Wash., Oct 10, 2002 (BUSINESS WIRE) -- Costco Wholesale Corporation (Nasdaq: COST) announced today its results of operations for the 16 weeks (fourth quarter) and the 52 weeks (fiscal year) ended September 1, 2002.

Net sales for fiscal 2002, the 52 weeks ended September 1, 2002, were \$37.99 billion, an increase of 11% from \$34.14 billion during the prior 52-week fiscal year ended September 2, 2001. Comparable warehouse sales increased 6% over the comparable 52-week period of fiscal 2001. Net sales for the 16-week fourth quarter ended September 1, 2002, increased 10% to \$12.05 billion from \$10.91 billion during the 16-week fourth quarter ended September 2, 2001. Comparable warehouse sales during the 16-week fourth quarter of fiscal 2002 increased 6% over the comparable 16-week period in the prior fiscal year.

Net income for the 16-week fourth quarter increased 30% to \$247.4 million, or \$.52 per diluted share, from \$190.7 million, or \$.41 per diluted share, during the 16-week fourth quarter of fiscal 2001. Net income for fiscal 2002 increased 16% to \$700.0 million, or \$1.48 per diluted share, from \$602.1 million, or \$1.29 per diluted share during fiscal year 2001. The fiscal 2002 net income reflects an effective income tax rate of 35.55% for the fourth quarter and 38.50% for the fiscal year, compared with an effective tax rate of 40.00% for the 2001 fourth quarter and fiscal year.

In addition to reporting fourth quarter and fiscal year 2002 operating results, the Company today also reported net sales of \$3.59 billion for the five weeks ended October 6, 2002, an increase of 10% from \$3.26 billion in the same five-week period of the prior fiscal year. On a comparable warehouse basis, that is warehouses open at least a year, sales increased 5% during this five-week period.

Comparable sales for the 5-week September sales period ended October 6, 2002 were as follows:

	5 Weeks
US	4%
International	9%
Total Company	5%

A conference call to discuss these fiscal 2002 fourth quarter and year-end results, as well as the September sales results, is scheduled for 8:00 a.m. (PDT) today, October 10, 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).

Costco currently operates 401 warehouses, including 295 in the United States, 60 in Canada, 15 in the United Kingdom, five in Korea, three in Taiwan, three 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 an additional 12 to 14 warehouses (including the relocation of one existing warehouse to a larger and better-located facility) prior to the end of the calendar year.

COSTCO WHOLESALE CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(dollars in thousands, except per share data)
(unaudited)

	16 Weeks Ended September 1, 2002	16 Weeks Ended September 2, 2001	52 Weeks Ended September 1, 2002	52 Weeks Ended September 2, 2001
REVENUE				
Net sales.....	\$12,050,797	\$10,914,568	\$37,993,093	\$34,137,021
Membership fees and other.....	245,550	219,987	769,406	660,016
Total revenue..	12,296,347	11,134,555	38,762,499	34,797,037
OPERATING EXPENSES				
Merchandise costs	10,753,443	9,782,902	33,983,121	30,598,140
Selling, general and administrative..	1,142,796	1,000,663	3,575,536	3,129,059
Preopening expenses.....	14,430	16,568	51,257	59,571

Provision for impaired assets and closing costs.....	5,000	16,000	21,050	18,000
Operating income.....	380,678	318,422	1,131,535	992,267
OTHER INCOME (EXPENSE)				
Interest expense.	(8,016)	(7,135)	(29,096)	(32,024)
Interest income and other.....	11,218	6,603	35,745	43,238
INCOME BEFORE INCOME TAXES.....	383,880	317,890	1,138,184	1,003,481
Provision for income taxes....	136,479	127,156	438,201	401,392
NET INCOME	\$247,401	\$190,734	\$699,983	\$602,089
NET INCOME PER COMMON AND COMMON EQUIVALENT SHARE:				
Basic.....	\$0.54	\$0.42	\$1.54	\$1.34
Diluted.....	\$0.52	\$0.41	\$1.48	\$1.29
Shares used in calculation (000's)				
Basic.....	455,008	451,310	453,650	449,631
Diluted.....	479,240	477,875	479,262	475,827

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