



Costco Wholesale Corporation Reports Second Quarter and Year-to-date Operating Results for Fiscal 2002 and February Sales Results

March 5, 2002

ISSAQUAH, Wash., Mar 5, 2002 (BUSINESS WIRE) -- Costco Wholesale Corporation ("Costco" or the "Company") (Nasdaq: COST) announced today its operating results for the second quarter (12 weeks) and first half (24 weeks) of fiscal 2002, both ended February 17, 2002.

Net sales for the second quarter of fiscal 2002 increased 13% to \$9.21 billion from \$8.16 billion during the second quarter of fiscal 2001. Net income for the second quarter of fiscal 2002 increased 9% to \$192.6 million, or \$.41 per diluted share, compared to \$176.6 million, or \$.38 per diluted share, during the second quarter of fiscal 2001.

Net sales for the first half of fiscal 2002 increased 12% to \$17.51 billion from \$15.66 billion during the first half of fiscal 2001. Net income for the first half of fiscal 2002 increased 5% to \$322.2 million, or \$.68 per diluted share, compared to net income for the first half of fiscal 2001 of \$306.1 million, or \$.65 per diluted share.

In addition to reporting second quarter fiscal year 2002 operating results, the Company today reported net sales of \$2.77 billion for the 4-week retail reporting month of February, the four weeks ended March 3, 2002, an increase of 13% from \$2.45 billion in the same four-week period of the prior fiscal year.

For the 6-month retail reporting period of September through February, the twenty-six weeks ended March 3, 2002, which includes the first two weeks of the Company's fiscal third quarter, the Company reported net sales of \$18.90 billion, an increase of 12% from \$16.90 billion during the comparable period of the prior fiscal year.

Comparable sales for the fiscal second quarter (12 weeks) and fiscal first half (24 weeks) of fiscal 2002, both ended February 17, 2002, are as follows:

	12 Weeks	24 Weeks
US	8%	7%
International	2%	0%
Total Company	7%	6%

Comparable sales for the 4-week retail reporting month of February and the 26-week retail reporting period of September through February are as follows:

	4 Weeks	26 Weeks
US	8%	7%
International	3%	0%
Total Company	8%	6%

Costco currently operates 386 warehouses, including 285 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 14 to 16 additional new warehouses (including the relocation of three to four warehouses to larger and better-located facilities) prior to the end of its fiscal year ending September 1, 2002.

A conference call to discuss these second quarter results is scheduled for 8:00 a.m. (PST) today (March 5th), 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 WHOLESALE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(dollars in thousands, except per share data)
(unaudited)

12 Weeks Ended		24 Weeks Ended	
Feb. 17, 2002	Feb. 18, 2001	Feb. 17, 2002	Feb. 18, 2001

REVENUE

Net sales.....	\$9,208,413	\$ 8,159,980	\$ 17,505,489	\$15,658,959
Membership fees				

and other.....	174,439	146,329	343,916	284,628
Total revenue...	9,382,852	8,306,309	17,849,405	15,943,587
OPERATING EXPENSES				
Merchandise costs.	8,212,030	7,275,958	15,646,427	13,989,602
Selling, general and administrative..	840,005	731,411	1,626,123	1,422,538
Preopening expenses.....	8,616	10,572	30,750	30,252
Provision for impaired assets and closing costs.....	3,000	1,000	11,550	2,000
Operating income.....	319,201	287,368	534,555	499,195
OTHER INCOME (EXPENSE)				
Interest expense..	(6,199)	(8,902)	(12,437)	(15,866)
Interest income and other.....	7,926	15,829	14,903	26,834
INCOME BEFORE INCOME TAXES....				
Provision for income taxes....	320,928	294,295	537,021	510,163
NET INCOME.....	\$ 192,556	\$ 176,577	\$ 322,212	\$ 306,098
NET INCOME PER COMMON AND COMMON EQUIVALENT SHARE:				
Basic.....	\$ 0.43	\$ 0.39	\$ 0.71	\$ 0.68
Diluted.....	\$ 0.41	\$ 0.38	\$ 0.68	\$ 0.65
Shares used in calculation (000's)				
Basic.....	452,882	448,788	452,436	448,234
Diluted.....	479,931	475,488	478,749	474,543

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