



Costco Wholesale Corporation Releases Fourth Quarter and Fiscal Year 2001 Results of Operations and September Sales Results

October 11, 2001

ISSAQUAH, Wash., Oct 11, 2001 (BUSINESS WIRE) -- Costco Wholesale Corporation ("Costco" or the "Company") (Nasdaq: COST) announced today its results of operations for the 16 weeks (fourth quarter) and the 52 weeks (fiscal year) ended September 2, 2001.

Net sales for fiscal 2001, the 52 weeks ended September 2, 2001, were \$34.14 billion, an increase of 8% from \$31.62 billion during the prior 53-week fiscal year ended September 3, 2000. On a like 52-week year-over-year comparison, total net sales increased 10%. Comparable warehouse sales increased 4% over the comparable 52-week period of fiscal 2000. Net sales for the 16-week fourth quarter ended September 2, 2001, increased 5% to \$10.91 billion from \$10.41 billion during the 17-week fourth quarter ended September 3, 2000. On a like 16-week quarter-over-quarter comparison, total net sales increased 11%. Comparable warehouse sales during the 16-week fourth quarter of fiscal 2001 increased 5% over the comparable 16-week period in the prior fiscal year.

Net income for the 16-week fourth quarter decreased 5% to \$190.7 million, or \$.41 per diluted share, from \$200.2 million, or \$.43 per diluted share, during the 17-week fourth quarter of fiscal 2000. Net income in the fourth quarter of fiscal 2001 was impacted by a \$16 million (\$9.6 million after-tax, or \$.02 per diluted share) provision for closing costs primarily related to the Company's reorganization and consolidation of its administrative operations in Canada. Before the impact of this charge, net income for the fourth quarter of fiscal 2001 would have been \$200.3 million, or \$.43 per diluted share.

Net income for fiscal 2001, a 52-week fiscal year, decreased 5% to \$602.1 million, or \$1.29 per diluted share, from \$631.4 million, or \$1.35 per diluted share during fiscal year 2000, a 53-week fiscal year.

In addition to reporting fourth quarter and fiscal year 2001 operating results, the Company today also reported net sales of \$3.26 billion for the five weeks ended October 7, 2001, an increase of 10% from \$2.97 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 4% during this five-week period.

Costco currently operates 369 warehouses, including 268 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 an additional 16 to 17 warehouses (including the relocation of two existing warehouses to larger and better-located facilities) prior to the end of the calendar year.

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

	16 Weeks Ended September 2, 2001	17 Weeks Ended September 3, 2000	52 Weeks Ended September 2, 2001	53 Weeks Ended September 3, 2000
REVENUE				
Net sales	\$10,914,568	\$10,414,317	\$34,137,021	\$31,620,723
Membership fees and other	219,987	174,872	660,016	543,573
Total revenue	11,134,555	10,589,189	34,797,037	32,164,296
OPERATING EXPENSES				
Merchandise costs	9,782,902	9,325,356	30,598,140	28,322,170
Selling, general and administrative	1,000,663	916,975	3,129,059	2,755,355
Preopening expenses	16,568	17,151	59,571	42,321
Provision for impaired assets and closing costs	16,000	3,000	18,000	7,000
Operating income	318,422	326,707	992,267	1,037,450
OTHER INCOME (EXPENSE)				
Interest expense	(7,135)	(8,704)	(32,024)	(39,281)
Interest income and other	6,603	15,633	43,238	54,226

INCOME BEFORE				
INCOME TAXES	317,890	333,636	1,003,481	1,052,395
Provision for income taxes	127,156	133,454	401,392	420,958
NET INCOME	\$ 190,734	\$ 200,182	\$ 602,089	\$ 631,437
NET INCOME PER COMMON AND COMMON EQUIVALENT SHARE:				
Basic	\$ 0.42	\$ 0.45	\$ 1.34	\$ 1.41
Diluted	\$ 0.41	\$ 0.43	\$ 1.29	\$ 1.35
Shares used in calculation (000's)				
Basic	451,310	447,757	449,631	446,255
Diluted	477,875	474,304	475,827	475,737

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