



Costco Wholesale Corporation Reports First Quarter Fiscal Year 2013 Operating Results

December 12, 2012

Dec 12, 2012 (Marketwire via COMTEX) --Costco Wholesale Corporation ("Costco" or the "Company") (NASDAQ: COST) announced today its operating results for the first quarter (twelve weeks) of fiscal 2013, ended November 25, 2012.

Net sales for the quarter increased ten percent, to \$23.20 billion from \$21.18 billion during the first quarter last year. Comparable sales for the first quarter of fiscal 2013 were as follows:

	<u>12 Weeks</u>
U.S.	7%
International	9%
Total Company	<u>7%</u>

Inflation in gasoline prices and strengthening foreign currencies had a positive impact on comparable sales. Excluding these effects, comparable sales were as follows:

	<u>12 Weeks</u>
U.S.	6%
International	7%
Total Company	<u>6%</u>

Net income for the quarter was \$416 million, or \$.95 per diluted share, compared to \$320 million, or \$.73 per diluted share, last year. Last year's net income was negatively impacted by a \$12 million charge (or \$.03 per diluted share) related to settlement of an income tax audit of the Company's Mexico operation, and a \$17 million charge (or \$.04 per diluted share) related to contributions to an initiative reforming alcoholic beverage laws in Washington State.

Costco currently operates 621 warehouses, including 448 in the United States and Puerto Rico, 85 in Canada, 32 in Mexico, 23 in the United Kingdom, 13 in Japan, nine in Taiwan, eight in Korea, and three in Australia. The Company plans to open one additional new warehouse (Gwangmyeong, Korea) before the end of calendar year 2012. The Company also operates Costco Online, electronic commerce web sites, at www.costco.com (U.S.), www.costco.ca (CN), and www.costco.co.uk (United Kingdom).

A conference call to discuss these fiscal 2013 first quarter operating results is scheduled for 7:00 a.m. (PT) today, December 12, 2012, and is available via a webcast on www.costco.com (click on Investor Relations and "Play webcast").

Certain statements contained in this document 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, uncertainties in the financial markets, consumer and small business spending patterns and debt levels, conditions affecting the acquisition, development, ownership or use of real estate, actions of vendors, rising costs associated with employees (including health care costs), energy, and certain commodities, geopolitical conditions and other risks identified from time to time in the Company's public statements and reports filed with the Securities and Exchange Commission.

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

	12 Weeks Ended	
	November 25, 2012	November 20, 2011
REVENUE		
Net sales	\$ 23,204	\$ 21,181
Membership fees	511	447
Total revenue	23,715	21,628
OPERATING EXPENSES		
Merchandise costs	20,726	18,931
Selling, general and administrative	2,332	2,144
Preopening expenses	18	10
Operating income	639	543
OTHER INCOME (EXPENSE)		
Interest expense	(13)	(27)
Interest income and other, net	20	37
INCOME BEFORE INCOME TAXES		
Provision for income taxes	225	225
Net income including noncontrolling interests	421	328
Net income attributable to noncontrolling interests	(5)	(8)
NET INCOME ATTRIBUTABLE TO COSTCO	\$ 416	\$ 320
NET INCOME PER COMMON SHARE ATTRIBUTABLE TO COSTCO:		
Basic	\$ 0.96	\$ 0.74
Diluted	\$ 0.95	\$ 0.73
Shares used in calculation (000's)		
Basic	433,423	434,222
Diluted	438,643	440,615
CASH DIVIDENDS DECLARED PER COMMON SHARE	\$ 0.275	\$ 0.240

COSTCO WHOLESALE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(dollars in millions)
(unaudited)

Subject to Reclassifications

	November 25, 2012		September 2, 2012	
	ASSETS			
Cash and cash equivalents	\$ 3,897	\$ 3,528		
Short-term investments	1,679	1,326		
Receivables, net	1,175	1,026		
Merchandise inventories	8,152	7,096		
Deferred income taxes and other current assets	502	550		
Total current assets	15,405	13,526		
Property and equipment, net	13,251	12,961		
Other assets	667	653		
TOTAL ASSETS	\$ 29,323	\$ 27,140		

LIABILITIES AND EQUITY

Accounts payable	\$	8,825	\$	7,303
Accrued salaries and benefits		1,945		1,832
Other current liabilities		2,196		2,024
Deferred membership fees		1,169		1,101
Total current liabilities		<u>14,135</u>		<u>12,260</u>
Long-term debt, excluding current portion		1,366		1,381
Deferred income taxes and other liabilities		990		981
Total liabilities		<u>16,491</u>		<u>14,622</u>
Total Costco stockholders' equity		12,665		12,361
Noncontrolling interests		167		157
Total equity		<u>12,832</u>		<u>12,518</u>
TOTAL LIABILITIES AND EQUITY	\$	<u>29,323</u>	\$	<u>27,140</u>

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