



DATE: March 12, 2013

TO: INTERESTED PARTIES

FROM: Richard Galanti, EVP/CFO

RE: **Additional Second Quarter and Fiscal 2013 Information - Costco Wholesale Corporation**

The attached information is provided to address questions about Costco Wholesale's Second Quarter and Fiscal 2013 results (dollars in millions).

1. Calculation of Diluted Earnings Per Share – see attached.
2. What was the effect of the Foreign Exchange rates for FY 2013? FY 2012? FY 2011?

**CANADA (CN \$ vs. US \$)**

Exchange Rates	FY 2013	FY 2012	FY 2011
1st Quarter	1.0131	.9891	.9776
2ndQuarter	1.0069	.9828	.9982
3rd Quarter	-	1.0060	1.0312
4th Quarter	-	.9886	1.0294
<b>Total/YTD</b>	<b>1.0100</b>	<b>.9914</b>	<b>1.0107</b>

**UK (Pound vs. US \$)**

Exchange Rates	FY 2013	FY 2012	FY 2011
1st Quarter	1.6059	1.5837	1.5795
2ndQuarter	1.5973	1.5606	1.5743
3rd Quarter	-	1.5898	1.6261
4th Quarter	-	1.5678	1.6245
<b>Total/YTD</b>	<b>1.6016</b>	<b>1.5748</b>	<b>1.6029</b>

**JAPAN (YEN vs. US \$)**

Exchange Rates	FY 2013	FY 2012	FY 2011
1st Quarter	.01263	.01300	.01206
2ndQuarter	.01146	.01293	.01206
3rd Quarter	-	.01231	.01214
4th Quarter	-	.01264	.01259
<b>Total/YTD</b>	<b>.01204</b>	<b>.01271</b>	<b>.01224</b>

**KOREA (WON vs. US \$)**

Exchange Rates	FY 2013	FY 2012	FY 2011
1st Quarter	.00090	.00089	.00088
2ndQuarter	.00093	.00088	.00088
3rd Quarter	-	.00089	.00091
4th Quarter	-	.00087	.00093
<b>Total/YTD</b>	<b>.00092</b>	<b>.00088</b>	<b>.00090</b>

**TAIWAN (TI vs. US \$)**

Exchange Rates	FY 2013	FY 2012	FY 2011
1st Quarter	.03411	.03336	.03222
2ndQuarter	.03426	.03324	.03387
3rd Quarter	-	.03391	.03419
4th Quarter	-	.03349	.03467
<b>Total/YTD</b>	<b>.03418</b>	<b>.03350</b>	<b>.03381</b>

**MEXICO (PESO vs. US \$)**

Exchange Rates	FY 2013	FY 2013	FY 2011
1st Quarter	.0772	.0754	.0797
2ndQuarter	.0783	.0740	.0817
3rd Quarter	-	.0776	.0842
4th Quarter	-	.0739	.0845
<b>Total/YTD</b>	<b>.0777</b>	<b>.0751</b>	<b>.0826</b>

**AUSTRALIA (Ausie vs. US \$)**

Exchange Rates	FY 2013	FY 2012	FY 2011
1st Quarter	1.0360	1.0226	.9665
2ndQuarter	1.0453	1.0283	.9949
3rd Quarter	-	1.0487	1.0327
4th Quarter	-	1.0184	1.0628
<b>Total/YTD</b>	<b>1.0406</b>	<b>1.0284</b>	<b>1.0180</b>

**Euro (Euro \$ vs. US \$)**

Exchange Rates	FY 2013	FY 2012	FY 2011
1st Quarter	1.2894	1.3755	1.3539
2ndQuarter	1.3240	1.3102	1.3351
3rd Quarter	-	1.3195	1.4159
4th Quarter	-	1.2479	1.4305
<b>Total/YTD</b>	<b>1.3067</b>	<b>1.3071</b>	<b>1.3874</b>

3. What was the impact of LIFO in FY 2013? FY 2012? FY 2011?

LIFO Charge/(Benefit) (Pre-tax)  
(\$MMs/% to Sales)

	<u>Fiscal 2013</u>	<u>Fiscal 2012</u>	<u>Fiscal 2011</u>
1st Quarter	\$(2.0)/(.01)%	\$0/0%	\$0/0%
2nd Quarter	\$(9.0)/(.04)%	\$2.5/.01%	\$6/.03%
3rd Quarter	-	\$6.5/.03%	\$49/.24%
4th Quarter	-	\$11.5/.04%	\$32/.12%
<b>Total/YTD</b>	<b>\$(11.0)/(.02)%</b>	<b>\$20.5/.02%</b>	<b>\$87/.10%</b>

4. What was the impact of income tax rates in FY 2013? FY 2012? FY 2011?

	<u>Fiscal 2013</u>	<u>Fiscal 2012</u>	<u>Fiscal 2011</u>
1st Quarter	34.81%	40.80%	34.21%
2nd Quarter	25.10%	34.18%	35.49%
3rd Quarter	-	34.84%	36.11%
4th Quarter	-	35.58%	35.27%
<b>Total/YTD</b>	<b>29.63%</b>	<b>36.14%</b>	<b>35.29%</b>

5. Breakdown of Total and Comparable Warehouse Sales Increases:

	<u>FY 2013*</u>		<u>FY 2012*</u>		<u>FY 2011</u>	
	<u>Total Sales</u>	<u>Comp. Sales</u>	<u>Total Sales</u>	<u>Comp. Sales</u>	<u>Total Sales</u>	<u>Comp. Sales</u>
1st Quarter	10%	7%	13%	10%	11%	7%
2nd Quarter	8%	5%	10%	8%	11%	7%
3rd Quarter	-	-	8%	5%	16%	12%
4th Quarter	-	-	14%(17wks)	5%	17%	12%
<b>Total YTD</b>	<b>9%</b>	<b>6%</b>	<b>12%(53wks)</b>	<b>7%</b>	<b>14%</b>	<b>10%</b>

\*Includes Mexico

## 6. Warehouse Openings for FY 2013:

At the end of the Second Quarter of Fiscal 2013, the Company operated 622 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, nine in Korea, and three in Australia. Nine warehouses were opened in the First Quarter of Fiscal 2013; five were opened in the Second Quarter. The company plans to open up an additional fourteen warehouses by the end fiscal 2013.

<u>Date</u>	<u>Location</u>	<u>Third Qtr '13</u>	<u>Location</u>
<u>First Qtr '13</u>			
10/19/12	W. Edmonton, AB	03/20/13	Hiroshima, JP
10/23/12	West Fargo, ND	03/21/13	Kitakyushu, JP
10/24/12	Baxter, MN	04/11/13	Chihuahua, MX
10/25/12	Spanish Fork, UT	04/12/13	Wheaton, MD
11/09/12	Farragut, TN	05/02/13	Southampton, UK
11/10/12	Concordville, PA		
11/14/12	East Peoria, IL		
11/15/12	Sun Prairie, WI		
11/16/12	Rochester, MN		
<u>Second Qtr '13</u>	<u>Location</u>		
11/28/12	Oshawa, ON		
11/29/12	Washington, DC		
12/01/12	Leicester, UK		
12/11/12	Drummondville, QC		
12/15/12	Gwangmyeong, KO		

**COSTCO WHOLESALE CORPORATION**  
**ADDITIONAL Q2 FY 2013 QUARTER INFORMATION**  
**CALCULATION OF DILUTED EARNINGS PER SHARE**  
(dollars in millions, except per share data)

<b>DILUTED EPS</b>	<u>Q1</u> <small>(12 weeks)</small>	<u>Q2</u> <small>(12 weeks)</small>	<u>Q3</u> <small>(12 weeks)</small>	<u>Q4</u> <small>(16 weeks)</small>	<u>YTD</u> <small>(24 weeks)</small>
Net income available to common stockholders after assumed conversions of dilutive securities	\$ 416	\$ 547			\$ 963
SHARES (000's)					
Weighted average number of common shares used in basic net income per common share	433,423	435,975			434,698
Stock Options and RSUs	4,413	3,775			4,086
Conversion of convertible notes	807	62			438
Weighted number of common shares and dilutive potential of common stock used in diluted net income per share	<u>438,643</u>	<u>439,812</u>			<u>439,222</u>
Earnings Per Share - Diluted	<u>\$ 0.95</u>	<u>\$ 1.24</u>			<u>\$ 2.19</u>

**Forward-Looking Statements**

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.