



DATE: October 6, 2010

TO: INTERESTED PARTIES

FROM: Richard Galanti, EVP/CFO

RE: **Additional Fourth Quarter Fiscal 2010 Information**

The attached information is provided to address questions about Costco Wholesale's Fourth Quarter Fiscal 2010 results (dollars in thousands):

1. Calculation of Diluted Earnings Per Share – see attached.
2. What was the effect of the Canadian, UK and Asian exchange rates for FY 2010? FY 2009? FY 2008?

Exchange Rates	CANADA (CN vs. US)			UK (UK vs. US)		
	FY 2010	FY 2009	FY 2008	FY 2010	FY 2009	FY 2008
1st Quarter	.9370	.8794	1.0142	1.6353	1.6929	2.0444
2nd Quarter	.9507	.8122	.9959	1.6159	1.4667	1.9923
3rd Quarter	.9794	.8074	.9930	1.5223	1.4494	1.9859
4th Quarter	.9606	.8942	.9801	1.5091	1.6256	1.9516
Total/YTD	.9572	.8518	.9941	1.5659	1.5638	1.9903

Exchange Rates	JAPAN (YEN vs. US)			KOREA (WON vs. US)		
	FY 2010	FY 2009	FY 2008	FY 2010	FY 2009	FY 2008
1st Quarter	.01104	.00985	.00873	.00084	.00080	.00110
2nd Quarter	.01109	.01099	.00917	.00087	.00073	.00110
3rd Quarter	.01088	.01022	.00976	.00088	.00072	.00100
4th Quarter	.01128	.01048	.00934	.00084	.00080	.00100
Total/YTD	.01109	.01039	.00925	.00086	.00076	.00105

Exchange Rates	TAIWAN (TI vs. US)		
	FY 2010	FY 2009	FY 2008
1st Quarter	.03086	.03076	.03063
2nd Quarter	.03118	.02999	.03100
3rd Quarter	.03153	.02940	.03270
4th Quarter	.03122	.03047	.03265
Total/YTD	.03120	.03018	.03181

3. What was the impact of LIFO in FY 2010? FY 2009? FY 2008?

	LIFO Charge/(Benefit) (Pre-tax) (000's/% to Sales)		
	Fiscal 2010	Fiscal 2009	Fiscal 2008
1st Quarter	\$0/0%	(\$2,200)/(.01%)	\$0/0%
2nd Quarter	\$0/0%	(\$7,000)/(.04%)	\$0/0%
3rd Quarter	\$0/0%	(\$6,500)/(.04%)	\$0/0%
4th Quarter	\$0/0%	(\$16,616)/(.08%)	\$32,316/.14%
Total/YTD	\$0/0%	(\$32,316)/(.05%)	\$32,316/.05%

4. What was the impact of income tax rates in FY 2010? FY 2009? FY 2008?

	<u>Fiscal 2010</u>	<u>Fiscal 2009</u>	<u>Fiscal 2008</u>
1st Quarter	36.06%	36.66%	35.34%
2nd Quarter	35.63%	37.22%	37.13%
3rd Quarter	34.48%	37.75%	36.59%
4th Quarter	36.10%	35.19%	34.46%
Total/YTD	35.61%	36.36%	35.83%

5. Breakdown of Total and Comparable Warehouse Sales Increases:

	<u>FY 2010</u>		<u>FY 2009</u>		<u>FY 2008</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	6%	3%	4%	1%	12%	8%
2nd Quarter	11%	9%	-1%	-3%	12%	7%
3rd Quarter	12%	10%	-5%	-7%	13%	8%
4th Quarter	8%	6%	-3%	-5%	13%	9%
Total YTD	9%	7%	-2%	-4%	13%	8%

6. Warehouse Openings for FY 2010:

At the end of Fiscal 2010, the Company operated 572 warehouses, including 416 in the United States and Puerto Rico, 79 in Canada, 22 in the United Kingdom, seven in Korea, six in Taiwan, nine in Japan, one in Australia and 32 in Mexico. Six warehouses were opened in the First Quarter of Fiscal 2010; two warehouses were opened in the Second Quarter (including one relocation); one warehouse was opened in the Third quarter; and five warehouses were opened in the Fourth Quarter. The Company plans to open up to ten (10) warehouses prior to the end of calendar 2010.

Date

First Qtr '10

9/18/09	Paradise Valley (Phoenix), AZ
10/21/09	Redwood City, CA (Re-opened)
10/29/09	Colorado Springs West, CO
11/12/09	Manhattan, NY
11/17/09	Manchester, MO
11/18/09	Strongsville, OH

Third Qtr '10

03/04/10	Pacoima, CA
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Fourth Qtr '10

05/27/10	St. John, NB
07/08/10	Rego Park, NY
08/12/10	Roseburg, OR
08/20/10	Coventry, UK
08/26/10	Okotoks, AB

Second Qtr '10

11/24/09	Hayward, CA
11/25/09	Warrenton, OR (Relo)

First Qtr '11

09/15/10	San Diego, CA - Business Ctr.
10/21/10	Rocky View, AB
10/26/10	Landover, MD
10/27/10	Ft. Oglethorpe, GA
10/28/10	Brookhaven, GA
11/17/10	Melrose Park, IL
11/18/10	Bolingbrook, IL
11/20/10	Mettawa, IL

Second Qtr '11

11/23/10	E. Vancouver, WA
11/24/10	Burnsville, MN

Location

COSTCO WHOLESALE CORPORATION
ADDITIONAL Q4 FY 2010 QUARTER INFORMATION
CALCULATION OF DILUTED EARNINGS PER SHARE
(dollars in millions, per share data)

DILUTED EPS	<u>Q1</u> (12 weeks)	<u>Q2</u> (12 weeks)	<u>Q3</u> (12 weeks)	<u>Q4</u> (16 weeks)	<u>YTD</u> (52 weeks)
Net Income attributable to Costco	\$ 266	\$ 299	\$ 306	\$ 432	\$ 1,303
Add back Interest on subordinated convertible notes less related taxes (3-1/2% Zero Coupons)	—	—	—	1	1
Net income attributable to Costco, adjusted	<u>\$ 266</u>	<u>\$ 299</u>	<u>\$ 306</u>	<u>\$ 433</u>	<u>\$ 1,304</u>
SHARES (000)					
Weighted average shares used in basic EPS	437,173	439,786	440,973	437,071	438,611
Stock Options and restricted stock units	6,716	6,182	6,472	6,273	6,409
Conversion of subordinated notes (3-1/2% Zero Coupons)	<u>960</u>	<u>950</u>	<u>946</u>	<u>945</u>	<u>950</u>
Total Shares	<u>444,849</u>	<u>446,918</u>	<u>448,391</u>	<u>444,289</u>	<u>445,970</u>
EPS - Diluted	\$ 0.5972	\$ 0.6701	\$ 0.6821	\$ 0.9733	\$ 2.9227
Earnings Per Share - Rounded	<u>\$ 0.60</u>	<u>\$ 0.67</u>	<u>\$ 0.68</u>	<u>\$ 0.97</u>	<u>\$ 2.92</u>