



DATE: March 2, 2011
 TO: INTERESTED PARTIES
 FROM: Richard Galanti, EVP/CFO
 RE: **Additional Second Quarter Fiscal 2011 Information**

The attached information is provided to address questions about Costco Wholesale's Second Quarter Fiscal 2011 results (dollars in thousands). Mexico's results are included where noted.

1. Calculation of Diluted Earnings Per Share – see attached.
2. What was the effect of the Canadian, UK and Asian exchange rates for FY 2011? FY 2010? FY 2009?

Exchange Rates	CANADA (CN vs. US)			UK (UK vs. US)		
	FY 2011	FY 2010	FY 2009	FY 2011	FY 2010	FY 2009
1st Quarter	.9776	.9370	.8794	1.5795	1.6353	1.6929
2nd Quarter	.9982	.9507	.8122	1.5743	1.6159	1.4667
3rd Quarter	-	.9794	.8074	-	1.5223	1.4494
4th Quarter	-	.9606	.8942	-	1.5091	1.6256
Total/YTD	.9879	.9572	.8518	1.5769	1.5659	1.5638

Exchange Rates	JAPAN (YEN vs. US)			KOREA (WON vs. US)		
	FY 2011	FY 2010	FY 2009	FY 2011	FY 2010	FY 2009
1st Quarter	.01206	.01104	.00985	.00088	.00084	.00080
2nd Quarter	.01206	.01109	.01099	.00088	.00087	.00073
3rd Quarter	-	.01088	.01022	-	.00088	.00072
4th Quarter	-	.01128	.01048	-	.00084	.00080
Total/YTD	.01206	.01109	.01039	.00088	.00086	.00076

Exchange Rates	TAIWAN (TI vs. US)			MEXICO (PESO vs. US)		
	FY 2011	FY 2010	FY 2009	FY 2011	FY 2010	FY 2009
1st Quarter	.03222	.03086	.03076	.0797	.0753	.0840
2nd Quarter	.03387	.03118	.02999	.0817	.0777	.0728
3rd Quarter	-	.03153	.02940	-	.0800	.0711
4th Quarter	-	.03122	.03047	-	.0784	.0756
Total/YTD	.03304	.03120	.03018	.0807	.0779	.0759

3. What was the impact of LIFO in FY 2011? FY 2010? FY 2009?

	LIFO Charge/(Benefit) (Pre-tax) (000's/% to Sales)		
	Fiscal 2011	Fiscal 2010	Fiscal 2009
1st Quarter	\$0/0%	\$0/0%	(\$2,200)/(.01%)
2nd Quarter	\$6,000/.03%	\$0/0%	(\$7,000)/(.04%)
3rd Quarter	-	\$0/0%	(\$6,500)/(.04%)
4th Quarter	-	\$0/0%	(\$16,616)/(.08%)
Total/YTD	\$6,000/.02%	\$0/0%	(\$32,316)/(.05%)

4. **What was the impact of income tax rates in FY 2011? FY 2010? FY 2009?**

	<u>Fiscal 2011*</u>	<u>Fiscal 2010</u>	<u>Fiscal 2009</u>
1st Quarter	34.21%	36.06%	36.66%
2nd Quarter	35.49%	35.63%	37.22%
3rd Quarter	-	34.48%	37.75%
4th Quarter	-	36.10%	35.19%
Total/YTD	34.89%	35.61%	36.36%

*Includes Mexico

5. **Breakdown of Total and Comparable Warehouse Sales Increases:**

	<u>FY 2011*</u>		<u>FY 2010</u>		<u>FY 2009</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	11%	7%	6%	3%	4%	1%
2nd Quarter	11%	7%	11%	9%	-1%	-3%
3rd Quarter	-	-	12%	10%	-5%	-7%
4th Quarter	-	-	8%	6%	-3%	-5%
Total YTD	11%	7%	9%	7%	-2%	-4%

*Includes Mexico

6. **Warehouse Openings for FY 2011:**

At the end of the Second Quarter of Fiscal 2011, the Company operated 581 warehouses, including 424 in the United States and Puerto Rico, 80 in Canada, 22 in the United Kingdom, seven in Korea, six in Taiwan, nine in Japan, one in Australia and 32 in Mexico. Eight warehouses were opened in the First Quarter of Fiscal 2011 (see below); two warehouses were opened and one was closed (San Marcos, CA – closed for an on-site relocation) in the Second Quarter, bringing the current total to 581.

Date

First Qtr '11

<u>Date</u>	<u>Location</u>
09/15/10	San Diego, CA - Business Ctr.
10/21/10	Rocky View, AB
10/26/10	Woodmore Twn Ctr., 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

<u>Date</u>	<u>Location</u>
11/23/10	Burnsville, MN
11/24/10	E. Vancouver, WA
01/09/11	San Marcus, CA (closed for relo)

Third Qtr '11

<u>Date</u>	<u>Location</u>
04/14/11	Tucson III, AZ

Fourth Qtr '11*

<u>Date</u>	<u>Location</u>
05/12/11	Chesterfield, VA (relo)
06/02/11	Courtenay, BC
06/09/11	Lodi, CA
07/06/11	Marlboro, NJ
07/08/11	San Marcos, CA (reopen/relo)
07/21/11	Auburn, AUS
07/22/11	Canberra, AUS
08/17/11	Sanatoga, PA
08/18/11	Bucks County, PA
08/19/11	Fredericton, NB
08/23/11	Tainan, TW
08/24/11	North Kaohsiung, TW
08/25/11	Yawata, JP
08/26/11	Maebashi Gunma, JP
08/27/11	Zama, JP

***Estimated opening dates**

COSTCO WHOLESALE CORPORATION
ADDITIONAL Q2 FY 2011 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> (24 weeks)
Net Income attributable to Costco	\$ 311,595	\$ 348,349	\$	\$	\$ 659,944
Add back Interest on subordinated convertible notes less related taxes (3-1/2% Zero Coupons)	<u>171</u>	<u>166</u>	<u></u>	<u></u>	<u>337</u>
Net income attributable to Costco, adjusted	<u>\$ 311,766</u>	<u>\$ 348,515</u>	<u>\$</u>	<u>\$</u>	<u>\$ 660,281</u>
SHARES (000)					
Weighted average shares used in basic EPS	434,099	436,682			435,385
Stock Options and restricted stock units	6,320	5,565			5,958
Conversion of subordinated notes (3-1/2% Zero Coupons)	<u>941</u>	<u>939</u>	<u></u>	<u></u>	<u>940</u>
Total Shares	<u>441,360</u>	<u>443,186</u>	<u></u>	<u></u>	<u>442,283</u>
EPS - Diluted	\$ 0.7064	\$ 0.7864	\$	\$	\$ 1.4929
Earnings Per Share - Rounded *Includes Mexico	<u>\$ 0.71</u>	<u>\$ 0.79</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1.49</u>