



January 2007



NW Calgary, AB



SW Bakersfield, CA



SE Gilbert, AZ



**Milton Keynes,
UK**



Costco Today

(January 2007)

- Sales \$13.9B in Q1 FY'07
- 504 warehouses - 38 states
- 8 countries
- \$127M average sales / whse.
- 66M Sq. Ft. (140K / whse.)
- 127,000 employees worldwide



Costco Today (Cont'd.)

- **Members**
 - 26.5M hh's
 - 48.5M total
 - 86% renewal rate
 - \$1.2B in cash fees LTM



1st Quarter

	<u>2006</u> *	<u>2007</u>
Sales	\$12,671	\$13,852
% Increase	12%	9%
% Comps	9%	4%
Gross Margin	10.58%	10.56%
Memb. & Other	<u>2.07%</u>	<u>2.16%</u>
Gross Profit	12.65%	12.72%
SG&A	9.98%	9.98%

* 53 week year.



1st Quarter

	<u>2006</u> *	<u>2007</u>	
Operating Income	\$325.5	\$353.1	+8%
Net Interest	<u>+21.8</u>	<u>+25.0</u>	
Pretax Income	\$347.3	\$378.1	+9%
Net Income	<u>\$215.8</u>	<u>\$236.9</u>	+10%
E.P.S.	\$.45	\$.51	+13%

* 53 week year.



Costco Strengths

- 48.5M loyal cardholders
- Strong member renewals
- Absolute Pricing Authority
- Fantastic employees
- Great merchandise
- Treasure hunt atmosphere
- Nimbleness
- Quality image



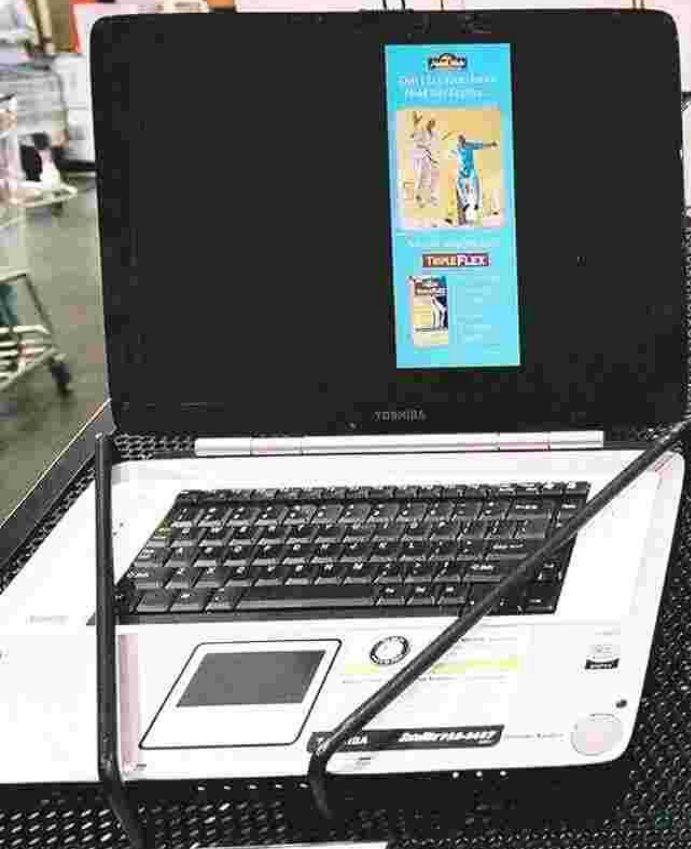
Costco Today

- Many growth initiatives underway
- 71 new warehouses opened in last 36 mths
- Short-term expense implications
- Long-term success potential
- Mindful of earnings growth
- Stay on game plan









20754
TOSHIBA
P4 3.0GHZ/1GB/15"
WIDESCREEN TFT
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21907
GATEWAY
P4 1.5GHZ/1MB/CESTRINO
NOTEBOOK W/ 13.1" TFT
1549.99



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COMPAQ
P4 2.0GHZ/1GB/15"
WIDESCREEN TFT
1799.99



73-479
TOMMY HILF TIGER GOLF
MEN'S LONG SLEEVE
FLEECE CROWNECK

29.99

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29.99





Costco Diamonds



FY'06 Sales

100,000+
Carats



<u>Sports Drink</u>	<u>24 – 20oz.</u>
Kirkland Signature	\$9.99
Gatorade	\$14.49
31% Savings	









INFERNO



87745

W/ HERBES CHICKEN
NET WEIGHT 2.75 LBS.

4.99





Upcoming Expansion*

(Net of Relocations)

- New Locations

– FY'02	29
– FY'03	23
– FY'04	20
– FY'05	16
– FY'06	25
– FY'07 (E)	33

- New Markets

- In-fills

- International

- Relocations

*Excludes Mexico



Capital Expenditures

• FY'00	\$1.2B
• FY'01	\$1.4B
• FY'02	\$1.1B
• FY'03	\$805M
• FY'04	\$703M
• FY'05	\$996M
• FY'06	\$1,200M



Financial Position (MM's)

November 26, 2006

Cash & Equivalents	\$2,614
Short Term Debt	396
Long Term Debt	<u>175</u>
Total Debt	\$571
Stockholders' Equity	\$8,972
Property & equipment, net	\$8,832

A high-angle, wide shot of a massive indoor shopping event, likely a warehouse sale or a large-scale charity auction. The space is filled with a dense crowd of people of various ages and ethnicities. They are surrounded by towering stacks of cardboard boxes, some labeled with brands like 'MAGNET' and 'MAGNET'. Many people are pushing shopping carts, which are also filled with goods. The floor is a light-colored, polished surface, and the ceiling is high with visible structural beams and lighting fixtures. The overall atmosphere is one of a busy, bustling event. A white rectangular box with a black border is overlaid on the upper right portion of the image, containing the text 'Watford, UK' in a bold, black, sans-serif font.

Watford, UK

