



**DATE:** March 4, 2009

**TO:** INTERESTED PARTIES

**FROM:** Richard Galanti, EVP/CFO

**RE:** **Additional Second Quarter Fiscal 2009 Information**

The attached information is provided to address questions about Costco Wholesale's Second Quarter Fiscal 2009 results (dollars in thousands):

1. Calculation of Diluted Earnings Per Share – see attached.
2. 2nd Qtr FY 2009 Condensed Balance Sheet - see attached.
3. What was the effect of the Canadian and UK exchange rates for FY 2009? FY 2008? FY 2007?

Exchange Rates	CANADA (CN vs. U.S.)			UK (UK vs. U.S.)		
	FY 2009	FY 2008	FY 2007	FY 2009	FY 2008	FY 2007
1st Quarter	.8794	1.0142	.8875	1.6929	2.0444	1.8861
2nd Quarter	.8122	.9959	.8584	1.4667	1.9923	1.9596
3rd Quarter	-	.9930	.8725	-	1.9859	1.9693
4th Quarter	-	.9801	.9410	-	1.9516	2.0050
<b>Total/YTD</b>	<b>.8458</b>	<b>.9941</b>	<b>.8925</b>	<b>1.5798</b>	<b>1.9903</b>	<b>1.9577</b>

4. What was the impact of LIFO in FY 2009? FY 2008? FY 2007?

	<u>LIFO Charge/(Benefit) (Pre-tax)</u> <u>(000's/% to Sales)</u>		
	Fiscal 2009	Fiscal 2008	Fiscal 2007
1st Quarter	(\$2,200)/(.01%)	\$0/0%	\$0/0%
2nd Quarter	(\$7,000)/(.04%)	\$0/0%	\$0/0%
3rd Quarter	-	\$0/0%	\$0/0%
4th Quarter	-	\$32,316/.14%	\$0/0%
<b>Total/YTD</b>	<b>(\$9,200)/(.03%)</b>	<b>\$32,316/.05%</b>	<b>\$0/0%</b>

5. What was the impact of income tax rates in FY 2009? FY 2008? FY 2007?

	Fiscal 2009	Fiscal 2008	Fiscal 2007
1st Quarter	36.66%	35.34%	37.35%
2nd Quarter	37.22%	37.13%	36.72%
3rd Quarter	-	36.59%	37.06%
4th Quarter	-	34.46%	35.98%
<b>Total/YTD</b>	<b>36.93%</b>	<b>35.83%</b>	<b>36.68%</b>

6.

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

	<b>FY 2009</b>		<b>FY 2008</b>		<b>FY 2007**</b>	
	<b>Total Sales</b>	<b>Comp. Sales</b>	<b>Total Sales</b>	<b>Comp. Sales</b>	<b>Total Sales</b>	<b>Comp. Sales</b>
1st Quarter	4%	1%	12%	8%	9%	4%
2nd Quarter	-1%	-3%	12%	7%	9%	5%
3rd Quarter	-	-	13%	8%	12%	7%
4th Quarter	-	-	13%	9%	3%/9%*	5%
<b>Total/YTD</b>	<b>1%</b>	<b>-1%</b>	<b>13%</b>	<b>8%</b>	<b>7%/9%*</b>	<b>6%</b>

\*Reflects 53-week fiscal year 2006

\*\*Excludes 2nd and 3rd Qtr Sales Returns Reserve Adjustments

**7. Warehouse Openings for FY 2009:**

At the end of the Second Quarter of Fiscal 2009, the Company operated 550 warehouses, including 403 in the United States and Puerto Rico, 76 in Canada, 21 in the United Kingdom, six in Korea, five in Taiwan, eight in Japan and 31 in Mexico. Eight warehouses were opened in the First Quarter of Fiscal 2009; one closed. There were no warehouse openings or closings in the Second Quarter of Fiscal 2009.

**Date****First Qtr '09****Location**

10/02/08	Peterborough, Ontario
10/05/08	Las Vegas, NV (Closed)
10/22/08	Houston (Galleria), TX
10/23/08	Pocatello, ID
10/25/08	Covington, WA
11/12/08	Brandywine, MD
11/13/08	Bloomfield, MI (Re-opened)
11/14/08	St. Charles, IL
11/22/08	Croydon, UK

**Second Qtr '09****Location**

No warehouse openings or closings

**Third Qtr '09****Location**

2/19/09	Las Vegas, NV (Re-opened as a Business Center)
2/26/09	Lakewood, CA
2/27/09	Kapolei, HI

**COSTCO WHOLESALE CORPORATION**  
**ADDITIONAL Q2 FY 2009 QUARTER INFORMATION**  
**CALCULATION OF DILUTED EARNINGS PER SHARE**

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>YTD</u>
	(12 weeks)	(12 weeks)	(12 weeks)	(16 weeks)	(52 weeks)
<b>DILUTED EPS</b>					
Net Income	\$ 262,500	\$ 239,740	\$	\$	\$ 502,240
Add back Interest on subordinated convertible notes less related taxes (3-1/2% Zero Coupons)	<u>248</u>	<u>233</u>			<u>481</u>
Net income, adjusted	<u>\$ 262,748</u>	<u>\$ 239,973</u>	<u>\$</u>	<u>\$</u>	<u>\$ 502,721</u>
<b>SHARES</b>					
Weighted average shares used in basic EPS	432,451	433,476			432,963
Stock Options and restricted stock units	6,562	4,763			5,649
Conversion of subordinated notes (3-1/2% Zero Coupons)	<u>1,520</u>	<u>1,449</u>			<u>1,483</u>
Total Shares	<u>440,533</u>	<u>439,688</u>		<u>-</u>	<u>440,095</u>
EPS - Diluted	\$ 0.5964	\$ 0.5458	\$	\$	\$ 1.1423
Earnings Per Share - Rounded	<u>\$ 0.60</u>	<u>\$ 0.55</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1.14</u>

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

**Subject to Reclassifications**

	<u>February 15, 2009</u>	<u>August 31, 2008</u>
<b>ASSETS</b>		
Cash and cash equivalents .....	\$ 2,704,904	\$ 2,619,429
Short-term investments .....	576,794	655,584
Receivables, net .....	880,266	747,968
Merchandise inventories .....	4,995,434	5,039,413
Deferred income taxes and other current assets .....	533,764	399,651
Total current assets .....	9,691,162	9,462,045
Property and equipment, net .....	10,354,032	10,354,996
Other assets .....	691,494	865,307
	<u>\$20,736,688</u>	<u>\$20,682,348</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Accounts payable .....	\$ 5,000,263	\$ 5,224,753
Short-term borrowings and current portion of long-term debt .....	172,675	140,412
Other current liabilities .....	3,825,147	3,509,000
Total current liabilities .....	8,998,085	8,874,165
Long-term debt, excluding current portion .....	2,198,011	2,205,952
Deferred income taxes and other liabilities .....	331,631	328,313
Total liabilities .....	11,527,727	11,408,430
Minority Interest .....	88,394	81,857
Total stockholders' equity .....	9,120,567	9,192,061
	<u>\$20,736,688</u>	<u>\$20,682,348</u>