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news release

Costco Wholesale Corporation Reports First Quarter Fiscal Year 2011 Operating Results

ISSAQUAH, WA, Dec 08, 2010 (MARKETWIRE via COMTEX) --

Costco Wholesale Corporation ("Costco" or the "Company") (NASDAQ: COST) announced today its operating results for the first quarter (twelve weeks) of fiscal 2011, ended November 21, 2010.

Net sales for the quarter increased eleven percent to $18.82 billion from $16.92 billion during the first quarter of fiscal 2010. This year's first quarter included sales from the Company's 50% owned Mexico joint venture, as the Company began consolidating its Mexico operations on a prospective basis beginning with its 2011 fiscal year (on August 30, 2010) due to the adoption of a new accounting standard, as previously disclosed; without those sales the increase would have been eight percent.

Comparable sales for the first quarter of fiscal 2011, including Mexico operations for both this year and last year, were as follows:

	12 Weeks
U.S.	5%
International	14%
Total Company	7%

Inflation in gasoline prices and strengthening foreign currencies had a positive impact on comparable sales. Excluding these effects, comparable sales for the twelve-week period were as follows:

	12 Weeks
U.S.	4%
International	10%
Total Company	5%

Net income for the quarter was $312 million, or $.71 per diluted share, compared to $266 million, or $.60 per diluted share, during the first quarter of fiscal 2010. Mexico's results for the prior year were accounted for under the equity method and Costco's 50% share was included in interest income and other. In the current year the joint venture results are fully consolidated and the joint venture partner's 50% share is reported as net income attributable to noncontrolling interests. The consolidation of the Mexico joint venture had no impact on net income or earnings per share attributable to Costco.

Costco currently operates 582 warehouses, including 425 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. The Company also operates Costco Online, an electronic commerce web site, at www.costco.com and at www.costco.ca in Canada.

A conference call to discuss these fiscal 2011 first quarter results is scheduled for 8:00 a.m. (PT) today, December 8, 2010, and is available via a webcast on www.costco.com (click on Investor Relations and "Play Webcast").

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), 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.

COSTCO WHOLESALE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(dollars in millions, except per share data)
(unaudited)

	12 Weeks Ended	
	November 21, 2010	November 22, 2009
REVENUE		
Net sales	$ 18,823	$ 16,922
Membership fees	416	377
Total revenue	19,239	17,299
OPERATING EXPENSES		
Merchandise costs	16,757	15,081
Selling, general and administrative	1,941	1,777
Preopening expenses	12	11
Provision for impaired assets and closing		

costs, net	4	2
Operating income	525	428
OTHER INCOME (EXPENSE)		
Interest expense	(26)	(24)
Interest income and other, net	5	18
INCOME BEFORE INCOME TAXES	504	422
Provision for income taxes	172	152
Net income including noncontrolling interests	332	270
Net income attributable to noncontrolling interests	(20)	(4)
NET INCOME ATTRIBUTABLE TO COSTCO	$ 312	$ 266
NET INCOME PER COMMON SHARE ATTRIBUTABLE TO COSTCO:		
Basic	$ 0.72	$ 0.61
Diluted	$ 0.71	$ 0.60
Shares used in calculation (000's)		
Basic	434,099	437,173
Diluted	441,360	444,849
Dividends per share	$ 0.205	$ 0.180

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

Subject to Reclassifications

	November 21, 2010	August 29, 2010
ASSETS		
Cash and cash equivalents	$ 3,739	$ 3,214
Short-term investments	1,545	1,535
Receivables, net	985	884
Merchandise inventories	6,852	5,638
Deferred income taxes and other current assets	437	437
Total current assets	13,558	11,708
Property and equipment, net	12,019	11,314
Other assets	466	793
TOTAL ASSETS	$ 26,043	$ 23,815
LIABILITIES AND EQUITY		
Accounts payable	$ 7,205	$ 5,947
Short-term borrowings and current portion of long-term debt	24	26
Other current liabilities	4,273	4,090
Total current liabilities	11,502	10,063
Long-term debt, excluding current portion	2,143	2,141
Deferred income taxes and other liabilities	691	681
Total liabilities	14,336	12,885
Total Costco stockholders' equity	11,199	10,829
Noncontrolling interests	508	101
Total equity	11,707	10,930
TOTAL LIABILITIES AND EQUITY	$ 26,043	$ 23,815

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SOURCE: Costco

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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?**

	CANADA (CN vs. US)			UK (UK vs. US)		
Exchange Rates	**FY 2011**	**FY 2010**	**FY 2009**	**FY 2011**	**FY 2010**	**FY 2009**
1st Quarter	.9776	.9370	.8794	1.5795	1.6353	1.6929
2ndQuarter	.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**

	JAPAN (YEN vs. US)			KOREA (WON vs. US)		
Exchange Rates	**FY 2011**	**FY 2010**	**FY 2009**	**FY 2011**	**FY 2010**	**FY 2009**
1st Quarter	.01206	.01104	.00985	.00088	.00084	.00080
2ndQuarter	.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**

	TAIWAN (TI vs. US)			MEXICO (PESO vs. US)		
Exchange Rates	**FY 2011**	**FY 2010**	**FY 2009**	**FY 2011**	**FY 2010**	**FY 2009**
1st Quarter	.03222	.03086	.03076	.0797	.0753	.0840
2ndQuarter	.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?

	Fiscal 2011*	Fiscal 2010	Fiscal 2009
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:

	FY 2011*		FY 2010		FY 2009	
	Total Sales	Comp. Sales	Total Sales	Comp. Sales	Total Sales	Comp. Sales
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	Location
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	**Location**
11/23/10	Burnsville, MN
11/24/10	E. Vancouver, WA
01/09/11	San Marcus, CA (closed for relo)
Third Qtr '11	**Location**
04/14/11	Tucson III, AZ

Fourth Qtr '11*	Location
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*	**Q1** (12 weeks)	**Q2** (12 weeks)	**Q3** (12 weeks)	**Q4** (16 weeks)	**YTD** (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)	171	166			337
Net income attributable to Costco, adjusted	$ 311,766	$ 348,515	$	$	$ 660,281
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)	941	939			940
Total Shares	441,360	443,186			442,283
EPS - Diluted	$ 0.7064	$ 0.7864	$	$	$ 1.4929
Earnings Per Share - Rounded	$ 0.71	$ 0.79	$	$	$ 1.49

*Includes Mexico