FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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PRICESMART INC

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended November 30, 2012

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______

COMMISSION FILE NUMBER 0-22793

PriceSmart, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**33-0628530**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

9740 Scranton Road, San Diego, CA 92121
(Address of principal executive offices)

(858) 404-8800
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller Reporting Company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The registrant had 30,216,819 shares of its common stock, par value $0.0001 per share, outstanding at December 31, 2012.

PRICESMART, INC.

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PriceSmart, Inc.'s ("PriceSmart" or the "Company") unaudited consolidated balance sheet as of November 30, 2012 and the consolidated balance sheet as of August 31, 2012, the unaudited consolidated statements of income for the three months ended November 30, 2012 and 2011, the unaudited consolidated statement of comprehensive income for the three months ended November 30, 2012 and 2011, the unaudited consolidated statements of equity for the three months ended November 30, 2012 and 2011, and the unaudited consolidated statements of cash flows for the three months ended November 30, 2012 and 2011, are included herein. Also included herein are the notes to the unaudited consolidated financial statements.

PRICESMART, INC.
CONSOLIDATED BALANCE SHEETS
(AMOUNTS IN THOUSANDS, EXCEPT SHARE DATA)

	November 30, 2012 (Unaudited)	August 31, 2012
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 84,350	$ 91,248
Short-term restricted cash	1,220	1,241
Receivables, net of allowance for doubtful accounts of $1 as of November 30 and August 31, 2012, respectively	6,085	5,786
Merchandise inventories	239,978	201,043
Deferred tax assets – current	5,941	5,619
Prepaid expenses and other current assets	34,628	29,955
Total current assets	372,202	334,892
Long-term restricted cash	36,520	36,505
Property and equipment, net	307,346	299,567
Goodwill	36,821	36,886
Deferred tax assets – long term	13,515	14,835
Other non-current assets	5,395	5,468
Investment in unconsolidated affiliates	8,105	7,559
Total Assets	$ 779,904	$ 735,712
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable	$ 200,829	$ 173,197
Accrued salaries and benefits	12,641	14,729
Deferred membership income	15,002	13,747
Income taxes payable	6,690	8,193
Other accrued expenses	13,834	17,516
Dividends payable	18,129	—
Long-term debt, current portion	7,798	7,237
Deferred tax liability – current	173	122
Total current liabilities	275,096	234,741
Deferred tax liability – long-term	2,351	2,191
Long-term portion of deferred rent	4,368	4,336
Long-term income taxes payable, net of current portion	2,108	2,512
Long-term debt, net of current portion	73,165	71,422
Other long-term liabilities (includes $1.4 million and $1.2 million for the fair value of derivative instruments and $419 and $396 for the defined benefit plans as of November 30 and August 31, 2012, respectively)	1,803	1,596
Total liabilities	358,891	316,798
Equity:		

Common stock, $0.0001 par value, 45,000,000 shares authorized; 30,861,245 and 30,855,651 shares issued and 30,215,819 and 30,210,255 shares outstanding (net of treasury shares) as of November 30 and August 31, 2012, respectively.	3	3
Additional paid-in capital	385,977	384,154
Tax benefit from stock-based compensation	6,680	6,680
Accumulated other comprehensive loss	(34,782)	(33,182)
Retained earnings	79,615	77,739
Less: treasury stock at cost; 645,426 as of November 30 and August 31, 2012, respectively.	(16,480)	(16,480)
Total equity	421,013	418,914
Total Liabilities and Equity	$ 779,904	$ 735,712

See accompanying notes.

PRICESMART, INC.
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED—AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	Three Months Ended November 30,	
	2012	**2011**
Revenues:		
Net warehouse club sales	$ 523,599	$ 468,192
Export sales	3,073	2,249
Membership income	7,673	6,331
Other income	941	679
Total revenues	535,286	477,451
Operating expenses:		
Cost of goods sold:		
Net warehouse club	444,944	399,865
Export	2,835	2,161
Selling, general and administrative:		
Warehouse club operations	45,842	41,891
General and administrative	11,158	9,111
Pre-opening expenses	737	162
Total operating expenses	505,516	453,190
Operating income	29,770	24,261
Other income (expense):		
Interest income	294	184
Interest expense	(1,218)	(1,254)
Other income (expense), net	(58)	(1,269)
Total other expense	(982)	(2,339)
Income from continuing operations before provision for income taxes and income (loss) of unconsolidated affiliates	28,788	21,922
Provision for income taxes	(8,779)	(7,933)
Income (loss) of unconsolidated affiliates	(4)	7
Income from continuing operations	20,005	13,996
Income (loss) from discontinued operations, net of tax	—	(7)
Net income	20,005	13,989
Net income per share available for distribution:		
Basic net income per share from continuing operations	$ 0.66	$ 0.47
Basic net income (loss) per share from discontinued operations, net of tax	$ —	$ —
Basic net income per share	$ 0.66	$ 0.47
Diluted net income per share from continuing operations	$ 0.66	$ 0.47
Diluted net income (loss) per share from discontinued operations, net of tax	$ —	$ —
Diluted net income per share	$ 0.66	$ 0.47
Shares used in per share computations:		
Basic	29,592	29,503

Diluted	29,604	29,517
Dividends per share	$ 0.60	$ —

See accompanying notes.

PRICESMART, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED—AMOUNTS IN THOUSANDS)

	Three Months Ended November 30,	
	2012	**2011**
Net income	$ 20,005	$ 13,989
Other Comprehensive Income, net of tax:		
Foreign currency translation adjustments	$ (1,396)	$ (217)
Defined benefit pension plans:		
Net gain (loss) arising during period	1	9
Total defined pension plans	1	9
Unrealized gains (losses) on change in fair value of interest rate swaps(1)	(205)	662
Foreign currency translation differences for merger of foreign operations(2)(3)	—	(5,604)
Correction of foreign currency translations for prior years related to foreign operations affecting property and equipment (2) (3)	—	(3,284)
Other comprehensive income (loss)	(1,600)	(8,434)
Comprehensive income	$ 18,405	$ 5,555

(1) See Note 9 - Derivative Instruments and Hedging Activities
(2) See Note 1 - Company Overview and Basis of Presentation
(3) Translation adjustments arising in translating the financial statements of a foreign entity have no effect on the income taxes of that foreign entity. They may, however, affect: (a) the amount, measured in the parent entity's reporting currency, of withholding taxes assessed on dividends paid to the parent entity and (b) the amount of taxes assessed on the parent entity by the government of its country. The Company has determined that the reinvestment of earnings of its foreign subsidiaries are indefinite because of the long-term nature of the Company's foreign investment plans. Therefore, deferred taxes are not provided for on translation adjustments related to unremitted earnings of the Company's foreign subsidiaries.

PRICESMART, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(UNAUDITED—AMOUNTS IN THOUSANDS)

	Common Stock						Treasury Stock		Total
	Shares	Amount	Additional Paid-in Capital	Tax Benefit From Stock based Compen-sation	Accumu-lated Other Compre-hensive Income(Loss)	Retained Earnings (Accumulated Deficit)	Shares	Amount	Equity
Balance at August 31, 2011	30,696	$ 3	$ 383,549	$ 5,242	$ (22,915)	$ 28,238	796	$ (18,279)	$ 375,838
Purchase of treasury stock	—	—	—	—	—	—	—	3	3
Stock-based compensation	—	—	966	—	—	—	—	—	966
Net income	—	—	—	—	—	13,989	—	—	13,989
Other comprehensive income (loss)	—	—	—	—	(8,434)	—	—	—	(8,434)
Balance at November 30, 2011	30,696	$ 3	$ 384,515	$ 5,242	$ (31,349)	$ 42,227	796	$ (18,276)	$ 382,362
Balance at August 31, 2012	30,856	$ 3	$ 384,154	$ 6,680	$ (33,182)	$ 77,739	645	$ (16,480)	$ 418,914
Issuance of restricted stock award	6	—	—	—	—	—	—	—	—
Forfeiture of restricted stock awards	(1)	—	—	—	—	—	—	—	—
Stock-based compensation	—	—	1,823	—	—	—	—	—	1,823
Dividend payable to stockholders	—	—	—	—	—	(18,129)	—	—	(18,129)
Net income	—	—	—	—	—	20,005	—	—	20,005
Other comprehensive income (loss)	—	—	—	—	(1,600)	—	—	—	(1,600)
Balance at November 30, 2012	30,861	$ 3	$ 385,977	$ 6,680	$ (34,782)	$ 79,615	645	$ (16,480)	$ 421,013

See accompanying notes.

PRICESMART, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED—AMOUNTS IN THOUSANDS)

	Three Months Ended November 30,	
	2012	**2011**
Operating Activities:		
Net income	$ 20,005	$ 13,989
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	5,684	5,811
Allowance for doubtful accounts	—	(1)
(Gain) loss on sale of property and equipment	55	86
Deferred income taxes	1,209	679
Discontinued operations	—	7
Equity in gains/(losses) of unconsolidated affiliates	4	(7)
Stock-based compensation	1,823	966
Change in operating assets and liabilities:		
Change in receivables, prepaid expenses and other current assets, accrued salaries and benefits, deferred membership income and other accruals	(9,558)	(8,343)
Merchandise inventories	(38,935)	(42,362)
Accounts payable	27,631	16,421
Net cash provided by (used in) continuing operating activities	7,918	(12,754)
Net cash provided by (used in) discontinued operating activities	—	377
Net cash provided by (used in) operating activities	7,918	(12,377)
Investing Activities:		
Additions to property and equipment	(14,663)	(8,280)
Proceeds from disposal of property and equipment	45	14
Capital contribution to Costa Rica joint venture	(300)	—
Capital contribution to Panama joint venture	(250)	—
Net cash flows provided by (used in) investing activities	(15,168)	(8,266)
Financing Activities:		
Proceeds from bank borrowings	3,979	45,823
Repayment of bank borrowings	(1,921)	(38,192)
Release of (addition to) restricted cash	—	(6,000)
Purchase of treasury stock	—	3
Net cash provided by (used in) financing activities	2,058	1,634
Effect of exchange rate changes on cash and cash equivalents	(1,706)	468
Net increase (decrease) in cash and cash equivalents	(6,898)	(18,541)
Cash and cash equivalents at beginning of period	91,248	76,817
Cash and cash equivalents at end of period	$ 84,350	$ 58,276
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest, net of amounts capitalized	$ 1,295	$ 1,266
Income taxes	$ 9,366	$ 8,937

Supplemental non-cash item:				
Cancellation of joint ventures Prico Enterprise loan	$	—	$	(473)
Dividends declared but not paid	$	18,129	$	—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
November 30, 2012

NOTE 1 – COMPANY OVERVIEW AND BASIS OF PRESENTATION

PriceSmart, Inc.'s ("PriceSmart" or the "Company") business consists primarily of international membership shopping warehouse clubs similar to, but smaller in size than, warehouse clubs in the United States. As of November 30, 2012, the Company had 30 consolidated warehouse clubs in operation in 12 countries and one U.S. territory (five in Costa Rica, four each in Panama and Trinidad, three each in Guatemala and in the Dominican Republic, two each in Colombia, El Salvador and Honduras and one each in Aruba, Barbados, Jamaica, Nicaragua and the United States Virgin Islands), of which the Company owns 100% of the corresponding legal entities (see Note 2 - Summary of Significant Accounting Policies). The Company acquired land in south Cali, Colombia on December 14, 2011, upon which it opened a new warehouse club on October 19, 2012. Additionally, on January 9, 2012 the Company entered into an agreement to acquire property located in La Union, Cartago, Costa Rica, upon which the Company anticipates constructing its sixth membership warehouse club in Costa Rica. The Company currently anticipates opening this club in the fall of calendar year 2013. Finally, on March 15, 2012 the Company acquired land in north Cali, Colombia upon which it anticipates opening a new warehouse club in the spring of calendar year 2013. The Company continues to explore other potential sites for future warehouse clubs in other major cities in Colombia. The initial warehouse club sales and membership sign-ups experienced with the opening of the Barranquilla and south Cali warehouse clubs has reinforced the Company's belief that Colombia could be a market for multiple PriceSmart warehouse clubs.

Basis of Presentation - The interim consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q for interim financial reporting pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). These interim consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2012 (the "2012 Form 10-K"). The interim consolidated financial statements include the accounts of PriceSmart, Inc., a Delaware corporation, and its subsidiaries. Inter-company transactions between the Company and its subsidiaries have been eliminated in consolidation.

In accordance with the Financial Accounting Standards Board's ("FASB") revised guidance establishing general accounting standards and disclosure of subsequent events, the Company has evaluated subsequent events through the date and time these financial statements were issued.

Reclassifications to consolidated balance sheet recorded during fiscal year 2013 for fiscal year 2012 - Certain reclassifications to the consolidated balance sheet have been made to prior fiscal year amounts to conform to the presentation in the current fiscal year. These reclassifications did not impact consolidated total assets, total current liabilities or total liabilities.

Reclassifications to consolidated statement of income recorded during fiscal year 2013 for fiscal year 2012 - The Company receives cash consideration from its vendors for product demonstrations. Prior to fiscal year 2013, the Company recorded this consideration as Other income. However, cash or equity consideration received from a vendor is presumed to be a reduction of cost of sales when it is recognized in the income statement. Additionally, reimbursements of costs incurred by the customer to sell the vendor's products are treated as a reduction of the related cost when recognized in the income statement. Therefore, the Company has accordingly recorded such consideration as a reduction to cost of sales and a reduction to related costs incurred to sell the vendor's products starting in fiscal year 2013. The Company has made reclassifications to the consolidated statement of income for fiscal year 2012 to conform to the presentation in fiscal year 2013. These reclassifications did not impact consolidated operating income or net income. The following table summarizes the impact of these reclassifications (in thousands):

	Three Months Ended				
	November 30, 2011	**February 29, 2012**	**May 31, 2012**	**August 31, 2012**	**Total Fiscal Year 2012**
Revenues:					
Net warehouse club sales-as previously reported	$ 468,329	$ 537,816	$ 494,898	$ 499,003	$ 2,000,046
Reclassifications	(137)	(197)	(151)	(197)	(682)
Net warehouse club sales-as currently reported	$ 468,192	$ 537,619	$ 494,747	$ 498,806	$ 1,999,364
Other income-as previously reported	$ 1,776	$ 2,165	$ 2,163	$ 2,318	$ 8,422
Reclassifications	(1,097)	(1,230)	(1,294)	(1,279)	(4,900)
Other income-as currently reported	$ 679	$ 935	$ 869	$ 1,039	$ 3,522
Cost of goods sold:					
Net warehouse club-as previously reported	$ 400,481	$ 459,313	$ 421,512	$ 422,825	$ 1,704,131
Reclassifications	(616)	(805)	(788)	(590)	(2,799)
Net warehouse club-as currently reported	$ 399,865	$ 458,508	$ 420,724	$ 422,235	$ 1,701,332
Selling, general and administrative:					
Warehouse club operations-as previously reported	$ 42,509	$ 46,384	$ 46,197	$ 47,311	$ 182,401
Reclassifications	(618)	(622)	(657)	(886)	(2,783)
Warehouse club operations-as currently reported	$ 41,891	$ 45,762	$ 45,540	$ 46,425	$ 179,618
Net effect on Operating income	$ —	$ —	$ —	$ —	$ —

Reclassifications and prior period adjustments recorded during fiscal year 2012- During fiscal year 2007 and during the first quarter of fiscal year 2012, the Company merged in each period a wholly owned subsidiary formed to purchase, develop and serve as a holding company for the land and buildings used by certain operating warehouse clubs (each, a "Landco") with one of the wholly owned subsidiaries formed to operate these warehouse clubs (each, an "Opco"). Each of the Landco entities involved in these mergers had a functional and reporting currency in U.S. dollars, and each of the related Opco entities that they were merged into had a foreign currency as a functional currency and U.S. dollars as a reporting currency. In each of these mergers, the Opco was the surviving entity, with the assets, liabilities and equity accounts of the Landco being transferred to the Opco and the Landco subsidiary ceasing to exist. Since the Landco entity ceased to exist, and all relevant economic activities previously performed by the Landco no longer exist, a significant change in economic facts and circumstances has been determined to have taken place, indicating that the functional currency has changed as the assets were transferred to the Opco. Upon this transfer, the Company is required to remeasure the non-monetary balance sheet items at historical exchange rates in order to produce the same result in terms of the functional currency that would have occurred if those items had been initially recorded in the foreign functional currency. As a result of the 2012 merger, and the resulting translation adjustments, the Company recorded in the first quarter of fiscal year 2012 a charge to comprehensive income for approximately $5.6 million relating to the fiscal year 2012 merger, with a corresponding reduction to Property and equipment, net for the same amount.

During the first quarter of fiscal year 2012, the Company identified errors in the consolidated financial statements for the fiscal year ended August 31, 2011 and for fiscal years previous to 2009. The errors relate to incorrect (i) accounting for the 2007 merger described above which impacted the translation of Property and equipment, net from foreign currencies to U.S. dollars and the related offset to Accumulated other comprehensive loss; and (ii) the translation of Property and equipment, net from foreign currencies to U.S. dollars and the related offset to Accumulated other comprehensive loss. The correction of these errors would have decreased comprehensive income by $6.4 million in fiscal year 2007 and increased comprehensive income by $3.1 million in fiscal year 2011. The total of these corrections, which was recorded in the first quarter of fiscal 2012 as a charge to comprehensive income was approximately $3.3 million. The Company decreased Property and equipment, net and increased Accumulated other comprehensive loss by the same amount.

The Company analyzed the impact of these items and concluded that neither error would be material to any individual period, taking into account the requirements of the Securities and Exchange Commission ("SEC") Staff Accounting Bulletin No. 108, Considering the Effects of Prior Year Misstatements in the Current Year Financial Statements ("SAB 108"). In accordance with the relevant guidance, management evaluated the materiality of errors from a quantitative and qualitative perspective. Based on such evaluation, the Company concluded that correcting the cumulative errors, which decreased comprehensive income by approximately $3.3 million for the three month period ended November 30, 2011, was immaterial to the expected full year results for fiscal 2012 and financial position as presented on the consolidated balance sheet. Correcting the error would not have had a material impact on any individual prior period presented in the 2011 Form 10-K nor would it have affected the trend of financial results. As provided by SAB 108, the error correction did not require the restatement of the consolidated financial statements for prior periods.

As a result of recording (i) the fiscal year 2012 merger and the resulting translation adjustment, (ii) the correction of the accounting for the 2007 merger, and (iii) the correction of an error in translation of Property and equipment, net from foreign currencies to U.S. dollars, the Company recorded an increase to Accumulated other comprehensive loss for $8.9 million within the first quarter of fiscal year 2012.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation - The interim consolidated financial statements of the Company included herein include the assets, liabilities and results of operations of the Company's wholly owned subsidiaries. All significant inter-company accounts and transactions have been eliminated in consolidation. The interim consolidated financial statements have been prepared by the Company without audit, pursuant to the rules and regulations of the SEC, and reflect all adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary to fairly present the financial position, results of operations, and cash flows for the interim periods presented. Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") have been condensed or omitted pursuant to such SEC rules and regulations. Management believes that the disclosures made are adequate to make the information presented not misleading. The results for interim periods are not necessarily indicative of the results for the full year.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Variable Interest Entities – The Company reviews and determines at the start of each arrangement, or subsequently if a reconsideration event occurs, whether any of its investments in joint ventures are a Variable Interest Entity ("VIE") and whether it must consolidate a VIE and/or disclose information about its involvement in a VIE. The Company has determined that the joint ventures for GolfPark Plaza and Price Plaza Alajuela are VIEs. The Company has determined that it is not the primary beneficiary of the VIEs and, therefore, has accounted for these entities under the equity method.

Restricted Cash – The changes in restricted cash are disclosed within the consolidated statement of cash flows based on the nature of the restriction. The following table summarizes the restricted cash reported by the Company (in thousands):

	November 30, 2012	August 31, 2012
Short-term restricted cash:		
Restricted cash for Honduras loan	$ 1,200	$ 1,200
Other short-term restricted cash [1]	20	41
Total short-term restricted cash	1,220	1,241
Long-term restricted cash:		
Restricted cash for Honduras loan	3,720	3,720
Restricted Cash - Colombia Bank Loans	32,000	32,000
Other long-term restricted cash [1]	800	785
Total long-term restricted cash	36,520	36,505
Total restricted cash	$ 37,740	$ 37,746

(1) The other restricted cash consist mainly of cash deposits held within banking institutions in compliance with federal regulatory requirements in Costa Rica and Panama.

Merchandise Inventories – Merchandise inventories, which include merchandise for resale, are valued at the lower of cost (average cost) or market. The Company provides for estimated inventory losses and obsolescence between physical inventory counts on the basis of a percentage of sales. The provision is adjusted periodically to reflect the trend of actual physical inventory count results, with physical inventories occurring primarily in the second and fourth fiscal quarters. In addition, the Company may be required to take markdowns below the carrying cost of certain inventory to expedite the sale of such merchandise.

Fair Value Measurements – The Company measures the fair value for all financial and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a recurring or nonrecurring basis. The fair value of an asset is the price at which the asset could be sold in an orderly transaction between unrelated, knowledgeable and willing parties able to engage in the transaction. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor in a transaction between such parties, not the amount that would be paid to settle the liability with the creditor.

The Company has established a three-tier fair value hierarchy, which prioritizes the inputs used in measuring and revaluing fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The Company was not required to revalue any assets or liabilities utilizing Level 1 or Level 3 inputs at the balance sheet dates. The Company's Level 2 assets and liabilities revalued at the balance sheet dates, on a recurring basis, primarily included cash flow hedges (interest rate swaps and cross-currency interest rate swaps) and forward foreign exchange contracts. In addition, the Company utilizes Level 2 inputs in determining the fair value of long-term debt. The Company has elected not to revalue long-term debt because this debt will be settled at the recorded costs and not at the fair market value. The Company did not make any significant transfers in and out of Level 1 and Level 2 fair value tiers during the periods reported on herein.

Nonfinancial assets and liabilities are recognized at fair value subsequent to initial recognition when there is evidence of impairment. For the periods reported, no impairment of such nonfinancial assets was recorded.

The disclosure of fair value of certain financial assets and liabilities recorded at cost is as follows:

Cash and cash equivalents: The carrying value approximates fair value due to the short maturity of these instruments.

Short-term restricted cash: The carrying value approximates fair value due to the short maturity of these instruments.

Long-term restricted cash: Long-term restricted cash primarily consists of auto renewable 3-12 month certificates of deposit, which are held as collateral on our long-term debt. The carrying value approximates fair value due to the short maturity of the underlying certificates of deposit.

Accounts receivable: The carrying value approximates fair value due to the short maturity of these accounts.

Short-term debt: The carrying value approximates fair value due to the short maturity of these instruments.

Long-term debt: The fair value of debt is generally measured using a discounted cash flow analysis based on current market interest rates for similar types of financial instruments. These inputs are not quoted prices in active markets but they are either directly or indirectly observable; therefore, they are classified as Level 2 inputs. The carrying value and fair value of the Company's debt as of November 30, 2012 and August 31, 2012 is as follows (in thousands):

	November 30, 2012		August 31, 2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt, including current portion	$ 80,963	$ 82,227	$ 78,659	$ 80,830

Derivatives- The Company uses derivative financial instruments for hedging and non-trading purposes to manage its exposure to changes in interest and currency exchange rates. In using derivative financial instruments for the purpose of hedging the Company's exposure to interest and currency exchange rate risks, the contractual terms of a hedged instrument closely mirror those of the hedged item, providing a high degree of risk reduction and correlation. Contracts that are effective at meeting the risk reduction and correlation criteria (effective hedge) are recorded using hedge accounting. If a derivative financial instrument is an effective hedge, changes in the fair value of the instrument will be offset in accumulated other comprehensive income (loss) until the hedged item completes its contractual term. If any portion of the hedge is deemed ineffective, the change in fair value of the hedged assets or liabilities will be immediately recognized in earnings during the period. Instruments that do not meet the criteria for hedge accounting, or contracts for which the Company has not elected hedge accounting, are valued at fair value with unrealized gains or losses reported in earnings during the period of the change. Valuation techniques utilized in the fair value measurement of assets and liabilities presented on the Company's consolidated balance sheets were not changed from previous practice during the reporting period.

Cash Flow Instruments. The Company is a party to receive floating-rate, pay fixed-rate interest rate swaps to hedge the interest rate risk of certain U.S. denominated debt within its international subsidiaries whose functional currency is other than the U.S dollar. The swaps are designated as cash flow hedges of interest expense risk. These instruments are considered effective hedges and are recorded using hedge accounting. The Company is also a party to receive fixed-rate, pay fixed-rate cross-currency interest rate swaps to hedge the currency exposure associated with the expected payments of principal and interest of U.S. denominated debt within its international subsidiaries whose functional currency is other than the U.S dollar. The swaps are designated as cash flow hedges of the currency risk related to payments on the U.S. denominated debt. These instruments are also considered to be effective hedges and are recorded using hedge accounting. Under cash flow hedging, the effective portion of the fair value of the derivative, calculated as the net present value of the future cash flows, is deferred on the consolidated balance sheets in accumulated other comprehensive loss. If any portion of an interest rate swap is determined to be an ineffective hedge, the gains or losses from changes in fair value would be recorded directly in the consolidated statements of income. Amounts recorded in accumulated other comprehensive loss are released to earnings in the same period that the hedged transaction impacts consolidated earnings. See Note 9 - Derivative Instruments and Hedging Activities for information on the fair value of interest rate swaps and cross-currency interest rate swaps as of November 30, 2012 and August 31, 2012.

Fair Value Instruments. The Company is exposed to foreign-currency exchange-rate fluctuations in the normal course of business. The Company is also exposed to foreign-currency exchange-rate fluctuations on U.S. dollar denominated liabilities within its international subsidiaries whose functional currency is other than the U.S. dollar. The Company manages these fluctuations, in part, through the use of non-deliverable forward foreign-exchange contracts that are intended to offset changes in cash flow attributable to currency exchange movements. The contracts are intended primarily to economically address exposure to U.S. dollar merchandise inventory expenditures made by the Company's international subsidiaries whose functional currency is other than the U.S. dollar. Currently, these contracts are treated for accounting purposes as fair value instruments and do not qualify for derivative hedge accounting. The Company seeks to mitigate foreign-currency exchange-rate risk with the use of these contracts and does not intend to engage in speculative transactions. These contracts do not contain any credit-risk-related contingent features.

The Company seeks to manage counterparty risk associated with these contracts by limiting transactions to counterparties with which the Company has an established banking relationship. There can be no assurance, however, that this practice effectively mitigates counterparty risk. The contracts are limited to less than one year in duration. See Note 9 - Derivative Instruments and Hedging Activities for information on the fair value of open, unsettled forward foreign-exchange contracts as of November 30, 2012 and August 31, 2012.

The following table summarizes financial assets and liabilities measured and recorded at fair value on a recurring basis in the Company's consolidated balance sheet as of November 30, 2012 and August 31, 2012 (in thousands) for derivatives that qualify for hedge accounting:

Assets and Liabilities as of November 30, 2012	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Other long-term liabilities – (Interest rate swaps)	$ —	$ (135)	$ —	$ (135)
Other long-term liabilities – (Cross-currency interest rate swaps)	—	(1,249)	—	(1,249)
Total	$ —	$ (1,384)	$ —	$(1,384)

Assets and Liabilities as of August 31, 2012	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Other long-term liabilities – (Interest rate swaps)	$ —	$ (216)	$ —	$ (216)
Other long-term liabilities – (Cross-currency interest rate swaps)	—	(983)	—	(983)
Total	$ —	$ (1,199)	$ —	$(1,199)

The following table summarizes financial assets and liabilities measured and recorded at fair value on a recurring basis in the Company's consolidated balance sheet as of November 30, 2012 and August 31, 2012 (in thousands) for derivatives that do not qualify for hedge accounting:

Assets and Liabilities as of November 30, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Prepaid expenses and other current assets (Foreign currency forward contracts)	$ —	$ 2	$ —	$ 2
Other accrued expenses (Foreign currency forward contracts)	—	(21)	—	(21)
Net fair value of derivatives designated as hedging instruments that do not qualify for hedge accounting	$ —	$ (19)	$ —	$(19)

Assets and Liabilities as of August 31, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Prepaid expenses and other current assets (Foreign currency forward contracts)	$ —	$ 27	$ —	$ 27
Other accrued expenses (Foreign currency forward contracts)	—	(3)	—	(3)
Net fair value of derivatives designated as hedging instruments that do not qualify for hedge accounting	$ —	$ 24	$ —	$ 24

As of November 30, 2012 and August 31, 2012, the Company had no significant measurements of financial assets or liabilities at fair value on a nonrecurring basis.

Goodwill – The table below presents goodwill resulting from certain business combinations as of November 30, 2012 and August 31, 2012 (in thousands). The change in goodwill is a result of foreign exchange translation losses.

	November 30, 2012	August 31, 2012	Change
Goodwill	$ 36,821	$ 36,886	$ (65)

The Company reviews previously reported goodwill at the entity level for impairment if there has been a significant change in the reporting unit's assets and liabilities since the most recent evaluation, if the reporting unit's most recent fair value determination resulted in an amount that exceeded its carrying amount by a substantial margin or if the likelihood that a current fair value determination would be more likely than not to show that the current fair value of the unit is less than the carrying amount of the reporting unit.

Revenue Recognition – The Company recognizes merchandise sales revenue when title passes to the customer. Membership income represents annual membership fees paid by the Company's warehouse club members, which are recognized ratably over the

12-month term of the membership. Membership refunds are prorated over the remaining term of the membership; accordingly, no refund reserve is required to be established for the periods presented. The Company recognizes and presents revenue-producing transactions on a net of tax basis.

The Company began offering Platinum memberships, in Costa Rica, during fiscal year 2013, that provide members with a 2% rebate, up to a maximum of $500.00, on most items. Platinum members can apply this rebate to future purchases at the warehouse club at the end of the annual membership period. The Company records this 2% rebate as a reduction of revenue, at the time of the rebate generated by the sales transaction. Accordingly, the Company has reduced warehouse sales and has accrued a liability within other accrued expenses. The rebate expires within six months of the membership renewal date. However, the Company has determined that in the absence of relevant historical experience, the Company is not able to make a reasonable estimate of rebate redemptions and accordingly has assumed a 100% redemption rate. The Company will periodically review expired unused rebates outstanding, and the expired unused rebates will be recognized as “Revenues: Other Income” on the consolidated statements of income.

The Company recognizes gift certificates sales revenue when the certificates are redeemed. The outstanding gift certificates are reflected as "Other accrued expenses" in the consolidated balance sheets. These gift certificates generally have a one-year stated expiration date from the date of issuance. However, the absence of a large volume of transactions for gift certificates impairs the Company's ability to make a reasonable estimate of the redemption levels for gift certificates; therefore, the Company assumes a 100% redemption rate. The Company periodically reviews unredeemed outstanding gift certificates, and the gift certificates that have expired are recognized as “Revenues: Other Income” on the consolidated statements of income.

Operating leases, where the Company is the lessor, with lease payments that have fixed and determinable rent increases are recognized as revenue on a straight-line basis over the lease term. The Company also accounts in its straight-line computation for the effect of any "rental holidays." Contingent rental revenue is recognized as the contingent rent becomes due per the individual lease agreements.

Cost of Goods Sold – The Company includes the cost of merchandise, food service and bakery raw materials, and one hour photo supplies in cost of goods sold. The Company also includes in cost of goods sold the external and internal distribution and handling costs for supplying merchandise, raw materials and supplies to the warehouse clubs. External costs include inbound freight, duties, drayage, fees, insurance, and non-recoverable value-added tax related to inventory shrink, spoilage and damage. Internal costs include payroll and related costs, utilities, consumable supplies, repair and maintenance, rent expense, building and equipment depreciation at its distribution facilities and payroll and other direct costs for in store demonstrations.

Vendor consideration consists primarily of volume rebates, time-limited product promotions, slotting fees, demonstration reimbursements and prompt payment discounts. Volume rebates that are not threshold based are incorporated into the unit cost of merchandise reducing the inventory cost and cost of goods sold. Volume rebates that are threshold based are recorded as a reduction to cost of good sold when the Company achieves established purchase levels, that are confirmed by the vendor in writing or upon receipt of funds. On a quarterly basis, the Company calculates the amount of rebates recorded in cost of goods sold that relates to inventory on hand and this amount is reclassified as a reduction to inventory, if significant. Product promotions are generally linked to coupons that provide for reimbursement to the Company from vendor rebates for the product being promoted. Slotting fees are related to consideration received by the Company from vendors for End Cap placement (“End Cap”) to “obtain space” for the vendor's products within the warehouse club. Demonstration reimbursements are related to consideration received by the Company from vendors for the in store promotion of the vendors products. The Company records the reduction in cost of goods sold on a transactional basis for these programs. Prompt payment discounts are taken in substantially all cases, and therefore, are applied directly to reduce the acquisition cost of the related inventory, with the resulting effect recorded to cost of goods sold when the inventory is sold.

Selling, General and Administrative – Selling, general and administrative costs are comprised primarily of expenses associated with warehouse operations. Warehouse operations include the operating costs of the Company's warehouse clubs, including all payroll and related costs, utilities, consumable supplies, repair and maintenance, rent expense, building and equipment depreciation, and bank and credit card processing fees. Also included in selling, general and administrative expenses are the payroll and related costs for the Company's U.S. and regional purchasing and management centers.

Pre-Opening Costs – The Company expenses pre-opening costs (the costs of start-up activities, including organization costs and rent) as incurred.

Asset Impairment Costs – The Company periodically evaluates its long-lived assets for indicators of impairment. Management's judgments are based on market and operational conditions at the time of the evaluation and can include management's best estimate of future business activity. These periodic evaluations could cause management to conclude that impairment factors exist, requiring an adjustment of these assets to their then-current fair value. Future business conditions and/or activity could differ materially from the projections made by management causing the need for additional impairment charges.

Contingencies and Litigation – The Company accounts and reports for loss contingencies if (a) information available prior to issuance of the consolidated financial statements indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the consolidated financial statements and (b) the amount of loss can be reasonably estimated.

Foreign Currency – The assets and liabilities of the Company's foreign operations are translated to U.S. dollars when the functional currency in the Company's international subsidiaries is the local currency and not U.S. dollars. Assets and liabilities of these foreign subsidiaries are translated to U.S. dollars at the exchange rate on the balance sheet date, and revenue, costs and expenses are translated at average rates of exchange in effect during the period. The corresponding translation gains and losses are recorded as a component of accumulated other comprehensive income or loss. These adjustments will affect net income upon the sale or liquidation of the underlying investment.

Monetary assets and liabilities denominated in currencies other than the functional currency of the respective entity, (primarily U.S. Dollars) are revalued to the functional currency using the exchange rate on the balance sheet date. These foreign exchange transaction gains (losses), including repatriation of funds are recorded as Other income (expense) in the Consolidated Statements of Income. The following table summarizes the amounts recorded for the three month periods ending November 30, 2012 and 2011 (in thousands):

	Three Months Ended November 30,	
	2012	2011
Currency gain (loss)	$ (1)	$ (1,183)

Income Taxes – The Company accounts for income taxes using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences and carry-forwards are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is established when necessary to reduce deferred tax assets to amounts expected to be realized.

The Company and its subsidiaries are required to file federal and state income tax returns in the United States and various other tax returns in foreign jurisdictions. The preparation of these tax returns requires the Company to interpret the applicable tax laws and regulations in effect in such jurisdictions, which could affect the amount of tax paid by the Company. The Company, in consultation with its tax advisors, bases its tax returns on interpretations that are believed to be reasonable under the circumstances. The tax returns, however, are subject to routine reviews by the various federal, state and foreign taxing authorities in the jurisdictions in which the Company or one of its subsidiaries file tax returns. As part of these reviews, a taxing authority may disagree with respect to the income tax positions taken by the Company ("uncertain tax positions") and, therefore, require the Company or one of its subsidiaries to pay additional taxes.

The Company accrues an amount for its estimate of probable additional income tax liability. In certain cases, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant tax authority. An uncertain income tax position will not be recognized if it has less than 50% likelihood of being sustained. This requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. When facts and circumstances change, the Company reassess these probabilities and records any changes in the consolidated financial statements as appropriate. There were no material changes in the Company's uncertain income tax positions for the periods ended November 30, 2012 and 2011.

The following tables presents a reconciliation of the effective tax rate for the periods presented:

	Three Months Ended November 30,	
	2012	2011
Federal tax provision at statutory rates	35.0 %	35.0 %
State taxes, net of federal benefit	0.3	1.2
Differences in foreign tax rates	(5.0)	(4.2)
Permanent items and other adjustments	—	1.2
Increase (decrease) in foreign valuation allowance	0.2	2.9
Provision for income taxes	30.5 %	36.2 %

For the first three months of fiscal year 2013, the decrease in the effective tax rate versus the prior year was primarily attributable to the following factors: (i) 3.1% results from a decrease in taxable losses of the Company's Colombia affiliate (for which the Company takes a full valuation allowance); (ii) 1.5% results from reversals of income tax liability for uncertain tax positions in the first three months of fiscal year 2013, compared to additional accruals for the same during the first three months of fiscal year 2012; and (iii) 0.9% results from adoption of California single sales factor apportionment.

Recent Accounting Pronouncements

FASB ASC 220

In June 2011, the FASB issued guidance to amend the presentation of comprehensive income to allow an entity the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. The guidance eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. The amended guidance was effective for annual and interim periods within those years beginning after December 15, 2011 and was to be applied retrospectively. The Company adopted this guidance on September 1, 2012. Adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

FASB ASC 350

In December 2010, the FASB issued amended guidance concerning testing for impairment of goodwill where an entity has one or more reporting units whose carrying value is zero or negative. The amended guidance requires the entity to perform a test to measure the amount, if any, of impairment to goodwill by comparing the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. The Company was required to adopt this amended guidance for fiscal years or interim periods within those years after December 15, 2011. The Company adopted this guidance on September 1, 2012. The adoption of the amended guidance did not have an impact on the Company's consolidated financial statements or disclosures to those financial statements.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment are stated at historical cost. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. The useful life of fixtures and equipment ranges from three to 15 years and that of buildings from ten to 25 years. Leasehold improvements are amortized over the shorter of the life of the improvement or the expected term of the lease. In some locations, leasehold improvements are amortized over a period longer than the initial lease term where management believes it is reasonably assured that the renewal option in the underlying lease will be exercised as an economic penalty may be incurred if the option is not exercised. The sale or purchase of property and equipment is recognized upon legal transfer of property. For property and equipment sales, if any long-term notes are carried by the Company as part of the sales terms, the sale is reflected at the net present value of current and future cash streams.

Property and equipment consist of the following (in thousands):

	November 30, 2012	August 31, 2012
Land	$ 89,848	$ 89,878
Building and improvements	214,412	198,967
Fixtures and equipment	109,474	103,250
Construction in progress	13,555	22,409
Total property and equipment, historical cost	427,289	414,504
Less: accumulated depreciation	(119,943)	(114,937)
Property and equipment, net	$ 307,346	$ 299,567

During fiscal year 2012, as a result of the merger of wholly owned subsidiaries under the common control of the Company and the correction of currency translation errors, the Company recorded during the first quarter of fiscal year 2012 a decrease in Property and equipment, net of approximately $8.9 million (see Note 1 - Company Overview and Basis of Presentation).

Depreciation and amortization expense (in thousands):

	Three Months Ended November 30,	
	2012	2011
Depreciation and amortization expense	$ 5,684	$ 5,811

Total interest capitalized (in thousands):

	November 30, 2012	August 31, 2012
Total interest capitalized	$ 4,663	$ 4,675

Total interest expense capitalized (in thousands):

	Three Months Ended November 30,	
	2012	2011
Interest expense capitalized	$ 172	$ 18

NOTE 4 – EARNINGS PER SHARE

The Company presents basic and diluted income per share using the two class method. The two-class method is an earnings allocation formula that treats a participating security as having rights to earnings that otherwise would have been available to common stockholders and that determines basic income per share for each class of common stock and participating security according to dividends declared (or accumulated) and participation rights in undistributed earnings that would have been available to common stockholders. A participating security is defined as a security that may participate in undistributed earnings with common stock. The Company's capital structure includes securities that participate with common stock on a one for one basis for distribution of dividends. These are the restricted stock awards and restricted stock units authorized within the 1998, 2001 and 2002 Equity Participation Plans of the Company. In addition, the Company determines the diluted income per share by including the basic weighted average of stock options outstanding in the calculation of diluted net income per share.

The following table sets forth the computation of net income per share for the three months ended November 30, 2012 and 2011 (in thousands, except per share amounts):

	Three Months Ended November 30,	
	2012	**2011**
Net income from continuing operations	$20,005	$13,996
Less: Earnings and dividends allocated to unvested stockholders	(407)	(204)
Dividend distribution to common stockholders	(17,755)	—
Basic undistributed net earnings available to common stockholders from continuing operations	$ 1,843	$13,792
Add: Net undistributed earnings allocated and reallocated to unvested stockholders (two-class method) and dividend distribution	17,755	—
Net earnings available to common stockholders from continuing operations	$19,598	$13,792
Net earnings (loss) available to common stockholders from discontinued operations	$ —	$ (7)
Basic weighted average shares outstanding	29,592	29,503
Add dilutive effect of stock options (two-class method)	12	14
Diluted average shares outstanding	29,604	29,517
Basic income per share from continuing operations	$ 0.66	$ 0.47
Diluted income per share from continuing operations	$ 0.66	$ 0.47
Basic income (loss) per share from discontinued operations	$ 0.00	$ 0.00
Diluted income (loss) per share from discontinued operations	$ 0.00	$ 0.00
Net Income attributable to PriceSmart:		
Income from continuing operations	$20,005	$13,996
Income (loss) from discontinued operations, net of tax	—	(7)
	$20,005	$13,989

NOTE 5 – STOCKHOLDERS' EQUITY

Dividends

Dividends

The following table summarizes the dividends declared and paid during fiscal years 2013 and 2012.

		First Payment				Second Payment			
Declared	Amount	Record Date	Date Paid	Date Payable	Amount	Record Date	Date Paid	Date Payable	Amount
11/27/12	$ 0.60	12/10/12	N/A	12/21/12	$ 0.30	8/15/13	N/A	8/30/13	$ 0.30
1/25/12	$ 0.60	2/15/12	2/29/12	N/A	$ 0.30	8/15/12	8/31/12	N/A	$ 0.30

The Company anticipates the ongoing payment of semi-annual dividends in subsequent periods, although the actual declaration of future dividends, the amount of such dividends, and the establishment of record and payment dates is subject to final determination by the Board of Directors at its discretion after its review of the Company's financial performance and anticipated capital requirements.

Comprehensive Income and Accumulated Other Comprehensive Loss

The following table discloses the tax effects allocated to each component of other comprehensive income (loss) (in thousands):

	Three Months Ended November 30,					
	2012			2011		
	Before-Tax Amount	Tax (expense) or benefit	Net-of-Tax Amount	Before-Tax Amount	Tax (expense) or benefit	Net-of-Tax Amount
Foreign currency translation adjustments [3]	$ (1,396)	$ —	$ (1,396)	$ (217)	$ —	$ (217)
Defined benefit pension plans:						
Net gain (loss) arising during period	(1)	2	1	9	—	9
Total defined pension plans	(1)	2	1	9	—	9
Unrealized gains (losses) on change in fair value of interest rate swaps[1]	(225)	20	(205)	502	160	662
Foreign currency translations differences for merger of foreign operations[2][3]	—	—	—	(5,604)	—	(5,604)
Correction of foreign currency translations for prior years related to foreign operations affecting property and equipment [2] [3]	—	—	—	(3,284)	—	(3,284)
Other comprehensive income (loss)	$ (1,622)	$ 22	$ (1,600)	$ (8,594)	$ 160	$ (8,434)

(1) See Note 9 - Derivative Instruments and Hedging Activities
(2) See Note 1 - Company Overview and Basis of Presentation
(3) Translation adjustments arising in translating the financial statements of a foreign entity have no effect on the income taxes of that foreign entity. They may, however, affect: (a) the amount, measured in the parent entity's reporting currency, of withholding taxes assessed on dividends paid to the parent entity and (b) the amount of taxes assessed on the parent entity by the government of its country. The Company has determined that the reinvestment of earnings of its foreign subsidiaries are indefinite because of the long-term nature of

the Company's foreign investment plans. Therefore, deferred taxes are not provided for on translation adjustments related to unremitted earnings of the Company's foreign subsidiaries.

The following tables disclose the changes in the balances of each component of accumulated other comprehensive loss as reported within the balance sheet (in thousands):

	Three months ended November 30, 2012			
	Foreign currency translation adjustments	Defined benefit pension plans	Unrealized gains/(losses) on change in fair value of interest rate swaps(1)	Accumulated other comprehensive loss
Beginning balance, September 1, 2012	$ (31,962)	$ (74)	$ (1,146)	$ (33,182)
Foreign currency translation adjustments	(1,396)	—	—	(1,396)
Defined benefit pension plans	—	1	—	1
Unrealized gains (losses) on change in fair value of interest rate swaps(1)	—	—	(205)	(205)
Ending balance, November 30, 2012	$ (33,358)	$ (73)	$ (1,351)	$ (34,782)

	Three months ended November 30, 2011			
	Foreign currency translation adjustments	Defined benefit pension plans	Unrealized gains/(losses) on change in fair value of interest rate swaps(1)	Accumulated other comprehensive loss
Beginning balance, September 1, 2011	$ (21,894)	$ (273)	$ (748)	$ (22,915)
Foreign currency translation adjustments	(217)	—	—	(217)
Defined benefit pension plans	—	9	—	9
Unrealized gains (losses) on change in fair value of interest rate swaps(1)	—	—	662	662
Foreign currency translations differences for merger of foreign operations(2)	(5,604)	—	—	(5,604)
Correction of foreign currency translations for prior years related to foreign operations affecting property and equipment (2)	(3,284)	—	—	(3,284)
Ending balance, November 30, 2011	$ (30,999)	$ (264)	$ (86)	$ (31,349)

	Twelve Month Period Ended August 31, 2012			
	Foreign currency translation adjustments	Defined benefit pension plans	Unrealized gains/(losses) on change in fair value of interest rate swaps(1)	Accumulated other comprehensive loss
Beginning balance, September 1, 2011	$ (21,894)	$ (273)	$ (748)	$ (22,915)
Foreign currency translation adjustments	(1,187)	—	—	(1,187)
Defined benefit pension plans	—	199	—	199
Unrealized gains (losses) on change in fair value of interest rate swaps(1)	—	—	(398)	(398)
Foreign currency translations differences for merger of foreign operations(2)	(5,604)	—	—	(5,604)
Correction of foreign currency translations for prior years related to foreign operations affecting property and equipment (2)	(3,277)	—	—	(3,277)
Ending balance, August 31, 2012	$ (31,962)	$ (74)	$ (1,146)	$ (33,182)

(1) See Note 9 - Derivative Instruments and Hedging Activities
(2) See Note 1 - Company Overview and Basis of Presentation

Retained Earnings Not Available for Distribution

The following table summarizes retained earnings designated as legal reserves of various subsidiaries which cannot be distributed as dividends to PriceSmart, Inc. according to applicable statutory regulations (in thousands):

	November 30, 2012	August 31, 2012
Retained earnings not available for distribution	$ 5,815	$ 5,490

NOTE 6 – STOCK BASED COMPENSATION

The three types of equity awards offered by the Company are stock options (“options”), restricted stock awards (“RSA's”) and restricted stock units (“RSU's”). Compensation related to options is accounted for by applying the valuation technique based on the Black-Scholes model. Compensation related to RSA's and RSU's is based on the fair market value at the time of grant with the application of an estimated forfeiture rate. The Company recognizes the compensation cost related to these awards over the requisite service period as determined by the grant, amortized ratably or on a straight line basis over the life of the grant. The Company utilizes “modified grant-date accounting” for true-ups due to actual forfeitures at the vesting dates. The Company records the tax savings resulting from tax deductions in excess of expense for stock-based compensation as additional paid-in capital and the tax deficiency resulting from stock-based compensation in excess of the related tax deduction as a reduction in paid-in capital, based on the Tax Law Ordering method. In addition, the Company reflects the tax savings (deficiency) resulting from the taxation of stock-based compensation as a financing cash flow in its consolidated statement of cash flows, rather than as operating cash flows.

RSA's have the same cash dividend and voting rights as other common stock and are considered to be currently issued and outstanding shares of common stock. RSU's are not issued nor outstanding until vested and do not have the cash dividend and voting rights of common stock. However, the Company has paid dividend equivalents to the employees with unvested RSU's equal to the dividend they would have received had the shares of common stock underlying the RSU's been actually issued and outstanding. The providing of dividend equivalents on RSU's is subject to the annual review and final determination by the board of directors at their discretion. Payments of dividend equivalents to employees are recorded as compensation expense.

The Company has adopted three stock option and equity participation plans for the benefit of its eligible employees, consultants and non-employee directors, that contain shares available to grant. Options granted under these plans typically vest over five years and expire in six years. These plans also allow restricted stock awards and restricted stock units which typically vest between five to ten years. The following table summarizes the shares authorized and shares available for future grants:

		November 30, 2012	August 31, 2012
	Shares authorized	Shares available to grant	Shares available to grant
1998 Plan	700,000	121,842	121,842
2001 Plan	400,000	22,169	22,169
2002 Plan	1,250,000	45,320	50,914

The following table summarizes the components of the stock-based compensation expense (in thousands), which are included in general and administrative expense and warehouse club operations in the consolidated statements of income:

	Three Months Ended November 30,	
	2012	2011
Options granted to directors	$ 33	$ 18
Restricted stock awards	1,550	867
Restricted stock units	240	81
Stock-based compensation expense	$ 1,823	$ 966

The following table summarizes other information related to stock-based compensation:

	November 30,	
	2012	2011
Remaining unrecognized compensation cost (in thousands)	$ 25,658	$ 7,528
Weighted average period of time over which this cost will be recognized (years)	7.73	3.06

The Company began issuing restricted stock awards in fiscal year 2006 and restricted stock units in fiscal year 2008. The restricted stock awards and units vest over a five to ten year period and the unvested portion of the award is forfeited if the employee or non-employee director leaves the Company before the vesting period is completed. Restricted stock awards and units activity for the period was as follows:

	Three Months Ended November 30,	Fiscal Year Ended August 31,
	2012	2012
Grants outstanding at beginning of period	700,893	436,611
Granted	6,264	399,041
Forfeited	(670)	(5,230)
Vested	—	(129,529)
Grants outstanding at end of period	706,487	700,893

The following table summarizes the weighted average grant date fair value for restricted stock awards and units for the period:

Weighted Average Grant Date Fair Value	Three Months Ended November 30, 2012	2011
Restricted stock awards and units granted	$ 82.87	$ —
Restricted stock awards and units vested	$ —	$ —
Restricted stock awards and units forfeited	$ 19.85	$ —

At the vesting dates of restricted stock awards, the Company repurchases shares at the prior day's closing price per share, with the funds used to pay the employees' minimum statutory tax withholding requirements. The Company expects to continue this practice going forward. The following table summarizes this activity during the period:

	Three Months Ended November 30, 2012	2011
Shares repurchased	—	—
Cost of repurchase of shares	—	—

The Company reissues treasury shares as part of its stock-based compensation programs. The following table summarizes the treasury shares reissued during the period:

	Three Months Ended November 30, 2012	2011
Reissued treasury shares	—	—

The following table summarizes the stock options outstanding and the stock-based compensation related to stock options as a percentage to the total stock-based compensation:

	November 30, 2012	August 31, 2012
	2012	2012
Stock Options Outstanding	36,000	36,000

Due to the substantial shift from the use of stock options to restricted stock awards and units, the Company believes stock option activity is no longer significant and that any further disclosure on options is not necessary.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

From time to time, the Company and its subsidiaries are subject to legal proceedings, claims and litigation arising in the ordinary course of business, the outcome of which, in the opinion of management, would not have a material adverse effect on the Company. The Company evaluates such matters on a case by case basis, and vigorously contests any such legal proceedings or claims which the Company believes are without merit.

The Company is required to file federal and state tax returns in the United States and various other tax returns in foreign jurisdictions. The preparation of these tax returns requires the Company to interpret the applicable tax laws and regulations in effect in such jurisdictions, which could affect the amount of tax paid by the Company. The Company, in consultation with its tax advisors, bases its tax returns on interpretations that are believed to be reasonable under the circumstances. The tax returns, however, are subject to routine reviews by the various taxing authorities in the jurisdictions in which the Company files its returns. As part of these reviews, a taxing authority may disagree with respect to the interpretations the Company used to calculate its tax liability and therefore require the Company to pay additional taxes.

The Company accrues an amount for its estimate of probable additional income tax liability. In certain cases, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant tax authority. An uncertain income tax position will not be recognized if it has less than 50% likelihood of being sustained.

In evaluating the exposure associated with various non-income tax filing positions, the Company accrues for probable and estimable exposures for non-income tax related tax contingencies. As of November 30, 2012 and August 31, 2012, the Company had recorded within other accrued expenses a total of $3.2 million and $3.3 million, respectively, for various non-income tax related tax contingencies.

While the Company believes the recorded liabilities are adequate, there are inherent limitations in projecting the outcome of litigation, in estimating probable additional income tax liability taking into account uncertain tax positions and in evaluating the probable additional tax associated with various non-income tax filing positions. As such, the Company is unable to make a reasonable estimate of the sensitivity to change of estimates affecting its recorded liabilities. As additional information becomes available, the Company assesses the potential liability and revises its estimates as appropriate.

See Note 10- Unconsolidated Affiliates for a description of additional capital contributions that may be required in connection with joint ventures to develop commercial centers adjacent to PriceSmart warehouse clubs in Panama and Costa Rica.

The Company contracts for distribution center services in Mexico. The contract for this distribution center's services was renewed on December 31, 2011 for an additional three years, with the applicable fees and rates to be reviewed at the beginning of each calendar year. Future minimum service commitments related to this contract for the period less than one year and for one to four years are approximately $125,000 and $135,000, respectively.

During fiscal year 2010, the Company was made aware of a potential permitting issue involving the Alajuela warehouse club, located in Costa Rica. The construction of that club and its related facilities included the construction of a water retention basin ("WRB") on property owned by Hacienda Santa Anita(1) ("HSA"). This WRB is used to slow the flow of water runoff from property owned by the Company (the Alajuela warehouse club), property owned by the joint venture Plaza Price Alajuela ("PPA"), and property owned by HSA, as it is discharged into the municipal drainage system. After certain administrative and court proceedings related to the original construction permit for the club and its facilities, the Company was advised by the Municipality of Alajuela ("MA") that the MA required the construction and proper operation of a set of complementary improvements to the WRB. These improvements consisted of digging a network of dirt canals on HSA property to capture and conduct surface waters from these properties to the WRB. The Company has performed this work. However, prior to the Company beginning this work, HSA required the Company to sign an indemnification agreement pursuant to which the Company agreed that it will purchase at fair market value the land held by HSA in the event HSA is not allowed to develop that land due to the construction of the canals. The Company has estimated the current fair value of the land to be approximately $4.1 million.

The Company has obtained all the necessary permits allowing the WRB to remain open under the current development conditions in the adjacent properties. To support additional development on the PPA property, certain additional improvements to the WRB were required, according to professionals retained by the Company. The Company obtained the necessary permits to perform these improvements and completed construction in early May 2012. The Company has not recorded a liability for any of these matters as of November 30, 2012 and August 31, 2012.

(1) Hacienda Santa Anita is a locally based business related to J.B. Enterprises (a Panamanian business entity). On September 29, 2008, the Company entered into a joint venture, known as Plaza Price Alajuela with J.B. Enterprises, to jointly own and operate a commercial retail center adjacent to the Alajuela warehouse club, with each owning a 50% interest in the joint venture.

NOTE 8 – DEBT

Short-term borrowings consist of lines of credit which are secured by certain assets of the Company and its subsidiaries and in some cases are guaranteed by the Company as summarized below (in thousands):

		Facilities Used			
	Total Amount of Facilities	Short-term Borrowings	Letters of Credit	Facilities Available	Weighted average interest rate
November 30, 2012	36,983	—	195	36,788	N/A
August 31, 2012	$ 36,967	$ —	$ 774	$ 36,193	N/A

Each of the facilities expires annually and is normally renewed.

Annual maturities of long-term debt are as follows (in thousands):

Twelve months ended November 30,	Amount
2013	$ 16,247
2014	16,415
2015	10,111
2016	22,034
2017	10,648
Thereafter	5,508
Total	$ 80,963

NOTE 9 – DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company is exposed to certain risks relating to its ongoing business operations. One risk managed by the Company using derivative instruments is interest rate risk. To manage interest rate exposure, the Company enters into hedge transactions (interest rate swaps) using derivative financial instruments. The objective of entering into interest rate swaps is to eliminate the variability of cash flows in the LIBOR interest payments associated with variable-rate loans over the life of the loans. As changes in interest rates impact the future cash flow of interest payments, the hedges provide a synthetic offset to interest rate movements.

In addition, the Company is exposed to foreign currency and interest rate cash flow exposure related to a non-functional currency long-term debt of one of its wholly owned subsidiaries. To manage this foreign currency and interest rate cash flow exposure, the Company's subsidiary entered into a cross-currency interest rate swap that converts its foreign currency denominated floating interest payments to functional currency fixed interest payments during the life of the hedging instrument. As changes in foreign exchange and interest rates impact the future cash flow of interest payments, the hedge is intended to offset changes in cash flows attributable to interest rate and foreign exchange movements.

These derivative instruments (cash flow hedging instruments) are designated and qualify as cash flow hedges, with the effective portion of the gain or loss on the derivative reported as a component of other comprehensive income (loss) and reclassified into earnings in the same period or periods during which the hedged transaction is determined to be ineffective. There were no such amounts recorded for ineffectiveness for the periods reported herein related to the interest rate or cross currency interest rate swaps of long-term debt.

The Company is exposed to foreign-currency exchange-rate fluctuations in the normal course of business. The Company is also exposed to foreign-currency exchange-rate fluctuations on U.S. dollar denominated liabilities within its international subsidiaries whose functional currency is other than the U.S. dollar. The Company manages these fluctuations, in part, through the use of non-deliverable forward foreign-exchange contracts that are intended to offset changes in cash flow attributable to currency exchange movements. These contracts are intended primarily to economically address exposure to U.S. dollar merchandise inventory expenditures made by the Company's international subsidiaries whose functional currency is other than the U.S. dollar. Currently, these contracts do not qualify for derivative hedge accounting. The Company seeks to mitigate foreign-currency exchange-rate risk with the use of these contracts and does not intend to engage in speculative transactions. These contracts do not contain any credit-risk-related contingent features.

Cash Flow Hedges

The Company formally documents the hedging relationships for its derivative instruments that qualify for hedge accounting. As of November 30, 2012, all of the Company's interest rate swap and cross-currency interest rate swaps derivative financial instruments are designated and qualify as cash flow hedges. The cross-currency interest rate swap agreements convert the Company's foreign currency United States dollar denominated floating interest payments on long-term debt to functional currency fixed interest payments during the life of the hedging instrument. As changes in foreign exchange and interest rates impact the future cash flow of interest payments, the hedge is intended to offset changes in cash flows attributable to interest rate and foreign currency exchange movements. Various subsidiaries entered into interest rate swap agreements that fix the interest rate over the life of the underlying loans.

The following table summarizes these agreements:

Subsidiary	Date entered into	Derivative Financial Counter-party	Derivative Financial Instruments	Initial US Notional Amount	Bank US loan Held with	Floating Leg (swap counter-party)	Fixed Rate for PSMT Subsidiary	Settlement Reset Date	Effective Period of Swap
Colombia	21-Feb-12	Bank of Nova Scotia	Cross currency interest rate swap	8,000,000	Bank of Nova Scotia	Variable rate 3-month Libor plus 0.6%	6.02%	February, May, August and November beginning on May 22, 2012	February 21, 2012 - February 21, 2017
Colombia	17-Nov-11	Bank of Nova Scotia	Cross currency interest rate swap	8,000,000	Citibank, N.A.	Variable rate 6-month Eurodollar Libor plus 2.4%	5.85%	May 3, 2012 and semi-annually thereafter	November 3, 2011 - November 3, 2013
Colombia	21-Oct-11	Bank of Nova Scotia	Cross currency interest rate swap	2,000,000	Bank of Nova Scotia	Variable rate 3-month Libor plus 0.7%	5.30%	January, April, July and October, beginning on October 29, 2011	July 29, 2011 - April 1, 2016
Colombia	21-Oct-11	Bank of Nova Scotia	Cross currency interest rate swap	6,000,000	Bank of Nova Scotia	Variable rate 3-month Libor plus 0.7%	5.45%	March, June, September and December, beginning on October 29, 2011	September 29, 2011 - April 1, 2016
Colombia	5-May-11	Bank of Nova Scotia	Cross currency interest rate swap	8,000,000	Bank of Nova Scotia	Variable rate 3-month Libor plus 0.7%	6.09%	January, April, July and October, beginning on July 5, 2011	April 1, 2011 - April 1, 2016
Trinidad	20-Nov-08	Royal Bank of Trinidad & Tobago	Interest rate swaps	8,900,000	Royal Bank of Trinidad & Tobago	Variable rate 1-year Libor plus 2.75%	7.05%	Annually on August 26	September 25, 2008 - September 26, 2013
Barbados	13-Feb-08	Citibank, N.A.	Interest rate swaps	4,500,000	Citibank, N.A.	Variable rate 9-month Libor plus 1.5%	5.22%	Semi-annually on November 15 and May 15	November 15, 2007 - November 14, 2012

For the three-month period ended November 30, 2012 and 2011 the Company included the gain or loss on the hedged items (that is, variable-rate borrowings) in the same line item—interest expense—as the offsetting gain or loss on the related interest rate swaps as follows (in thousands):

Income Statement Classification	Interest expense on Borrowings	Loss on Swaps	Interest expense
Interest expense for the three months ended November 30, 2012	$ 198	$ 396	$ 594
Interest expense for the three months ended November 30, 2011	$ 143	$ 248	$ 391

The total notional balance of the Company's pay-fixed/receive-variable interest rate swaps and cross-currency interest rate swaps was as follows (in thousands):

	Notional Balance as of	
Floating Rate Payer (Swap Counterparty)	November 30, 2012	August 31, 2012
RBTT	$ 5,175	$ 5,400
Scotiabank	32,000	32,000
Citibank N.A.	—	2,475
Total	$ 37,175	$ 39,875

The following table summarizes the fair value of interest rate swaps and cross-currency interest rate swaps derivative instruments that qualify for derivative hedge accounting (in thousands, except footnote data):

	Derivatives			
	November 30, 2012		August 31, 2012	
Derivatives designated as cash flow hedging instruments	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Cross currency interest rate swaps(2)	Other non-current assets	$ —	Other non-current assets	$ —
Interest rate swaps(1)	Other long-term liabilities	$ (135)	Other long-term liabilities	$ (216)
Cross currency interest rate swaps(2)	Other long-term liabilities	(1,249)	Other long-term liabilities	(983)
Net fair value of derivatives designated as hedging instruments - assets (liability)(3)		$ (1,384)		$ (1,199)

(1) The effective portion of the interest rate swaps was recorded as a loss to Accumulated other comprehensive loss for $102,000 and $162,000 net of tax, as of November 30, 2012 and August 31, 2012, respectively. The Company has recorded a deferred tax asset amount of $33,000 and $54,000 as of November 30, 2012 and August 31, 2012, respectively.

(2) The effective portion of the cross currency interest rate swaps was recorded to Accumulated other comprehensive loss for $1.2 million and $983,000 as of November 30, 2012 and August 31, 2012, respectively. The Company has recorded a valuation allowance on the related deferred tax asset.

(3) Derivatives listed on the above table were designated as cash flow hedging instruments.

Fair Value Instruments

The Company has entered into non-deliverable forward foreign-exchange contracts. These contracts are treated for accounting purposes as fair value contracts and do not qualify for derivative hedge accounting. The use of non-deliverable forward foreign-exchange contracts is intended to offset changes in cash flow attributable to currency exchange movements. These contracts are intended primarily to economically hedge exposure to U.S. dollar merchandise inventory expenditures made by the Company's international subsidiaries whose functional currency is other than the U.S. dollar. The Company entered into the forward foreign exchange contracts summarized below as of November 30, 2012:

Subsidiary	Date entered into	Derivative Financial Counter-party	Derivative Financial Instruments	Notional Amount (in thousands)	Settlement Date	Effective Period
Colombia	September 2012 through November 2012	Bank of Nova Scotia	Forward foreign exchange contracts	$8,000	December 4, 2012 through December 28, 2012	December 4, 2012 through December 28, 2012

For the three-month periods ended November 30, 2012 and 2011, the Company included the forward derivative gain or loss on the non-deliverable forward foreign-exchange contracts as follows (in thousands):

Income Statement Classification	Forward Derivative (Gain)/Loss
Other income (expense), net for the three months ended November 30, 2012	$ 95
Other income (expense), net for the three months ended November 30, 2011	$ —

The following table summarizes the fair value of foreign currency forward contracts that do not qualify for derivative hedge accounting (in thousands):

	Derivatives			
	November 30, 2012		August 31, 2012	
Derivatives designated as fair value hedging instruments	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Foreign currency forward contracts	Prepaid expenses and other current assets	$ 2	Prepaid expenses and other current assets	$ 27
Foreign currency forward contracts	Other accrued expenses	$ (21)	Other accrued expenses	$ (3)
Net fair value of derivatives designated as hedging instruments that do not qualify for hedge accounting		$ (19)		$ 24

NOTE 10 – UNCONSOLIDATED AFFILIATES

The Company determines whether any of the joint ventures in which it has made investments is a Variable Interest Entity ("VIE") at the start of each new venture and if a reconsideration event has occurred. At this time, the Company also considers whether it must consolidate a VIE and/or disclose information about its involvement in a VIE. A reporting entity must consolidate a VIE if that reporting entity has a variable interest (or combination of variable interests) that will absorb a majority of the VIE's expected losses, receive a majority of the VIE's expected residual returns, or both. A reporting entity must consider the rights and obligations conveyed by its variable interests and the relationship of its variable interests with variable interests held by other parties to determine whether its variable interests will absorb a majority of a VIE's expected losses, receive a majority of the VIE's expected residual returns, or both. The reporting entity that consolidates a VIE is called the primary beneficiary of that VIE. Due to the initial nature of the joint ventures (GolfPark Plaza and Price Plaza Alajuela) and the continued commitments for additional financing, the Company determined these joint ventures are VIEs. Since all rights and obligations are equally absorbed by both parties within each joint venture, the Company has determined that it is not the primary beneficiary of the VIEs and, therefore, has accounted for these entities under the equity method.

Under the equity method, the Company's investments in unconsolidated affiliates are initially recorded as an investment in the stock of an investee at cost and are adjusted for the carrying amount of the investment to recognize the investor's share of the earnings or losses of the investee after the date of the initial investment.

On September 24, 2008, the Company entered into an agreement with an entity controlled by local Panamanian businessmen, Fundacion Tempus Fugit S.A. ("FIDAU"), to jointly own and operate a commercial retail center adjacent to its new PriceSmart warehouse club, the details of which are summarized within the table below.

On September 29, 2008, the Company entered into an agreement with an entity controlled by local Costa Rican businessmen, JB Enterprises ("JBE"), to jointly own and operate a commercial retail center adjacent to the anticipated new PriceSmart warehouse club in Alajuela, Costa Rica, the details of which are summarized within the table below.

The table below summarizes the Company's interest in the VIEs and the Company's maximum exposure to loss as a result of its involvement with the VIEs as of November 30, 2012 (in thousands):

Entity	% Ownership	Initial Investment	Additional Contributions	Net Loss Inception to Date	Company's Variable Interest in Entity	Commitment to Future Additional Contributions(1)	Company's Maximum Exposure to Loss in Entity(2)
GolfPark Plaza, S.A.	50%	$ 4,616	$ 733	$ (64)	$ 5,285	$ 1,767	$ 7,052
Price Plaza Alajuela, S.A.	50%	2,193	676	(49)	2,820	1,345	4,165
Total		$ 6,809	$ 1,409	$ (113)	$ 8,105	$ 3,112	$ 11,217

(1) The parties intend to seek alternate financing for the project, which could reduce the amount of contributions each party would be required to provide. The parties may mutually agree on changes to the project, which could increase or decrease the amount of contributions each party is required to provide.
(2) The maximum exposure is determined by adding the Company's variable interest in the entity and any explicit or implicit arrangements that could require the Company to provide additional financial support.

The summarized financial information of the unconsolidated affiliates is as follows (in thousands):

	November 30, 2012	August 31, 2012
Current assets	$ 832	$ 943
Noncurrent assets	6,770	6,056
Current liabilities	563	1,052
Noncurrent liabilities	2	—

	Three Months Ended November 30, 2012	Three Months Ended November 30, 2011
Net loss	$ (8)	$ 14

NOTE 11 – SEGMENTS

The Company and its subsidiaries are principally engaged in the international operation of membership shopping warehouse clubs in 13 countries/territories that are located in Latin America and the Caribbean. In addition, the Company operates distribution centers and corporate offices in the United States. The Company's reportable segments are based on management's organization of these locations into operating segments by general geographic location, used by management in setting up management lines of responsibility, providing support services, and making operational decisions and assessments of financial performance. The Company's operating segments are the United States, Latin America and the Caribbean. Segment amounts are presented after converting to U.S. dollars and consolidating eliminations. Certain revenues and operating costs included in the United States segment have not been allocated, as it is impractical to do so.

The Company has made reclassifications to the consolidated balance sheet and to the consolidated statement income of recorded during fiscal year 2013 for fiscal year 2012 (see Note 1 - Company Overview and Basis of Presentation). These reclassifications have been made to prior fiscal year amounts to conform to the presentation in the current fiscal year. The following table summarizes the impact of these reclassifications to the amounts reported for each segment (in thousands):

Three Month Period Ended November 30, 2011	**United States Operations**	**Latin American Operations**	**Caribbean Operations**	**Total**
Revenue from external customers-as previously reported	$ 2,249	$ 310,542	$ 165,894	$478,685
Reclassifications	—	(957)	(277)	(1,234)
Revenue from external customers-as currently reported	2,249	309,585	165,617	477,451
Long-lived assets (other than deferred tax assets)-as previously reported	16,464	215,405	120,164	352,033
Reclassifications	—	96	—	96
Long-lived assets (other than deferred tax assets)-as currently reported	16,464	215,501	120,164	352,129

As of August 31, 2012	**United States Operations**	**Latin American Operations**	**Caribbean Operations**	**Total**
Long-lived assets (other than deferred tax assets)-as previously reported	17,781	249,925	116,557	384,263
Reclassifications	—	1,722	—	1,722
Long-lived assets (other than deferred tax assets)-as currently reported	17,781	251,647	116,557	385,985

The following table summarizes by segment certain revenues, operating costs and balance sheet items (in thousands):

	United States Operations	Latin American Operations	Caribbean Operations	Reconciling Items[1]	Total
Three Month Period Ended November 30, 2012					
Revenue from external customers	$ 3,073	$ 356,747	$ 175,466		$ 535,286
Intersegment revenues	229,260	24	1,467	(230,751)	—
Depreciation and amortization	490	2,986	2,208		5,684
Operating income	8,214	16,177	5,379		29,770
Net income	5,622	10,649	3,734		20,005
Capital expenditures, net	242	11,684	2,737		14,663
Long-lived assets (other than deferred tax assets)	17,529	260,381	116,277	—	394,187
Goodwill	—	31,737	5,084	—	36,821
Identifiable assets	75,691	484,455	219,758	—	779,904
Three Month Period Ended November 30, 2011					
Revenue from external customers	$ 2,249	$ 309,585	$ 165,617	$ —	$ 477,451
Intersegment revenues	213,827	8	1,177	(215,012)	—
Depreciation and amortization	420	3,077	2,314	—	5,811
Operating income	7,706	11,258	5,297	—	24,261
Net income	3,987	6,174	3,828	—	13,989
Capital expenditures, net	444	4,406	3,430	—	8,280
Long-lived assets (other than deferred tax assets)	16,464	215,501	120,164	—	352,129
Goodwill	—	32,039	5,197	—	37,236
Identifiable assets	36,532	423,027	228,483	—	688,042
As of August 31, 2012					
Long-lived assets (other than deferred tax assets)	17,781	251,647	116,557	—	385,985
Goodwill	—	31,760	5,126	—	36,886
Identifiable assets	87,467	441,857	206,388	—	735,712

(1) The reconciling items reflect the amount eliminated on consolidation of intersegment transactions.

NOTE 12 – SUBSEQUENT EVENTS

The Company has evaluated all events subsequent to the balance sheet date of November 30, 2012 through the date of issuance of these consolidated financial statements and have determined that, except as set forth below, there are no subsequent events that require disclosure.

Dividend Payment

On November 27, 2012 the Company declared and recorded a dividend of $0.60 per common share, to be paid in two payments of $0.30 per common share, on December 21, 2012 and August 30, 2013. On December 21, 2012 the Company paid a dividend of $0.30 per share.

Forward foreign exchange contracts entered into after November 30, 2012

The Company's Colombia subsidiary has entered into forward exchange contracts for approximately $4.0 million with settlement dates from January 2013 through February 2013.

The Company's Costa Rica subsidiary has entered into forward exchange contracts for approximately $2.0 million with settlement dates from January 2013 through February 2013.

Intra-Company loan and cross-currency interest rate swap agreement entered into after November 30, 2012

The Company's Panama and Colombia's subsidiaries have entered into an intra-company loan agreement in the amount of $8.0 million effective December 5, 2012. The Company Colombia's subsidiary entered into a two-year-cross-currency interest swap agreement on December 11, 2012 with the Bank of Nova Scotia on the notional amount of $8.0 million related to the intra-company loan.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This quarterly report on Form 10-Q contains forward-looking statements concerning the Company's anticipated future revenues and earnings, adequacy of future cash flow and related matters. These forward-looking statements include, but are not limited to, statements containing the words “expect,” “believe,” “will,” “may,” “should,” “project,” “estimate,” “anticipated,” “scheduled,” and like expressions, and the negative thereof. These statements are subject to risks and uncertainties that could cause actual results to differ materially, including the following risks: the Company's financial performance is dependent on international operations which exposes the Company to various risks; any failure by the Company to manage its widely dispersed operations could adversely affect its business; the Company faces significant competition; future sales growth could be dependent upon the Company acquiring suitable sites for additional warehouse clubs; the Company faces difficulties in the shipment of, and risks inherent in the acquisition and importation of, merchandise to its warehouse clubs; the Company is exposed to weather and other natural disaster risks; general economic conditions could adversely impact the Company's business in various respects; the Company is subject to changes in relationships and agreements with third parties with which the Company does business; a few of the Company's stockholders own nearly 30.4% of the Company's voting stock, which may make it difficult to complete some corporate transactions without their support and may impede a change in control; the loss of key personnel could harm the Company's business; the Company is subject to volatility in foreign currency exchange rates; the Company faces the risk of exposure to product liability claims, a product recall and adverse publicity; a determination that the Company's long-lived or intangible assets have been impaired could adversely affect the Company's future results of operations and financial position; although the Company takes steps to continuously review, enhance, and implement improvements to its internal controls, there may be material weaknesses or significant deficiencies that the Company has not yet identified; as well as the other risks detailed in the Company's U.S. Securities and Exchange Commission (“SEC”) reports, including the Company's Annual Report on Form 10-K filed for the fiscal year ended August 31, 2012 filed on October 30, 2012 pursuant to the Securities Exchange Act of 1934. See “Part II – Item 1A – Risk Factors.”

The following discussion and analysis compares the results of operations for the three month period ended November 30, 2012 and 2011 and should be read in conjunction with the consolidated financial statements and the accompanying notes included herein.

PriceSmart's mission is to efficiently operate U.S.-style membership warehouse clubs in selected Latin American and Caribbean markets, selling high quality merchandise at low prices to PriceSmart members, and to provide fair wages and benefits to PriceSmart employees, as well as a fair return to PriceSmart stockholders. The Company sells U.S. brand-name, private label, locally sourced and imported products to its small business and consumer members in a warehouse club format, providing high value to its members. By focusing on providing high value on quality merchandise in a low-cost operating environment, the Company seeks to grow sales volume and membership, which in turn will allow for further efficiencies and price reductions and ultimately improved value to its members.

PriceSmart's business consists primarily of international membership shopping warehouse clubs similar to, but smaller in size than, warehouse clubs in the United States. The Company's ownership in all subsidiaries as of November 30, 2012 is 100%, and they are presented on a consolidated basis as wholly owned subsidiaries. The number of warehouse clubs in operation as of November 30, 2012 and 2011, for each country or territory are as follows:

Country/Territory	Number of Warehouse Clubs in Operation as of November 30, 2012	Number of Warehouse Clubs in Operation as of November 30, 2011	Anticipated warehouse club openings in Fiscal year 2013
Colombia	2	1	1
Panama	4	4	—
Costa Rica	5	5	—
Dominican Republic	3	3	—
Guatemala	3	3	—
El Salvador	2	2	—
Honduras	2	2	—
Trinidad	4	4	—
Aruba	1	1	—
Barbados	1	1	—
U.S. Virgin Islands	1	1	—
Jamaica	1	1	—
Nicaragua	1	1	—
Totals	30	29	1

The Company acquired land in south Cali, Colombia on December 14, 2011, upon which it opened a new warehouse club on October 19, 2012. Additionally, on January 9, 2012 the Company entered into an agreement to acquire property located in La Union, Cartago, Costa Rica, upon which the Company anticipates constructing its sixth membership warehouse club in Costa Rica. The Company currently anticipates opening this club in the fall of calendar year 2013. Finally, on March 15, 2012 the Company acquired land in north Cali, Colombia upon which it anticipates opening a new warehouse club in the spring of calendar year 2013.

In general, the Company’s earnings improve, and cash flows from operations increase, as sales increase. Although the Company’s cost of goods sold is largely variable with sales, a portion of the Company’s selling, general and administrative expenses rise relatively slowly in relation to sales increases. Therefore, the Company prioritizes initiatives that it expects will have the greatest impact on increasing sales. Looking forward to the next several quarters, the following items are likely to have an impact on the Company's business and the results of operations.

The Company's warehouse clubs are located in Latin America and the Caribbean, and its corporate, U.S. buying operations and distribution centers are primarily located in the United States. The Company's reportable segments are based on management's organization of these locations into operating segments by general geographic location. The Company's operating segments are the United States, Latin America and the Caribbean.

General Economic Factors

The economies in the major PriceSmart markets continue to experience moderate year over year growth. Specific events in some of the smaller countries in which the Company has warehouse clubs, such as increases in value-added taxes, reduced economic activity and other factors are contributing to a more challenging retail environment in those markets, adversely impacting sales growth.

In the countries in which the Company operates, the Company does not currently face direct competition from U.S. membership warehouse club operators. However, it does face competition from various retail formats such as hypermarkets, supermarkets, cash and carry, home improvement centers, electronic retailers and specialty stores, including those within Latin America that are owned and operated by a large U.S. based retailer. The Company has competed effectively in these markets in the past and expects to continue to do so in the future due to the unique nature of the membership warehouse club format. The

Company has noted that certain retailers are making investments in upgrading their stores and adding new locations within the Company's markets resulting in increased competition. Further, it is possible that U.S. warehouse club operators may decide to enter the Company's markets and compete more directly with PriceSmart in a similar warehouse club format.

Many PriceSmart markets are susceptible to foreign currency exchange rate volatility. Currency exchange rate changes either increase or decrease the cost of imported products that the Company purchases in U.S. dollars and prices in local currency. Price changes can impact the demand for those products in the market. Currency exchange rates also affect the reported sales of the consolidated company when local currency-denominated sales are translated to U.S. dollars. In addition, the Company revalues all U.S. dollar denominated monetary assets and liabilities within those markets that do not use the U.S. dollar as their functional currency. These monetary assets and liabilities include, but are not limited to, excess cash permanently reinvested offshore, U.S. dollar denominated long-term debt used to finance land acquisition and the construction of warehouse clubs, and the value of items shipped from the U.S. to the Company's foreign markets that are U.S. dollar denominated. Approximately 51% of the Company's net warehouse sales are comprised of products imported into the markets where PriceSmart warehouse clubs are located. Products imported for sale in PriceSmart markets are generally purchased in U.S. dollars, but approximately 80% of the Company's net warehouse sales are in foreign currencies. The Company seeks to manage its foreign exchange risk by (1) adjusting prices on U.S. dollar goods on a periodic basis to maintain its target margins after taking into account changes in exchange rates; (2) by obtaining local currency loans from banks within certain markets where it is economical to do so and where management believes the risk of devaluation and the level of U.S. dollar denominated liabilities warrants this action; (3) reducing the time between the acquisition of product in U.S. dollars and the settlement of that purchase in local currency; and (4) by entering into interest rate swaps, cross currency interest rate swaps and forward currency derivatives. The Company has local currency-denominated long-term loans in Honduras and Guatemala; has interest rate swaps in Trinidad and Barbados; and has cross-currency interest rate swaps and forward currency derivatives in Colombia. Turbulence in the currency markets in the first quarter of fiscal year 2012 related to concerns over European sovereign debt had a negative impact on some of the foreign currencies of the countries in which the Company operates. For example, the Colombian peso devalued 9.3% against the U.S. dollar during the first quarter of fiscal year 2012, resulting in the Company's Colombian subsidiary recording approximately $1.5 million in currency losses upon the translation of U.S. dollar denominated liabilities. Future volatility and uncertainties regarding the currencies in the Company's countries could have a material impact on the Company's operations in future periods. However, there is no way to accurately forecast how currencies may trade in the future and, as a result, the Company cannot accurately project the impact of the change in rates on the Company's future demand for imported products, reported sales, or financial results.

Business Strategy

PriceSmart is a membership warehouse club business. The Company's business strategy is to offer for sale to businesses and families a limited number of stock keeping units (SKU) covering a wide range of products at the lowest possible prices. The Company charges an annual membership fee to its customers. These fees combined with warehouse operating efficiencies and volume purchasing enable PriceSmart to operate its business on lower margins than conventional retail stores.

Generally, the Company's earnings and cash flow from operations improve as sales increase. Higher sales provide greater purchasing power and often result in lower product prices from the Company's suppliers. As the Company's and individual PriceSmart locations' sales volumes increase, operating efficiencies are often realized through the leveraging of fixed costs and by the introduction of more efficient operating processes. Further, increased sales permit the Company to leverage its selling, general and administrative expenses. Sales growth in our existing locations (comparable warehouse club sales) creates the highest degree of cost leverage due to the operating efficiencies within our warehouse club format. The combination of annual membership fees, operating efficiencies and low margins enable PriceSmart to offer its members high quality merchandise at very competitive prices which, in turn, enhances the value of the PriceSmart membership.

Current and Future Management Actions

The Company seeks to increase sales by attracting new members and growing sales in existing warehouse clubs and by adding new PriceSmart warehouse clubs in new and existing markets where management believes new locations will provide long-term value to the Company. The Company opened a new warehouse club in south Cali, Colombia ("Canas Gordas") on October 19, 2012. The Company also entered into an agreement to acquire land in January 2012 located in La Union, Cartago, Costa Rica, upon which the Company anticipates constructing its sixth membership warehouse club in Costa Rica. The Company currently anticipates opening this club in the fall of calendar year 2013. Finally, on March 15, 2012 the Company acquired land in north Cali, Colombia upon which it is currently constructing a new warehouse club with an anticipated opening in the spring of calendar year 2013. The Company continues to explore other potential sites for future warehouse clubs in other major cities in Colombia as well as in its other markets.

Effective June 1, 2012, the Company raised the annual membership fee by approximately $5.00 in most markets. The annual fee for a Diamond membership in these markets is now approximately $35.00 (entitling members to two cards). A membership fee helps PriceSmart offer high quality merchandise at low prices providing value to its members.

The Company believes that its logistics and distribution operations are an important part of what allows PriceSmart to deliver high quality merchandise at low prices to our members. The Company continues to explore areas to improve efficiency, lower costs, and ensure a good flow of merchandise to our warehouse clubs. The Company is adding regional distribution centers in some of its larger markets (currently Costa Rica and Panama) to improve merchandise flow and lower costs, the benefit of which can be passed on to our members in the form of lower merchandise prices.

The Company seeks to enhance its long-term business performance by buying rather than leasing real estate. However, the Company has leased sites in the past and will likely do so again in the future. Real estate ownership provides a number of advantages as compared to leasing, including lower operating expenses, flexibility to expand or otherwise enhance PriceSmart buildings, long-term control over the use of the property and the residual value that the real estate may have in future years. In the course of acquiring sites, the Company sometimes has to purchase more land than is actually needed for the warehouse club operation. As an example, when the Company acquired the Alajuela site in Costa Rica, it purchased land for the PriceSmart warehouse club and entered into a joint venture with the seller on the balance of the property. PriceSmart entered into a similar real estate transaction with respect to its Brisas site in Panama City. To the extent that the Company acquires property in excess of what is needed for a particular warehouse club, the Company generally plans to either sell or develop the excess property. The excess land at Alajuela and Brisas is being held for development by the joint ventures, which commenced in fiscal year 2011. A similar development strategy is being employed for the Company's excess land at the new San Fernando, Trinidad and Arroyo Hondo, Dominican Republic locations where the properties are fully owned by PriceSmart. In this respect, the Company recently began developing and has obtained tenants on part of the excess land in San Fernando, Trinidad. The profitable sale or development of real estate is highly dependent on real estate market conditions.

Financial highlights for the first quarter of fiscal year 2013 included:

- Net warehouse club sales increased 11.8% over the comparable prior year period. The Company had one additional warehouse club for a portion of the quarter (Cali, Colombia which opened on October 19, 2012) compared to the first quarter of fiscal 2012. Comparable warehouse club sales (that is, sales in the warehouse clubs that have been open for greater than 13 1/2 calendar months) for the 13 weeks ended December 2, 2012 grew 8.3%.
- Membership income for the first quarter of fiscal year 2013 increased 21.2% to $7.7 million on a 14.4% increase in membership accounts from December 1, 2011 to November 30, 2012 and the effect of the $5.00 membership fee increase in most markets.
- Warehouse sales gross profits (net warehouse club sales less associated cost of goods sold) increased 15.1% over the prior year period and warehouse sales gross profits as a percent of net warehouse sales increased 43 basis points (0.43%) to 15.0% compared to the same period last year despite ongoing price reductions.
- Selling, general and administrative expenses (not including pre-opening expenses) were 10.9% as a percentage of sales or approximately the same as the first quarter of last year.
- Operating income for the first quarter of fiscal year 2013 was $29.8 million, an increase of $5.5 million over the first quarter of fiscal year 2012.
- The Company had a negligible net loss from currency exchange transactions in the current quarter, compared to a $1.2 million net loss from currency exchange transactions in the same period last year.
- Net income for the first quarter of fiscal year 2013 was $20.0 million, or $0.66 per diluted share, compared to $14.0 million, or $0.47 per diluted share, in the comparable prior year period.

Reclassifications to consolidated statement of income recorded during fiscal year 2013 for fiscal year 2012 - The Company receives cash consideration from its vendors for product demonstration. Prior to fiscal year 2013, the Company recorded this consideration as other income. However, cash or equity consideration received from a vendor is presumed to be a reduction of cost of sales when it is recognized in the income statement. Additionally, reimbursements of costs incurred by the customer to sell the vendor's products are treated as a reduction of the related cost when recognized in the income statement. Therefore, the Company has accordingly recorded such consideration as a reduction to cost of sales and a reduction to related costs incurred to sell the vendor's products starting in fiscal year 2013. The Company has made reclassifications to the consolidated statement income for fiscal year 2012 to conform to the presentation in fiscal year 2013. These reclassifications did not impact consolidated operating income or net income. The following table summarizes the impact of these reclassifications (in thousands):

	Three Months Ended				
	November 30, 2011	February 29, 2012	May 31, 2012	August 31, 2012	Total Fiscal Year 2012
Revenues:					
Net warehouse club sales-as previously reported	$ 468,329	$ 537,816	$ 494,898	$ 499,003	$ 2,000,046
Reclassifications	(137)	(197)	(151)	(197)	(682)
Net warehouse club sales-as currently reported	$ 468,192	$ 537,619	$ 494,747	$ 498,806	$ 1,999,364
Other income-as previously reported	$ 1,776	$ 2,165	$ 2,163	$ 2,318	$ 8,422
Reclassifications	(1,097)	(1,230)	(1,294)	(1,279)	(4,900)
Other income-as currently reported	$ 679	$ 935	$ 869	$ 1,039	$ 3,522
Cost of goods sold:					
Net warehouse club-as previously reported	$ 400,481	$ 459,313	$ 421,512	$ 422,825	$ 1,704,131
Reclassifications	(616)	(805)	(788)	(590)	(2,799)
Net warehouse club-as currently reported	$ 399,865	$ 458,508	$ 420,724	$ 422,235	$ 1,701,332
Selling, general and administrative:					
Warehouse club operations-as previously reported	$ 42,509	$ 46,384	$ 46,197	$ 47,311	$ 182,401
Reclassifications	(618)	(622)	(657)	(886)	(2,783)
Warehouse club operations-as currently reported	$ 41,891	$ 45,762	$ 45,540	$ 46,425	$ 179,618
Net effect on Operating income	$ —	$ —	$ —	$ —	$ —

COMPARISON OF THE THREE MONTHS ENDED NOVEMBER 30, 2012 AND 2011

Certain percentages presented are calculated using actual results prior to rounding. The Company's fiscal first quarter ended on November 30, 2012. Unless otherwise noted, all tables present U.S. dollar amounts in thousands.

Net Warehouse Club Sales

	Three Months Ended November 30,		
	2012		2011
	Amount	% Change	Amount
Net Warehouse club sales	$ 523,599	11.8%	$ 468,192

Comparison of Three Months Ended November 30, 2012 and 2011

The Company opened its second warehouse club in Colombia and thirtieth overall in mid-October 2012 which contributed to the 11.8% growth in the first quarter of fiscal 2013 compared the same quarter last year. Transactions grew 8.3% in the quarter from the same period last year and average tickets grew 3.3%. While all merchandise categories recorded sales increases, the food merchandise category had the highest growth, driven by sales in grocery, fresh and bakery. The overall mix of imported products was 52%, compared to 51% last year.

Comparable Sales

The Company reports comparable warehouse club sales on a "same week" basis with 13 weeks in each quarter beginning on a Monday and ending on a Sunday. The periods are established at the beginning of the fiscal year to provide as close a match as possible to the calendar month that is used for financial reporting purposes. This approach equalizes the number of weekend days and weekdays in each period for improved sales comparison, as the Company experiences higher warehouse club sales on the weekends. Further, each of the warehouse clubs used in the calculations was open for at least 13 1/2 calendar months before its results for the current period were compared with its results for the prior period. For example, the sales related to the new warehouse club opened in Cali, Colombia on October 19, 2012 will not be used in the calculation of comparable warehouse club sales until January of calendar year 2014.

Comparable warehouse club sales, which are for warehouse clubs open at least 13 1/2 full months, increased 8.3% for the 13-week period ended December 2, 2012, compared to the same 13-week period last year.

Net Warehouse Club Sales by Segments

The following tables indicate the net warehouse club sales and the percentage growth in net warehouse club sales during the three months ended November 30, 2012 and 2011 in the segments in which the Company operates.

	Three Months Ended November 30,					
	2012				2011	
	Amount	% of net sales	Increase from prior year	Change	Amount	% of net sales
Latin America	$ 350,606	67.0%	$ 45,868	15.1%	$ 304,738	65.1%
Caribbean	172,993	33.0%	9,539	5.8%	163,454	34.9%
Net warehouse club sales	$ 523,599	100.0%	$ 55,407	11.8%	$ 468,192	100.0%

Comparison of Three Months Ended November 30, 2012 and 2011

For the three months ended November 30, 2012 , the higher net warehouse club sales growth in Latin America compared to the Caribbean reflects improved economic conditions in those more diversified and larger markets, plus the addition of the warehouse club sales in Cali, Colombia in the current periods compared to prior periods.

Export Sales

	Three Months Ended November 30,					
	2012				2011	
	Amount	% of net sales	Increase from prior year	Change	Amount	% of net sales
Export sales	$ 3,073	0.6%	$ 824	36.6%	$ 2,249	0.5%

The increase in export sales was due to direct sales to a single institutional customer (retailer) in the Philippines for which the Company achieves a gross profit margin that is below the Company's warehouse club gross profit margin.

Membership Income

	Three Months Ended November 30,			
	2012			2011
	Amount	Increase from prior year	% Change	Amount
Membership income	$ 7,673	$ 1,342	21.2%	$ 6,331
Membership income % to net warehouse club sales	1.5%			1.4%
Number of total accounts	999,278	125,621	14.4%	873,657

Comparison of Three Months Ended November 30, 2012 and 2011

For the three months ended November 30, 2012, the increase in membership income primarily reflects a 14.4% increase in the number of membership accounts. The Company had a net add of 33,677 member accounts in the quarter aided by the opening of the Cali warehouse club. The average income recognized in the period per member account increased 5.2% as the increased membership fee which took effect in June in most countries is adding to income as new sign-ups and renewals occur. The Company introduced a Platinum Membership in Costa Rica in November for $75 (with corresponding 2% cash back on purchases up to an annual maximum of $500). While the Company has been pleased with the initial response rate for this new membership, it did not have an appreciable impact on membership income in the period. The membership renewal rate for the 12-month periods ended November 30, 2012 and November 30, 2011 was 86% and 88%, respectively.

Other Income

Other income consists of rental income and other miscellaneous income.

	Three Months Ended November 30,			
	2012			2011
	Amount	Increase from prior year	% Change	Amount
Other income	$ 941	$ 262	38.6%	$ 679

The growth in other income is primarily due to rental income for additional leased space for which the Company is the landlord.

Gross Margin

Warehouse Sales Gross Profit Margin

	Three Months Ended November 30,				
	2012			2011	
	Amount	Increase from prior year	% to sales	Amount	% to sales
Warehouse club sales	$ 523,599	$ 55,407	100.0%	$ 468,192	100.0%
Less associated cost of goods	444,944	45,079	85.0%	399,865	85.4%
Warehouse gross profit margin	$ 78,655	$ 10,328	15.0%	$ 68,327	14.6%

Comparison of Three Months Ended November 30, 2012 and 2011

For the three months ended November 30, 2012, warehouse gross profit margins as a percent of sales improved 43 basis points (0.43%) compared to the first quarter of fiscal year 2012. End-cap income, vendor promotions, reduced shrink and fewer mark downs contributed 29 basis points (0.29%) of the increase. The remaining 14 basis point (0.14%) improvement results from the incremental importation costs for the then new Barranquilla warehouse club in Colombia incurred last year in the first fiscal quarter. Importation costs in Colombia for both warehouse clubs have now reverted to a normal run rate.

Export Sales Gross Profit Margin

	Three Months Ended November 30,				
	2012			2011	
	Amount	Increase from prior year	% to sales	Amount	% to sales
Export sales	$ 3,073	$ 824	100.0%	$ 2,249	100.0%
Less associated cost of goods sold	2,835	674	92.3%	2,161	96.1%
Export sales gross profit margin	$ 238	$ 150	7.7%	$ 88	3.9%

Comparison of Three Months Ended November 30, 2012 and 2011

For the three months ended November 30, 2012, the increase in export sales gross margin dollars in fiscal year 2012 was due to an increase in direct sales to an institutional customer (retailer) in the Philippines for which the Company generally earns lower margins than those obtained through its warehouse club sales.

Selling, General and Administrative Expenses

Warehouse Club Operations

	Three Months Ended November 30,					
	2012				2011	
	Amount	% to warehouse club sales	Increase from prior year	% Change	Amount	% to warehouse club sales
Warehouse club operations expense	$ 45,842	8.8%	$ 3,951	9.4%	$ 41,891	8.9%

Comparison of Three Months Ended November 30, 2012 and 2011

Warehouse club operations expense decreased 19 basis points as a percent of net warehouse sales in the first quarter of fiscal year 2013, compared to the first quarter of fiscal year 2012, even with the additional expenses associated with the Canas Gordas warehouse club.

General and Administrative Expenses

	Three Months Ended November 30,					
	2012				2011	
	Amount	% to warehouse club sales	Increase from prior year	% Change	Amount	% to warehouse club sales
General and Administrative Expenses	$ 11,158	2.1%	$ 2,047	22.5%	$ 9,111	1.9%

Comparison of Three Months Ended November 30, 2012 and 2011

Increased salaries and benefits for the Company's corporate and U.S. buying operations, including stock compensation expense resulting from restricted stock granted in January 2012, accounted for most of the increase in general and administrative expenses for the current quarter compared to the same period in fiscal year 2012.

Pre-Opening Expenses

Expenses incurred before a warehouse club is in operation are captured in pre-opening expenses.

	Three Months Ended November 30,			
	2012			2011
	Amount	Increase/ (decrease) from prior year	% Change	Amount
Pre-opening expenses	$ 737	$ 575	354.9%	$ 162

Comparison of Three Months Ended November 30, 2012 and 2011

The Company recorded pre-opening expenses during the first quarter of fiscal year 2013 related to the Canas Gordas (Cali South), Colombia warehouse club which opened on October 19, 2013. Some additional pre-opening expenses were recognized in the first quarter of last year for the Barranquilla, Colombia which had opened in August 2011.

Operating Income

	Three Months Ended November 30,					
	2012				2011	
	Amount	% to warehouse club sales	Increase/ (decrease) from prior year	% Change	Amount	% to warehouse club sales
Operating income	$ 29,770	5.7%	$ 5,509	22.7%	$ 24,261	5.2%

Comparison of Three Months Ended November 30, 2012 and 2011

For the three months ended November 30, 2012, operating income improved $5.5 million compared to the prior year period, due primarily to higher sales and membership income. As a percentage of sales, operating income increased 50 basis points as warehouse margins and membership income improved as a percentage of sales when compared with the prior year period offset somewhat by higher pre-opening expense in the current quarter.

Interest Income

	Three Months Ended November 30,			
	2012			2011
	Amount	Increase/(decrease) from prior year	% Change	Amount
Interest income	$ 294	$ 110	$ 0.60	$ 184

Comparison of Three Months Ended November 30, 2012 and 2011

Interest income reflects earnings on cash and cash equivalent balances and restricted cash deposits.

Interest income increased in the current quarter due to both an increase in the average aggregate cash balances, including restricted cash, held by the Company and higher interest rates on those deposits. Restricted cash deposits for this period were comprised of certificates of deposit with an average aggregate balance over the period of approximately $37.7 million with various banking institutions held as part of the Company's loan agreements with those banks and held in compliance with regulatory requirements. In last year's first fiscal quarter, restricted cash deposits were comprised of certificates of deposit with an average aggregate balance over the period of approximately $29.8 million held with various banking institutions as part of the Company's loan agreements with those banks.

Interest Expense

	Three Months Ended November 30,		
	2012		2011
	Amount	Increase/ (decrease) from prior year	Amount
Interest expense on loans	$ 994	$ (30)	$ 1,024
Interest expense related to hedging activity	396	148	248
Capitalized interest	(172)	(154)	(18)
Net interest expense	$ 1,218	$ (36)	$ 1,254

Comparison of Three Months Ended November 30, 2012 and 2011

Interest expense reflects borrowings by the Company's wholly owned foreign subsidiaries to finance new warehouse club construction and land acquisition, the capital requirements of warehouse club operations, and ongoing working capital requirements.

The increases in interest expense for the three months ended November 30, 2012 is due to an increase in expenses related to the Company's hedging activity with interest rate swaps, offset by a decrease in interest on debt.

Other Income (Expense), net

Other income consists of gain or loss on sale of assets and currency gain or loss.

	Three Months Ended November 30,			
	2012			2011
	Amount	Increase from prior year	% Change	Amount
Gain or (Loss) on sale of assets	$ (57)	$ 29	(33.7)%	$ (86)
Foreign Currency Gain or (Loss)	(1)	1,182	(99.9)%	(1,183)
Total other income (expense)	$ (58)	$ 1,211	(95.4)%	$ (1,269)

Comparison of Three Months Ended November 30, 2012 and 2011

For the first quarter of fiscal year 2013, the Company recorded a net currency loss of $1,000 resulting from the revaluation of non-functional currency monetary assets and liabilities of the Company's various subsidiaries. In the year ago period, the Company incurred a $1.5 million loss in Colombia resulting from a devaluation of the Colombian peso at a time when that subsidiary had sizable US dollar liabilities which required re-measurement, resulting in an overall $1.2 million loss for the Company. The Company has since taken steps to reduce the exposure to fluctuations in exchange rates between the US dollar and Colombian peso, including hedging and local currency denominated financing.

Provision for Income Taxes

	November 30,		
	2012		2011
	Amount	Change from prior year	Amount
Current tax expense	$ 6,458	$ (221)	$ 6,679
Net deferred tax provision (benefit)	2,321	1,067	1,254
Provision for income taxes	$ 8,779	$ 846	$ 7,933
Effective tax rate	30.50%		36.19%

Comparison of Three Months Ended November 30, 2012 and 2011

For the first three months of fiscal year 2013, the decrease in the effective tax rate versus the prior year was primarily attributable to the following factors: (i) 3.1% results from a decrease in taxable losses of the Company's Colombia affiliate (for which the Company takes a full valuation allowance); (ii) 1.5% results from reversals of income tax liability for uncertain tax positions in the first three months of fiscal year 2013, compared to additional accruals for the same during the first three months of fiscal year 2012; and (iii) 0.9% results from adoption of California single sales factor apportionment.

Income from Continuing Operations Attributable to PriceSmart

	Three Months Ended November 30,			
	2012			2011
	Amount	Increase/ (decrease) from prior year	% Change	Amount
Income from Continuing Operations	$ 20,005	$ 6,009	42.9%	$ 13,996

LIQUIDITY AND CAPITAL RESOURCES

Financial Position and Cash Flow

The Company requires cash to fund its operating expenses and working capital requirements including the investment in merchandise inventories, acquisition of land and construction of new warehouse clubs, expansion of existing warehouse clubs and distribution centers, acquisitions of fixtures and equipment, routine upgrades and maintenance of fixtures and equipment within existing warehouse clubs, investments in joint ventures in Panama and Costa Rica to own and operate commercial retail centers located adjacent to the new warehouse clubs, and the purchase of treasury stock upon the vesting of restricted stock awards and payment of dividends to stockholders. The Company's primary sources for funding these requirements are cash and cash equivalents on hand, and cash generated from operations. The Company evaluates on a regular basis whether it may need to borrow additional funds to cover any shortfall in the Company's ability to generate sufficient cash from operations to meet its operating and capital requirements. As such, the Company may enter into or obtain additional loans and/or credit facilities to provide additional liquidity when necessary.

Total cash and cash equivalents at the end of the periods reported were as follows (in thousands):

	Three Months Ended November 30,	
	2012	2011
Cash and cash equivalents	$ 84,350	$ 58,276

The Company's cash flows are summarized as follows (in thousands):

	Three Months Ended November 30,	
	2012	2011
Net cash provided by (used in) continuing operating activities	$ 7,918	$ (12,754)
Net cash provided by (used in) discontinued operations	—	377
Net cash provided by (used in) investing activities	(15,168)	(8,266)
Net cash provided by (used in) financing activities	2,058	1,634
Effect of exchange rates	(1,706)	468
Net increase (decrease) in cash and cash equivalents	$ (6,898)	$ (18,541)

The Company's operating activities for all periods presented as summarized below.

	Three Months Ended November 30,		Increase/ (Decrease)
	2012	2011	2012 to 2011
Net income	$ 20,005	13,989	$ 6,016
Adjustments to reconcile net income to net cash provided from operating activities:			
Depreciation and amortization	5,684	5,811	(127)
(Gain) loss on sale of property and equipment	55	86	(31)
Deferred income taxes	1,209	679	530
Stock-based compensation expenses	1,823	966	857
Other non-cash operating activities	4	(1)	5
Net non-cash related expenses	8,775	7,541	1,234
Net income from operating activities reconciled for non-cash operating activities	28,780	21,530	7,250
Changes in operating assets and liabilities not including merchandise inventories and accounts payable	(9,558)	(8,343)	(1,215)
Changes in accounts payable	27,631	16,421	11,210
Changes in merchandise inventories	(38,935)	(42,362)	3,427
Net cash provided by discontinued operating activities	—	377	(377)
Net cash provided by (used in) operating activities	$ 7,918	(12,377)	$ 20,295

Net Income from Operating Activities in the current three month period increased over the same period in fiscal year 2012 primarily as a result of higher sales, improved margins and membership income growth. Net non-cash related expenses increased year over year due to increases in the amortization of stock-based compensation and the increase of deferred income taxes attributed to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. These items resulted in the year on year increase in cash for approximately $7.3 million. The changes in inventory and accounts payable resulted in a year over year decrease in cash used in operating activities during the current three month period of $14.6 million. In addition, the year over year decrease in cash use for inventory and accounts payable was offset by a net increase in operating liabilities over operating assets that resulted in a year on year increase in cash use of approximately $1.2 million.

The Company's use of cash in investing activities for the period is summarized below:

	Three Months Ended November 30,		Increase/ (Decrease)
	2012	2011	2012 to 2011
Cash used for additions of property and equipment:			
Land acquisitions	$ (72)	$ (262)	$ 190
Warehouse club expansion, construction, and land improvements	(10,388)	(2,605)	(7,783)
Acquisition of fixtures and equipment	(4,203)	(5,413)	1,210
Proceeds from disposals of property and equipment	45	14	31
Capital contribution to Costa Rica joint venture	$ (300)	$ —	$ (300)
Capital contribution to Panama joint venture	$ (250)	$ —	$ (250)
Net cash flows provided by (used in) investing activities	$ (15,168)	$ (8,266)	$ (6,902)

Net cash used in investing activities increased in fiscal year 2013 compared to fiscal year 2012 by approximately $6.9 million primarily due to an increase in cash expended for the construction of the two warehouse clubs in Cali, Colombia, the continued acquisition of fixtures and equipment for the two warehouse clubs in Cali, Colombia, the addition of fixtures and equipment for existing warehouse clubs and capital contributions by the Company for the joint ventures during the first three months of fiscal year 2013.

Cash used in investing activities for the first three months of fiscal year 2012 consisted primarily of the Company's expansion of existing warehouse clubs in Latin America and the Caribbean, and its continuing acquisition of fixtures and equipment for the expansion of existing warehouse clubs and corporate offices within its Latin America, the Caribbean and the United States segments.

Net cash used by financing activities for the period presented is summarized below:

	Three Months Ended November 30,		Increase/ (Decrease)
	2012	2011	2012 to 2011
New bank loans offset by establishment of certificates of deposit held against loans, and payments on existing bank loans	$ 2,058	$ 1,631	$ 427
Purchase of treasury stock related to vesting of restricted stock	—	3	(3)
Net cash provided by (used in) financing activities	$ 2,058	$ 1,634	$ 424

Net cash provided by financing activities from loan activities increased in the first three months of fiscal year 2013 over the same period in fiscal year 2012, as the Company's Barbados subsidiary entered into a loan agreement with Citicorp Merchant Bank Limited. The agreement establishes a credit facility for BDS$8.0 million (Eight Million Barbados Dollars), approximately USD $4.0 million. The Company made regularly scheduled loan payments during the period for approximately $1.9 million.

Net cash provided by financing activities during the first three months of fiscal year 2012 were due to increases in loans within the Company's Colombia subsidiary, offset by the establishment of certificates of deposit held against those loans and the normally scheduled loan payments.

Financing Activities

On August 30, 2012 the Company's Barbados subsidiary entered into a loan agreement with Citicorp Merchant Bank Limited. The agreement establishes a credit facility for BDS$8.0 million (Eight Million Barbados Dollars), approximately USD $4.0 million. The interest rate is set at the Barbados Prime Lending Rate less 2.0%. The loan term is seven years with interest and principal payments due quarterly. This loan is secured by assets of the Company's Barbados subsidiary. On October 3, 2012, the Company obtained the proceeds from the BDS$8.0 million loan.

On January 13, 2012, the Company's Guatemala subsidiary paid off its local currency-loan to Banco Industrial, S.A., for approximately $5.2 million.

On December 22, 2011, the Company's Guatemala subsidiary entered into a loan agreement based in Quetzales with Banco Industrial, S.A., for the equivalent amount of $8.9 million to be paid over ten years. A portion of the proceeds of this loan was used to pay off the $5.2 million local-currency loan described above. The loan has a variable interest rate, which will be fixed for the first three years to an interest rate of 8% per year. Thereafter, the interest rate will be negotiable according to market conditions.

On March 14, 2011, the Company's Colombia subsidiary entered into a loan agreement with Scotiabank & Trust (Cayman) Ltd. The agreement establishes a credit facility for $16.0 million to be disbursed in several tranches. The interest rate is set at the three-month LIBOR rate plus 0.7%. The loan term is five years with interest only payments and a balloon payment at maturity. This loan is secured by a time deposit of $16.0 million pledged by the Company's Costa Rican subsidiary. The deposit will earn an interest rate of three-month LIBOR. The first tranche of $8.0 million was funded on April 1, 2011, and the Company secured this portion of the loan with an $8.0 million secured time deposit. The second tranche of $2.0 million was funded on July 28, 2011, and the Company secured this portion of the loan with a $2.0 million secured time deposit. The Company drew down the third and final tranche of $6.0 million on September 30, 2011, and the Company secured this portion of the loan with a $6.0 million secured time deposit. On January 31, 2012 the Company's Colombia subsidiary and Scotiabank & Trust (Cayman) Ltd., amended and restated the March 14, 2011 loan agreement. The amendment increased the credit facility by $16.0 million; as a result the total credit facility with Scotiabank & Trust (Cayman) Ltd. is for $32.0 million. The interest rate on the incremental amount of the facility as the tranches are drawn is three-month LIBOR rate plus 0.6%. The loan term continues to be five years with interest only payments and a balloon payment at maturity. The deposit will earn an interest rate of three-month LIBOR. The first tranche of $8.0 million from the incremental amount of the facility was funded on February 21, 2012, and the Company secured this portion of the loan with an $8.0 million secured time deposit pledged by the Company's Costa Rica subsidiary.

Derivatives

The Company is exposed to certain risks relating to its ongoing business operations. One risk managed by the Company using derivative instruments is interest rate risk. To manage interest rate exposure, the Company enters into hedge transactions (interest rate swaps) using derivative financial instruments. The objective of entering into interest rate swaps is to eliminate the variability of cash flows in the LIBOR interest payments associated with variable-rate loans over the life of the loans. As changes in interest rates impact the future cash flow of interest payments, the hedges provide a synthetic offset to interest rate movements.

In addition, the Company is exposed to foreign currency and interest rate cash flow exposure related to a non-functional currency long-term debt of one of its wholly owned subsidiaries. To manage this foreign currency and interest rate cash flow exposure, the Company's subsidiary entered into a cross currency interest rate swap that converts its US dollar denominated floating interest payments to functional currency fixed interest payments during the life of the hedging instrument. As changes in foreign exchange and interest rates impact the future cash flow of interest payments, the hedge is intended to offset changes in cash flows attributable to interest rate and foreign exchange movements.

The Company is also exposed to foreign-currency exchange-rate fluctuations on U.S. dollar denominated liabilities within its international subsidiaries whose functional currency is other than the U.S. dollar. The Company manages these fluctuations, in part, through the use of non-deliverable forward foreign-exchange contracts that are intended to offset changes in cash flow attributable to currency exchange movements. The contracts are intended primarily to economically address exposure to U.S. dollar merchandise inventory expenditures made by the Company's international subsidiaries whose functional currency is other than the U.S. dollar. Currently, these contracts do not qualify for derivative hedge accounting. The Company seeks to mitigate foreign-currency exchange-rate risk with the use of these contracts and does not intend to engage in speculative transactions. These contracts do not contain any credit-risk-related contingent features. The forward currency hedges are not effective cash flow hedges since the notional amount and maturity date of the forward contract does not coincide with the accounts payable balance and due dates. The hedge ineffectiveness is measured by use of the "hypothetical derivative method," and the Company records the changes in the fair value of the forward contract related to the re-measurement of the payable at spot exchange rates as exchange rate gains or losses. The implied interest rate included within the forward contract is reflected in earnings as interest expense.

For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive income (loss) and reclassified into earnings in the same period or periods during which the hedged transaction is determined to be ineffective. There were no such amounts for the periods reported herein.

The Company, through its subsidiaries, has entered into the following cross-currency interest rate swaps an interest rate swaps:

The following table summarizes these agreements:

Subsidiary	Date entered into	Derivative Financial Counter-party	Derivative Financial Instruments	Initial US Notional Amount	Bank US loan Held with	Floating Leg (swap counter-party)	Fixed Rate for PSMT Subsidiary	Settlement Reset Date	Effective Period of Swap
Colombia	21-Feb-12	Bank of Nova Scotia	Cross currency interest rate swap	8,000,000	Bank of Nova Scotia	Variable rate 3-month Libor plus 0.6%	6.02%	February, May, August and November beginning on May 22, 2012	February 21, 2012 - February 21, 2017
Colombia	17-Nov-11	Bank of Nova Scotia	Cross currency interest rate swap	8,000,000	Citibank, N.A.	Variable rate 6-month Eurodollar Libor plus 2.4%	5.85%	May 3, 2012 and semi-annually thereafter	November 3, 2011 - November 3, 2013
Colombia	21-Oct-11	Bank of Nova Scotia	Cross currency interest rate swap	2,000,000	Bank of Nova Scotia	Variable rate 3-month Libor plus 0.7%	5.30%	January, April, July and October, beginning on October 29, 2011	July 29, 2011 - April 1, 2016
Colombia	21-Oct-11	Bank of Nova Scotia	Cross currency interest rate swap	6,000,000	Bank of Nova Scotia	Variable rate 3-month Libor plus 0.7%	5.45%	March, June, September and December, beginning on October 29, 2011	September 29, 2011 - April 1, 2016
Colombia	5-May-11	Bank of Nova Scotia	Cross currency interest rate swap	8,000,000	Bank of Nova Scotia	Variable rate 3-month Libor plus 0.7%	6.09%	January, April, July and October, beginning on July 5, 2011	April 1, 2011 - April 1, 2016
Trinidad	20-Nov-08	Royal Bank of Trinidad & Tobago	Interest rate swaps	8,900,000	Royal Bank of Trinidad & Tobago	Variable rate 1-year Libor plus 2.75%	7.05%	Annually on August 26	September 25, 2008 - September 26, 2013
Barbados	13-Feb-08	Citibank, N.A.	Interest rate swaps	4,500,000	Citibank, N.A.	Variable rate 9-month Libor plus 1.5%	5.22%	Semi-annually on November 15 and May 15	November 15, 2007 - November 14, 2012

The Company measures the fair value for all financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis or on a nonrecurring basis during the reporting period. The Company has designated the interest rate swaps and cross-currency interest rate swap agreements as hedging instruments and has accounted for them under hedge accounting rules. The following table summarizes the fair value of interest rate swaps and cross-currency interest rate swaps derivative instruments that qualify for derivative hedge accounting (in thousands, except footnote data):

	Derivatives			
	November 30, 2012		August 31, 2012	
Derivatives designated as cash flow hedging instruments	**Balance Sheet Location**	**Fair Value**	**Balance Sheet Location**	**Fair Value**
Cross currency interest rate swaps(2)	Other non-current assets	$ —	Other non-current assets	$ —
Interest rate swaps(1)	Other long-term liabilities	$ (135)	Other long-term liabilities	$ (216)
Cross currency interest rate swaps(2)	Other long-term liabilities	(1,249)	Other long-term liabilities	(983)
Net fair value of derivatives designated as hedging instruments - assets (liability)(3)		$(1,384)		$(1,199)

(1) The effective portion of the interest rate swaps was recorded as a loss to Accumulated other comprehensive loss for $102,000 and $162,000 net of tax, as of November 30, 2012 and August 31, 2012, respectively. The Company has recorded a deferred tax asset amount of $33,000 and $54,000 as of November 30, 2012 and August 31, 2012, respectively.

(2) The effective portion of the cross currency interest rate swaps was recorded to Accumulated other comprehensive loss for $1.2 million and $983,000 as of November 30, 2012 and August 31, 2012, respectively. The Company has recorded a valuation allowance on the related deferred tax asset.
(3) Derivatives listed on the above table were designated as cash flow hedging instruments.

The Company has entered into non-deliverable forward foreign-exchange contracts. These contracts are treated for accounting purposes as fair value contracts and do not qualify for derivative hedge accounting. The use of non-deliverable forward foreign-exchange contracts is intended to offset changes in cash flow attributable to currency exchange movements. These contracts are intended primarily to economically hedge exposure to U.S. dollar merchandise inventory expenditures made by the Company's international subsidiaries whose functional currency is other than the U.S. dollar. The Company's entered into the forward foreign exchange contracts summarized below as of November 30, 2012:

Subsidiary	Date entered into	Derivative Financial Counter-party	Derivative Financial Instruments	Notional Amount (in thousands)	Settlement Date	Effective Period
Colombia	September 2012 through November 2012	Bank of Nova Scotia	Forward foreign exchange contracts	$8,000	December 4, 2012 through December 28, 2012	December 4, 2012 through December 28, 2012

The following table summarizes the fair value of foreign currency forward contracts that do not qualify for derivative hedge accounting (in thousands):

	Derivatives			
	November 30, 2012		August 31, 2012	
Derivatives designated as fair value hedging instruments	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Foreign currency forward contracts	Prepaid expenses and other current assets	$ 2	Prepaid expenses and other current assets	$ 27
Foreign currency forward contracts	Other accrued expenses	$ (21)	Other accrued expenses	$ (3)
Net fair value of derivatives designated as hedging instruments that do not qualify for hedge accounting		$ (19)		$ 24

Short-Term Borrowings and Long-Term Debt

Short-term borrowings consist of lines of credit which are secured by certain assets of the Company and its subsidiaries and are guaranteed by the Company as summarized below (in thousands):

		Facilities Used			
	Total Amount of Facilities	Short-term Borrowings	Letters of Credit	Facilities Available	Weighted average interest rate
November 30, 2012	$ 36,983	$ —	$ 195	$ 36,788	N/A
August 31, 2012	$ 36,967	$ —	$ 774	$ 36,193	N/A

As of November 30, 2012, the Company had approximately $25.0 million of short-term facilities available in the U.S. that require the Company to comply with certain quarterly financial covenants, which include debt service and leverage ratios. As of November 30, 2012 and August 31, 2012, the Company was in compliance with respect to these covenants.

As of November 30, 2012 and August 31, 2012, the Company, together with its wholly owned subsidiaries, had $81.0 million and $78.7 million, respectively, outstanding in long-term borrowings. The increase during the current period primarily relates to the addition of long-term loans of approximately $4.0 million, offset by normally scheduled payments of principal of approximately $1.9 million. Translation adjustment gains also increased long-term debt, primarily due to cross-currency hedging of U.S. dollar denominated debt of a subsidiary whose functional currency is not the U.S. dollar for approximately $246,000. The carrying amount of the non-cash assets assigned as collateral for long-term debt was $61.5 million and $59.6 million as of November 30, 2012 and August 31, 2012, respectively. The carrying amount of the cash assets assigned as collateral for long-term debt was $36.9 million as of November 30, 2012 and August 31, 2012, respectively.

As of November 30, 2012 and August 31, 2012, the Company had approximately $61.1 million and $58.0 million, respectively, of long-term loans in Trinidad, Barbados, Panama, El Salvador, Honduras and Colombia that require these subsidiaries to comply with certain annual or quarterly financial covenants, which include debt service and leverage ratios. As of November 30, 2012 and August 31, 2012, the Company was in compliance with respect to these covenants.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have had, or are reasonably likely to have, a material current or future effect on its financial condition or consolidated financial statements.

Repurchase of Equity Securities and Reissuance of Treasury Shares

At the vesting dates of restricted stock awards, the Company repurchases shares at the prior day's closing price per share, with the funds used to pay the employees' minimum statutory tax withholding requirements. The Company expects to continue this practice going forward. The following table summarizes this activity during the period:

	Three Months Ended November 30,	
	2012	**2011**
Shares repurchased	—	—
Cost of repurchase of shares	—	—

The Company has reissued treasury shares as part of its stock-based compensation programs. The following table summarizes the treasury shares reissued:

	Three Months Ended November 30,	
	2012	**2011**
Reissued treasury shares	—	—

Critical Accounting Estimates

The preparation of the Company's consolidated financial statements requires that management make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Some of the Company’s accounting policies require management to make difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. Management continues to review its accounting policies and evaluate its estimates, including those related to contingencies and litigation, deferred taxes, merchandise inventories, and long-lived assets. The Company bases its estimates on historical experience and on other assumptions that management believes to be reasonable under the present circumstances. Using different estimates could have a material impact on the Company's financial condition and results of operations.

Contingencies and Litigation: In the ordinary course of business, the Company is periodically named as a defendant in various lawsuits, claims and pending actions and is exposed to tax risks (other than income tax). The principal risks that the Company insures against are workers' compensation, general liability, vehicle liability, property damage, employment practices, errors and omissions, fiduciary liability and fidelity losses. If a potential loss arising from these lawsuits, claims, actions and non-income tax issues is probable and reasonably estimable, the Company records the estimated liability based on circumstances and assumptions existing at the time. The estimates affecting the Company's litigation reserves can be affected by new claims filed after the balance sheet date with respect to events occurring prior to the balance sheet date and developments in pending litigation that may affect the outcome of the litigation. While the Company believes the recorded liabilities are adequate, there are inherent limitations in projecting the outcome of litigation and in evaluating the probable additional tax associated with various non-income tax filing positions. As such, the Company is unable to make a reasonable estimate of the sensitivity to change of estimates affecting its recorded liabilities. As additional information becomes available, the Company assesses the potential liability and revises its estimates as appropriate.

Income Taxes: The Company accounts for income taxes using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences and carry-forwards are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is established when necessary to reduce deferred tax assets to amounts expected to be realized. As of November 30, 2012, the Company evaluated its deferred tax assets and liabilities and determined that a valuation allowance is necessary for certain foreign deferred tax asset balances, primarily because of the existence of significant negative objective evidence, such as the fact that certain subsidiaries are in a cumulative loss position for the past three years, and the determination that certain net operating loss carry-forward periods are not sufficient to realize the related deferred tax assets.

The Company had U.S. federal and state tax net operating loss carry-forwards, or NOLs, at November 30, 2012 of approximately $17.6 million and $8.0 million, respectively. In calculating the tax provision, and assessing the likelihood that the Company will be able to utilize the federal deferred tax assets, the Company considered and weighed all of the evidence, both positive and negative, and both objective and subjective. The Company factored into its analysis the inherent risk of forecasting revenue and expenses over an extended period of time and also considered the potential risks associated with its business. Because of the Company's U.S. income from continuing operations and based on projections of future taxable income in the United States, the Company was able to determine that there was sufficient positive evidence to support the conclusion that it was more likely than not that the Company would be able to realize substantially all of its U.S. federal NOLs by generating taxable income during the carry-forward period. However, if the Company does not achieve its projections of future taxable income in the United States, the Company could be required to take a charge to earnings related to the recoverability of these deferred tax assets. Due to the deemed change of ownership (as defined in Section 382 of the Internal Revenue Code) in October 2004, there are annual limitations in the amount of U.S. income that may be offset by NOLs. The NOLs generated prior to the deemed ownership change date, as well as a significant portion of the losses generated as a result of the PSMT Philippines disposal in August 2005, are limited on an annual basis. The Company does not believe this will impact the recoverability of these NOLs. During fiscal year 2012, the Company recorded a valuation allowance of $697,000 against its California net operating loss (NOL), because it does not anticipate being able to utilize the NOL. The Company intends to make a single sales factor election for fiscal year 2012 and subsequent years. This election will significantly reduce the California apportionment factor and, therefore, California taxable income. The Company had net foreign deferred tax assets of $9.0 million and $8.7 million as of November 30, 2012 and August 31, 2012, respectively.

The Company and its subsidiaries are required to file federal and state income tax returns in the United States and various other tax returns in foreign jurisdictions. The preparation of these tax returns requires the Company to interpret the applicable tax laws and regulations in effect in such jurisdictions, which could affect the amount of tax paid by the Company. The Company, in consultation with its tax advisors, bases its tax returns on interpretations that are believed to be reasonable under the circumstances. The tax returns, however, are subject to routine reviews by the various federal, state and foreign taxing authorities in the jurisdictions in which the Company or one of its subsidiaries file tax returns. As part of these reviews, a taxing authority may disagree with respect to the income tax positions taken by the Company ("uncertain tax positions") and, therefore, require the Company or one of its subsidiaries to pay additional taxes.

The Company accrues an amount for its estimate of probable additional income tax liability. In certain cases, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant tax authority. An uncertain income tax position will not be recognized if it has less than 50% likelihood of being sustained. This requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. When facts and circumstances change, the Company reassess these probabilities and records any changes in the consolidated financial statements as appropriate. There were no material changes in the Company's uncertain income tax positions for the periods ending on November 30, 2012 and 2011. The Company does not provide for income taxes which would be payable if undistributed earnings of its foreign subsidiaries were remitted, because the Company considers these earnings to be permanently reinvested.

Merchandise Inventory: The Company records its inventory at the lower of cost (average cost) or market. The Company provides for estimated inventory losses between physical inventory counts on the basis of a percentage of sales. The provision is adjusted monthly to reflect the trend of actual physical inventory count results, with physical inventories occurring primarily in the second and fourth fiscal quarters. In addition, the Company monitors slow-moving inventory to determine if provisions should be taken for expected markdowns below the carrying cost of certain inventory to expedite the sale of such merchandise. The uncertainties associated with these methods, assumptions and estimates with regard to the Company's reported inventory, including the estimated provisions, has not had and is not expected to have a material impact on the financial condition and operating performance of the Company or on the comparability of the reported information for the periods presented, as historically the actual results have not differed materially from the estimates. The likelihood of any material changes in inventory losses or markdowns is dependent on customer demand or new product introductions by the Company or its competitors that vary from current expectations. The Company believes that any changes in these factors are not reasonably likely to occur and hence not reasonably likely to have a material impact on the Company's financial results.

Long-lived Assets: The Company periodically evaluates its long-lived assets for indicators of impairment. Indicators that an asset may be impaired are:

- the asset's inability to continue to generate income from operations and positive cash flow in future periods;
- loss of legal ownership or title to the asset;
- significant changes in its strategic business objectives and utilization of the asset(s); and
- the impact of significant negative industry or economic trends.

Management's judgments are based on market and operational conditions at the time of the evaluation and can include management's best estimate of future business activity, which in turn drives estimates of future cash flows from these assets. These periodic evaluations could cause management to conclude that impairment factors exist, requiring an adjustment of these assets to their then-current fair market value. Future business conditions and/or activity could differ materially from the projections made by management causing the need for additional impairment charges. No impairment charges have been recorded during fiscal year 2013.

Recent Accounting Pronouncements

FASB ASC 220

In June 2011, the FASB issued guidance to amend the presentation of comprehensive income to allow an entity the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. The guidance eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. The amended guidance was effective for annual and interim periods within those years beginning after December 15, 2011 and was to be applied retrospectively. The Company adopted this guidance on September 1, 2012. Adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

FASB ASC 350

In December 2010, the FASB issued amended guidance concerning testing for impairment of goodwill where an entity has one or more reporting units whose carrying value is zero or negative. The amended guidance requires the entity to perform a test to measure the amount, if any, of impairment to goodwill by comparing the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. The Company was required to adopt this amended guidance for fiscal years or interim periods within those years after December 15, 2011. The Company adopted this guidance on September 1, 2012. The adoption of the amended guidance did not have an impact on the Company's consolidated financial statements or disclosures to those financial statements.

Seasonality

Historically, the Company's merchandising businesses have experienced holiday retail seasonality in their markets. In addition to seasonal fluctuations, the Company's operating results fluctuate quarter-to-quarter as a result of economic and political events in markets served by the Company, the timing of holidays, weather, the timing of shipments, product mix, and currency effects on the cost of U.S.-sourced products which may make these products more or less expensive in local currencies and therefore more or less affordable. Because of such fluctuations, the results of operations of any quarter are not indicative of the results that may be achieved for a full fiscal year or any future quarter. In addition, there can be no assurance that the Company's future results will be consistent with past results or the projections of securities analysts.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company, through wholly owned subsidiaries, conducts operations primarily in Latin America and the Caribbean, and as such is subject to both economic and political instabilities that cause volatility in foreign currency exchange rates or weak economic conditions. As of November 30, 2012, the Company had a total of 30 consolidated warehouse clubs operating in 12 foreign countries and one U.S. territory, 23 of which operate under currencies other than the U.S. dollar. For fiscal year 2013, approximately 79% of the Company's net warehouse club sales were in foreign currencies. The Company may enter into additional foreign countries in the future or open additional locations in existing countries, which may increase the percentage of net warehouse sales denominated in foreign currencies.

Foreign currencies in most of the countries where the Company operates have historically devalued against the U.S. dollar and are expected to continue to devalue. The following tables summarize by country the weakening of the countries currency against the U.S. dollar (devaluation) or the strengthening of their currencies (revaluation):

	Revaluation/(Devaluation) Three Months Ended November 30,	
	2012	2011
Country	% Change	% Change
Colombia	0.03 %	(9.26)%
Costa Rica	(0.94)%	0.94 %
Dominican Republic	(1.35)%	(1.00)%
Guatemala	1.37 %	(0.59)%
Honduras	(0.77)%	(0.45)%
Jamaica	(1.33)%	(0.63)%
Nicaragua	(0.82)%	(1.22)%
Trinidad	(0.30)%	(0.10)%

Foreign currency exchange fluctuations can increase the Company's cost of sales, operating, selling, general and administrative expenses, and otherwise adversely affect the Company's operating results. There can be no assurance that the Company will not experience any other materially adverse effects on the Company's business, financial condition, operating results, cash flow or liquidity, from currency devaluations in other countries.

Translation adjustment losses from the Company's subsidiaries and investment in affiliates that use a functional currency other than the U.S. dollar, resulting from the translation of the assets and liabilities of these companies into U.S. dollars, gains/(losses) on the fair value of interest rate swaps designated as effective hedges, and prior service costs, related to the defined benefit plan in Trinidad entered into by the Company on January 21, 2011, resulting from the unamortized prior service costs first recorded in fiscal year 2011, are recorded in accumulated other comprehensive income/(loss). The following tables discloses the changes in the balances of each of these components of accumulated other comprehensive loss, net of tax, as reported within the balance sheet (in thousands):

	Three months ended November 30, 2012			
	Foreign currency translation adjustments	Defined benefit pension plans(1):	Unrealized gains/(losses) on change in fair value of interest rate swaps(2)	Accumulated other compre-hensive loss
Beginning balance, September 1, 2012	$ (31,962)	$ (74)	$ (1,146)	$ (33,182)
Foreign currency translation adjustments	(1,396)	—	—	(1,396)
Defined benefit pension plans	—	1	—	1
Unrealized gains (losses) on change in fair value of interest rate swaps	—	—	(205)	(205)
Ending balance, November 30, 2012	$ (33,358)	$ (73)	$ (1,351)	$ (34,782)

	Three months ended November 30, 2011			
	Foreign currency translation adjustments	Defined benefit pension plans(1):	Unrealized gains/(losses) on change in fair value of interest rate swaps(2)	Accumulated other compre-hensive loss
Beginning balance, September 1, 2012	$ (21,894)	$ (273)	$ (748)	$ (22,915)
Foreign currency translation adjustments	(217)	—	—	(217)
Defined benefit pension plans	—	9	—	9
Unrealized gains (losses) on change in fair value of interest rate swaps	—	—	662	662
Foreign currency translations differences for merger of foreign operations	(5,604)	—	—	(5,604)
Correction of foreign currency translations for prior years related to foreign operations affecting property and equipment	(3,284)	—	—	(3,284)
Ending balance, November 30, 2012	$ (30,999)	$ (264)	$ (86)	$ (31,349)

	Twelve Month Period Ended August 31, 2012			
	Foreign currency translation adjustments	Defined benefit pension plans[(1)]:	Unrealized gains/(losses) on change in fair value of interest rate swaps[(2)]	Accumulated other comprehensive loss
Beginning balance, September 1, 2012	$ (21,894)	$ (273)	$ (748)	$ (22,915)
Foreign currency translation adjustments	(1,187)	—	—	(1,187)
Defined benefit pension plans	—	199	—	199
Unrealized gains (losses) on change in fair value of interest rate swaps	—	—	(398)	(398)
Foreign currency translations differences for merger of foreign operations	(5,604)	—	—	(5,604)
Correction of foreign currency translations for prior years related to foreign operations affecting property and equipment	(3,277)	—	—	(3,277)
Ending balance, November 30, 2012	$ (31,962)	$ (74)	$ (1,146)	$ (33,182)

The following is a listing of the countries or territories where the Company currently operates and their respective currencies, as of November 30, 2012:

Country/Territory	Number of Warehouse Clubs In Operation		Currency
Colombia	2	(1)	Colombian Peso
Panama	4		U.S. Dollar
Costa Rica	5		Costa Rican Colon
Dominican Republic	3		Dominican Republic Peso
Guatemala	3		Guatemalan Quetzal
El Salvador	2		U.S. Dollar
Honduras	2		Honduran Lempira
Trinidad	4		Trinidad Dollar
Aruba	1		Aruba Florin
Barbados	1		Barbados Dollar
U.S. Virgin Islands	1		U.S. Dollar
Jamaica	1		Jamaican Dollar
Nicaragua	1		Nicaragua Cordoba Oro
Totals	30		

(1) These warehouse clubs opened on August 19, 2011 and October 19, 2012, respectively.

ITEM 4. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the timelines specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate, to allow timely decision regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving the desired control objectives, and in reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Also, we have investments in certain unconsolidated entities. Because we do not control or manage those entities, our control procedures with respect to those entities were substantially more limited than those we maintain with respect to our consolidated subsidiaries.

As required by SEC Rules 13a-15(e) or 15d-15(e), we carried out an evaluation as of the end of the period covered by this Quarterly Report on Form 10-Q, under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon their evaluation, the Principal Executive Officer and Principal Financial Officer concluded that the Company's disclosure controls and procedures were effective at the reasonable assurance level.

In the ordinary course of business, we review our system of internal control over financial reporting and make changes to our systems and processes to improve controls and increase efficiency, while ensuring that we maintain an effective internal control environment. Changes may include such activities as implementing new, more efficient systems and automating manual processes. There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) of the Exchange Act) during our most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

The certifications required by Section 302 of the Sarbanes-Oxley Act of 2002 are filed as Exhibit 31.1 and 31.2 to this report.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this Quarterly Report on Form 10-Q, the reader should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended August 31, 2012. There have been no material changes in the Company's risk factors from those disclosed in Part I, Item 1A, of the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2012.

Available Information

The PriceSmart, Inc. website or internet address is www.pricesmart.com. On this website the Company makes available, free of charge, its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports, and the annual report to the security holders as soon as reasonably practicable after electronically filing such material with or furnishing it to the U.S. Securities and Exchange Commission (SEC). The Company's SEC reports can be accessed through the investor relations section of its website under "SEC Filings." All of the Company's filings with the SEC may also be obtained at the SEC's Public Reference Room at Room 1580, 100 F Street NE, Washington, DC 20549. For information regarding the operation of the SEC's Public Reference Room, please contact the SEC at 1-800-SEC-0330. Additionally, the SEC maintains an internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC at www.sec.gov. The Company made available its annual report on Form 10-K and its annual Proxy Statement for the fiscal year 2012 at the internet address http://materials.proxyvote.com/741511.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) None.

(b) None.

(c) None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

(a) *Exhibits:*

31.1(1)	Amended and Restated Certificate of Incorporation of the Company.
32.2(2)	Certificate of Amendment of Amended and Restated Certificate of Incorporation of the Company.
3.3(3)	Certificate of Amendment of Amended and Restated Certificate of Incorporation of the Company.
3.4(1)	Amended and Restated Bylaws of the Company.
10.1*	Twentieth Amendment to Employment Agreement between the Company and Jose Luis Laparte, dated October 1, 2012.
10.2*	Thirtieth Amendment to Employment Agreement between the Company and Robert M.Gans, dated October 1, 2012.
10.3*	Loan agreement between PSMT (Barbados) Inc. and Citicorp Merchant Bank Limited, dated August 30, 2012.
31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Identifies management contract or compensatory plan or arrangement.

** These certifications are being furnished solely to accompany this Report pursuant to 18 U.S.C. 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of PriceSmart, Inc., whether made before or after the date hereof, regardless of any general incorporation language in such filing.

(1) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended August 31, 1997 filed with the Commission on November 26, 1997.
(2) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended February 29, 2004 filed with the Commission on April 14, 2004.
(3) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended August 31, 2004 filed with the Commission on November 24, 2004.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PRICESMART, INC.

Date: January 9, 2013	By:	/s/ JOSE LUIS LAPARTE
		Jose Luis Laparte **Director, Chief Executive Officer and President** **(Principal Executive Officer)**
Date: January 9, 2013	By:	/s/ JOHN M. HEFFNER
		John M. Heffner **Executive Vice President and Chief Financial Officer** **(Principal Financial Officer and** **Principal Accounting Officer)**

TWENTIETH AMENDMENT TO EMPLOYMENT AGREEMENT

This Twentieth Amendment to Employment Agreement is made and entered into as of October 1, 2012, by and between PriceSmart, Inc., a Delaware Corporation ("Employer") and Jose Luis Laparte ("Executive").

Recitals

A) On June 3, 2004 an Employment Agreement was made and entered into by and between Employer and Executive.

B) Said Employment Agreement has been amended on nineteen prior occasions;

C) Employer and Executive now desire to amend the Employment Agreement, as set forth hereinbelow:

Agreement

1. Section 3.1 of the Employment Agreement, which currently provides:

   3.1 Term. The term of Executive's employment hereunder shall commence on October 8, 2004 and shall continue until October 7, 2012, unless sooner terminated or extended as hereinafter provided (the "Employment Term").

   is hereby amended, to provide as follows:

   1. Term. The term of Executive's employment hereunder shall commence on October 8, 2004 and shall continue until October 7, 2013, unless sooner terminated or extended as hereinafter provided (the "Employment Term").

2. All other terms of the Employment Agreement, as amended, shall remain unaltered and fully effective.

Executed in San Diego, California, as of the date first written above.

EXECUTIVE EMPLOYER

PriceSmart, INC.

Jose Luis Laparte By:

________________________ Name: Robert M. Gans

Its: Executive Vice President

THIRTIETH AMENDMENT TO EMPLOYMENT AGREEMENT

This Thirtieth Amendment to Employment Agreement is made and entered into as of October 1, 2012, by and between PriceSmart, Inc., a Delaware Corporation (“Employer”) and Robert M. Gans (“Executive”).

Recitals

A) On September 20, 1994 an Employment Agreement was made and entered into by and between Executive and Price Enterprises, Inc.

B) Said Employment Agreement has been assigned to Employer and amended on twenty-nine prior occasions;

C) Employer and Executive now desire to further amend the Employment Agreement, as set forth hereinbelow:

Agreement

1. Section 3.1 of the Employment Agreement, which currently provides:

3.1 Term. The term of Executive's employment hereunder shall commence on October 17, 1994 and shall continue until October 16, 2012 unless sooner terminated or extended as hereinafter provided (the "Employment Term").

is hereby amended, to provide as follows:

3.1 Term. The term of Executive's employment hereunder shall commence on October 17, 1994 and shall continue until October 16, 2013 unless sooner terminated or extended as hereinafter provided (the “Employment Term”).

2. All other terms of the Employment Agreement, as amended, shall remain unaltered and fully effective.

Executed in San Diego, California, as of the date first written above.

EXECUTIVE EMPLOYER

PriceSmart, INC.

Robert M. Gans By:

______________________ Name: Jose Luis Laparte

Its: CEO and President

LOAN AGREEMENT

This LOAN AGREEMENT (hereinafter called "this Agreement") is made as of this day of between PSMT (BARBADOS) Inc., a Company registered under the provisions of the Companies Act, Chapter 308 of the Laws of Barbados as Company Number 32341, being an amalgamation of PSMT (Barbados) Inc. and Regan Lodge Inc. by virtue of a Certificate of Amalgamation dated the 1st day of September 2009 and having its registered office situate at Chancery House, High Street, Bridgetown in Barbados (hereinafter called "the Borrower"), of the One Part, and CITICORP MERCHANT BANK LIMITED, a Company incorporated in Trinidad and Tobago, having registered as an external Company under the laws of Barbados and licensed under the Financial Institutions Act of Barbados and having a place of business in Barbados situate at Cedar Court, Wildey Business Park, Wildey, St. Michael, Barbados (hereinafter called "the Lender"), of the Other Part.

WHEREAS:

(1) The Borrower has requested, and the Lender has agreed to make available to the
(2) Borrower, loan facilities, in the aggregate amount of eight million Barbados Dollars (BDS$8,000,000), for the purpose of assisting with working capital requirements of the Borrower under the terms and conditions contained herein;
(3) As security for the loan herein, the Lender has agreed to take the Mortgage Debenture
(4) more particularly described herein to constitute a first Charge over the fixed and floating assets of
(5) the Borrower and a Guarantee from PriceSmart, Inc., under the terms and conditions contained
(6) herein and therein.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OTHER GOOD AND VALUABLE CONSIDERATION (RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED), IT IS AGREED BY THE BORROWER AND THE LENDER AS FOLLOWS:

1. GENERAL TERMS OF LOAN

1.1 (a) Commitment. The Lender hereby agrees to make (on the terms and conditions set förth herein) the advance to the Borrower (the "Advance"), and the Borrower hereby agrees to obtain and accept (on the terms and conditions set förth herein) such Advance, in the aggregate principal amount of BDS$8,000,000.00 (Eight Million Barbados Dollars and 00/100) (the "Facility"). The Borrower shall cause the satisfaction of all conditions precedent to any disbursement, as such conditions are set forth herein.

1.2 Use of Advances. The Advance hereunder shall be used to provide assist with
1.3 the working capital requirements of PSMT.
1.4 Term of the Advance. The Advance is made for a term of seven (7) years.
1.5 Business Days. For purposes of this Agreement, "Business Day" means any
1.6 day on which banks in Barbados are not required or authorized to close.
1.7 (a) Repaying Advance. The Borrower hereby promises to pay the Lender (in BDS dollars) on each Payment Date (as defined in this paragraph), or such other date or dates as may be agreed from time to time by the Lender and the Borrower or on demand in the event of a demand for payment of the same being made by the Lender in accordance with the terms of this Agreement as the case may be, one twenty-eighth (1/28) of the original principal amount of the Advance.

As used herein, "Loan Date" shall mean the date as of which the Lender disburses the Advance in respect of the Facility hereunder and "Payment Date" means that certain date three (3) calendar months after the

Loan Date of the Advance. The second "Payment Date" hereunder is the date three (3) calendar months after the first Payment Date ~ that is, the same day of the calendar month beginning three (3) months after the first Payment Date. Thereafter each successive Payment Date" occurs three (3) calendar months after the immediately preceding Payment Date. The twenty-eighth (28^{th}) Payment Date is the final Payment Date hereunder and occurs seven (7) years after the Loan Date of the Advance.

(b) Repaying Interest on Advance, The Borrower hereby promises to pay to the Lender in Barbados Dollars (BDS$), on each Payment Date, any unpaid interest which has by then accrued on the outstanding principal amount of the Advance at the rate of interest provided below in this Clause 1.05.

(c) Interest on Advance. During each Interest Period (as defined in this Clause 1.05) from the date the Advance is disbursed until the final Payment Date, interest shall accrue hereunder on the outstanding principal amount of the Advance at the following per annum rate (the "Interest Rate") for each Interest Period: the Barbados prime lending rate as determined by the Lender from time to time, less two hundred (200) basis points or such increased or reduced rate of interest as may from time to time be in force under the provisions of this Agreement;

The first "Interest Period" hereunder begins on (and includes) the Loan Date and ends three (3) calendar months thereafter. Each subsequent "Interest Period" begins on (and includes) the Payment Date occurring one day after the final day of the preceding Interest Period and ends three (3) calendar months thereafter; provided that the Interest Period that includes the final Payment Date hereunder ends on that final Payment Date.

1.1 Interest on Other Amounts. "Additional Debt" means any Obligation of
1.2 the Borrower arising under this Agreement other than for interest or for repayment of the
1.3 Advance or of a portion thereof. Interest shall accrue on any Additional Debt which is past due
1.4 hereunder at a fluctuating per annum rate of interest equal to two percent (2%) above the
1.5 Lender's prime lending rate as determined by the Lender from time to time (the "Additional
1.6 Debt Rate"), with each change in such rate of interest becoming effective on the effective date of
1.7 each change in the Barbados prime lending rate,
1.8 (a) Payments Generallv. The Borrower shall, without any setoff or
1.9 counterclaim, make each payment due hereunder to the Lender at such address in Barbados as
1.10 the Lender may now or hereafter designate to the Borrower in writing, on the day when such
1.11 payment is due hereunder, in immediately available funds and in Barbados dollars. A payment
1.12 to the Lender shall be deemed to be made and received on the date when immediately available

funds are actually received by the Lender (provided such date is a Business Day and the funds in questions are advised, or such payment is otherwise received, by 2:00 o'clock p.m., local time or, if such date is not a Business Day or such payment is not received by 2:00 o'clock p.m., on the first Business Day thereafter).

(a) Application of Pavments. Unless otherwise expressly provided herein, all payments hereunder shall be applied first against accrued interest, then against any Additional Debt which at such time is due or past due hereunder, and then against outstanding principal hereunder.

(b) Actions on Business Davs. If any provision of this Agreement appears (in light of the circumstances existing at any time) to require that a payment be received, funds be applied or any event occur on any day other than a Business Day, then such provision shall be deemed to have been complied with if such event occurs on the next Business Day after such date, although any such extension of time shall be included in the computation and payment of any interest or fee.

(c) Computation of Interest Generallv. All computations of interest hereunder

(d) shall be made by the Lender on the basis of a year of three hundred sixty-five (365) days and the

(e) actual number of days elapsed in the period for which such interest is payable. In no event,

however, shall the effective interest rate hereunder exceed the maximum rate permitted by applicable law. All computations of interest made by the Lender hereunder shall, absent manifest error, be conclusive.

1.08 (a) Prepavments. If the Borrower, on one or more occasions, elects to make to the Lender a prepayment (satisfying the conditions below) to be applied by the Lender against the outstanding principal of the Advance hereunder, the Borrower: (i) shall cause any such payment (a "Prepayment") to be made to the Lender on a date not later than five (5) Business Days after written notice and in an amount not less than four million Barbados Dollars (BDS$400,000.00); and (ii) shall furnish the Lender at least five (5) Business Days' advance written notice stating the amount of such Prepayment and the date on which it will be made. Once the Borrower has given the Lender such written notice, the Borrower's election to make such Prepayment on such date and in such amount shall be irrevocable by the Borrower. Before any Prepayment is applied against all or any part of the outstanding principal amount of the Advance, it shall be applied against all accrued but unpaid interest on the Advance.

(b) Notwithstanding anything contained in Clause 1.08(a) hereof, if such prepayment pursuant to Clause 1.08(a) is for the prepayment in füll of all obligations under this Loan Agreement in connection with a termination of this Loan Agreement and is being paid by the Borrower from the proceeds of another transaction, then such prepayment may be conditioned upon the closing of such other transaction provided that (i) if such prepayment is not made on the date set forth in the applicable notice, the Borrower shall be obligated to pay to the Bank any resulting loss, cost or expense incurred by it, including (without limitation), any loss (including loss of anticipated profits), cost or expense incurred in obtaining, liquidating or reemploying deposits or other fünds acquired by the Bank to maintain this Loan Agreement and (ii) the Bank shall have no Obligation to accept such prepayment later than five (5) Business Days after the date set forth in the notice referred to in Clause 1.08(a) hereto.

1.09 Termination of Facility. Notwithstanding any other provisions hereof, the Lender shall not have any Obligation to make an advance hereunder if any Event of Default (as defined herein below) has occurred.

2. **CONDITIONS OF LENDING**

2.01 Conditions Precedent to Advance. Notwithstanding any other provisions of this Agreement, the Obligation of the Lender to make the Advance hereunder is subject to the condition precedent that, three (3) Business Days (or more) before the date the Advance is disbursed, the Lender shall have received an original or duplicate original of this Agreement duly executed by the Borrower, as well as the following (in form and substance satisfactory to the Lender):

(a) A certified copy of a resolution or resolutions of the board of directors of the Borrower, signed by the Secretary thereof, (i) authorizing the borrowing, and the confirming the grant of a security interest in the Collateral (as hereinafter defined), contemplated hereby and conferring authority on the officers or other persons named therein to execute this Agreement, and (ii) authenticating the signatures of such officers or other persons for such purposes;

(a) A guarantee (hereinafter called "the Guarantee"), which shall be duly
(b) executed by PriceSmart, Inc., in the form of Exhibit "B" hereto and shall guarantee the payment
(c) of the füll amount of all the Borrower's obligations to the Lender at any time or times arising
(d) hereunder;
(e) The approval of the Exchange Control Authority of the Central Bank of
(f) Barbados for the Facility and for the Guarantee;

(d) Copies of any additional documents evidencing or relating to any other corporate actions or governmental approvals (with respect to this Agreement, the Mortgage Debenture and the Guarantee) which the Lender may reasonably request;

(g) Evidence of property, casualty and all-risk insurance (with respect to the Collateral) issued (in such manner and amounts as are acceptable to the Lender) by such insurance Company or companies as are acceptable to the Lender, and evidence that the Lender is named as additional loss payee with regard to all such insurance;

(h) A current valuation from a valuer on the Lender's panel of approved valuers, showing what the property situated at the Corner of Lodge Hill and Green Hill, Warrens in the parish of St. Michael in Barbados will be upon completion of the proposed improvements to the said property;

(i) Any legal opinions or other documents reasonably requested by the Lender in form and substance reasonably satisfactory to the Lender; and

Notwithstanding any other provisions of this Agreement, the Obligation of the Lender to disburse the proceeds of the Advance to the Borrower shall also be subject to (in addition to all other conditions set forth in this Agreement) the further conditions precedent that:

(A) As of the date of disbursement of the Advance, the following
(B) Statements shall be true (and the Lender shall have received a certificate signed by a duly
(C) authorized officer of the Borrower, dated the date of disbursement of the Advances, stating that
(D) the following Statements are true): (I) the representations and warranties contained in Clause 3 of

(E) this Agreement are correct in all material respects on and as of the date of disbursement of the

(F) Advance,; (II) no event has by then occurred, or would result from the Advance, which

(G) constitutes an Event of Default (as defined herein below) or would constitute an Event of Default

(H) but for the requirement that notice be given or time elapse or both; and (III) there has by then

(I) been no material, adverse change in the financial condition, operations or Performance of the

(J) Borrower since the date (the "Approval Date") of the most recent balance sheets and profit and

(K) loss accounts on the basis of which the credit facility established hereunder was approved by the

(L) Lender; and

(M) As of the date of disbursement of the Advance, there shall have

(N) been, in the Lender's good-faith judgment, no material, adverse change (since the Approval Date)

(O) in either (I) the country risk associated with the credit facility established hereunder, or (II) the

(P) ability of the Borrower to perform all of its obligations hereunder.

3. SECURITY

The parties hereto have agreed that the security for the Advance shall be (i) a mortgage debenture duly executed by the Borrower and Regan Lodge Inc. in favour of the Lender dated the 15th day of November, 2007 and lodged on the lOth day of December 2007 at the Corporate Affairs Office in Volume 55/125 stamped to secure nine million Barbados Dollars (BDS$9,000,000.00) and four million five hundred thousand United States of America Dollars (US $4,500,000.00) ("the Mortgage Debenture") which shall secure the payment of (and shall be stamped to cover) the füll amount of all the Borrower's obligations to the Lender at any time or times arising hereunder, and which shall afford the Lender a perfected, first-priority security interest in the assets of the Borrower described therein, along with all proceeds thereof, replacements therefor and additions thereto (hereinafter called "the Collateral"); and (ii) the Guarantee.

4. REPRESENTATIONS AND WARRANTIES

4.01 Representations and Warranties. The Borrower hereby represents and warrants to the Lender (and the Borrower shall be deemed to represent and warrant to the Lender continuously after the date hereof for so long as this Agreement remains in effect or any part of the Advance or any other sum is or may become due from the Borrower to the Lender hereunder) that, as of the date of this Agreement and as at the date of the Advance (and as of every other date on which such representations and warranties are deemed given):

(a) The Borrower is a corporation duly organized and operating and in good

Standing in and under the laws of Barbados;

(b) The execution, delivery and Performance by the Borrower of this

Agreement and of the Mortgage Debenture:

i) are within the Borrower's corporate powers;

ii) have been duly authorized by all necessary corporate action, including the approval of the Borrower's board of directors;

üi) do not contravene (A) the Borrower's Charter or any other of its internal rules, (B) in any material respect, any applicable law, treaties or regulations, or any duty or Obligation of the Borrower, except as may be expressly permitted hereunder, (C) any material indenture, mortgage, trust deed, bond or other instrument or agreement of the Borrower or by which either of them is bound, or (D) except as may be expressly permitted hereunder, in any material respect any award, order, judgment, regulation, injunction, resolution, determination or other ruling of any court or governmental authority, agency or instrumentality binding upon the Borrower;

iv) do not constitute or result in (even if notice is given, time elapses or both) a default, event of default or event of acceleration under any material contract binding upon or affecting (A) the Borrower, (B) any of the Collateral granted to the Lender under the Mortgage Debenture, (C) any payments thereon, or (D) any other proceeds thereof; and

v) do not result in or require the creation of any lien, security interest, charge or encumbrance (other than as provided herein) upon or with respect to any of the Collateral.

(a) No further authorization or approval or other action by, and no further
(b) notice to or filing or registration with, any governmental authority or regulatory body is required
(c) for the due execution, delivery and Performance of this Agreement.
(d) This Agreement and the Mortgage Debenture executed by the Borrower
(e) are legal, valid and binding obligations of the Borrower enforceable against the Borrower in
(f) accordance with their terms.
(g) The Borrower is not in violation or breach of, or in default under, any law
(h) or regulation, any duty or Obligation, or any indenture, mortgage, trust deed or other instrument
(i) or agreement of the Borrower or by which it is bound, so as to materially and adversely affect,
(j) in any of the foregoing instances, the Borrower's ability to perform its obligations hereunder or
(k) under this Agreement or the Mortgage Debenture; and, as of the date of this Agreement, there is
(l) no pending or, to the Borrower's knowledge, threatened action or proceeding affecting the

Borrower before any court, governmental agency or arbitrator which may materially and adversely affect the assets, financial condition or operations of the Borrower or the ability of the Borrower to execute, deliver or perform (or the ability of the Lender to enforce) this Agreement or the Mortgage Debenture.

(a) The obligations of the Borrower hereunder are direct, unconditional and
(b) general commercial obligations.
(c) No Event of Default (as defined below) or other event, which, with the

(d) giving of notice and/or lapse of time, would constitute an Event of Default, has occurred and is

(e) continuing uncured.

(h) The balance sheets and profit and loss accounts, whether audited or unaudited, of the Borrower as of May 31, 2012, heretofore delivered to the Lender (such balance sheets and profit and loss accounts being the "Financial Accounts") were prepared in accordance with generally accepted accounting principles and practices consistently applied; as of the dates of the respective Financial Accounts, the Borrower **did** not have any material liabilities (contingent or otherwise) not disclosed by or reserved against in such Financial Accounts; and there has been no material, adverse change in the financial position of the Borrower from that reflected in the Financial Accounts.

(i) Except for the Permitted Liens, the Collateral is free and clear of any and all charges, liens or other encumbrances except any in favor of the Lender created under this Agreement and the Mortgage Debenture.

5. **COVENANTS**

5.01 General Covenants. At any and all times while this Agreement remains in effect or any part of the Advance or any other sum is or may become due from the Borrower to the Lender hereunder, the Borrower, unless the Lender shall otherwise expressly consent in writing:-

(a) Shall duly and punctually pay, when due hereunder, each principal

(b) payment and any interest owing the Lender hereunder and any other sums owing to the Lender

(c) hereunder or under the Mortgage Debenture;

(d) Shall utilize the Advance as provided in Clause 1.02;

(e) Shall permit the Lender (at any time and from time to time during the

(f) Borrower's usual business hours, and after reasonable notice to the Borrower) to (i) inspect (or

(g) inspect copies of) the Borrower's records and documents relating to the Advance, to the

(h) Mortgage Debenture or to any related transaction involving any Collateral, and (ii) discuss any

(i) of the foregoing matters with any officer or officers of the Borrower knowledgeable as to such

(j) matters; and

(k) Shall furnish to the Lender the following, all with a degree of detail

(l) reasonably satisfactory to the Lender:

(i) Notice of any Event of Default as soon as possible after the occurrence of such Event of Default but in any event no later than ten (10) calendar days after the occurrence of such Event of Default, and of any other event which, with the giving of notice and/or lapse of time or both, would constitute an Event of Default, at the same time informing the Lender of any action taken or proposed to be taken by the Borrower in connection therewith;

(ü) Prompt notice of any material litigation or other proceeding affecting the Borrower or their respective property before any court or governmental department, commission, board, bureau, agency or instrumentality (and prompt notice of any other dispute between the Borrower and any governmental or regulatory body or other person or entity), if such litigation or proceeding (or other dispute) might substantially interfere with, or have a material and adverse effect upon, (A) the financial condition, business or operations of the Borrower (B) the value of the Collateral, (C) the Borrower's ability to perform this Agreement or the Mortgage Debenture, or (D) the Lender's ability to enforce this Agreement or the Mortgage Debenture (any such notice to be furnished, at latest, within ten (10) calendar days after the Borrower's receipt of notice of the commencement of, or of any adverse determination in, any such litigation, proceeding or other dispute);

(iii) Prompt notice of any material, adverse change in the financial condition or results of operations of the Borrower and of any other event or development which might have a material, adverse effect upon the ability of the Borrower to perform this Agreement or the Mortgage Debenture or the ability of the Lender to enforce this Agreement or the Mortgage Debenture; and

(iv) At any time and from time to time, and with reasonable promptness, such further information relating to this Agreement or to the Borrower as the Lender may reasonably request.

(a) Shall pay all applicable taxes, assessments, levies, imposts and similar
(b) charges prior to the date after which penalties attach for failure to pay, except where the
(c) Borrower (without violating any other provision of this Agreement or the Mortgage
Debenture)
(d) may contest any of the foregoing in good faith and by appropriate proceedings; and,
except as
(e) may be permitted pursuant to Clause 6.01 hereof, shall otherwise comply in all material
respects
(f) with all applicable laws, rules, regulations, Orders and licenses.
(g) Shall maintain and preserve any franchises and licenses necessary or
(h) useful in the proper conduct of its business; maintain and preserve all of its properties
necessary
(i) or useful in the proper conduct of its business in good working order and condition,
ordinary
(j) wear and tear excepted; and effect and maintain, with responsible and reputable
insurance
(k) companies reasonably acceptable to the Borrower and the Lender, such insurance over
and in
(l) respect of its assets and business, and in such manner and to such extent, as is reasonably
(m) acceptable to the Borrower and the Lender.
(n) Shall keep proper books of record and account, in which füll and correct
(o) entries shall be made of all financial transactions and of the assets and business of the
Borrower,
(p) and keep correct copies of all documents relating thereto.

(h) Shall keep the Collateral free and clear of all charges, liens and other encumbrances, except Permitted Liens and liens in favor of the Lender created under this Agreement and/or the Mortgage Debenture.

(i) Shall not dissolve or liquidate, or sell, mortgage, merge, pool, transfer or otherwise dispose of any of the Collateral, other than in the ordinary course of its business, and obsolete equipment which (if needed in the Borrower's business) is replaced with comparable equipment of equal or greater value;

(j) Shall not: (i) change its name; or (ii) make any substantial or significant change in the nature of the Borrower's business or operations; or (iii) acquire any assets or business or acquire or make any Investment if the value of such assets, business or investment is substantial in relation to the Borrower as a whole, unless such acquisition or investment is for the improvement of, or in keeping with the nature of, the Borrower's present business and has no material, adverse effect on the Lender;

(k) Shall not create, incur or permit to exist any Lien (as defined below) upon the Collateral or any of its property or assets, whether now owned or hereafter acquired, except for Permitted Liens (as defined below); as used herein, "Lien" shall mean any lien, security interest, or other charge or encumbrance, or any other type of preferential arrangement, upon or with respect to the Collateral or any property or assets of the Borrower, and "Permitted Lien" shall mean (i) Liens for taxes not yet due or which are being contested if adequate reserves with respect thereto are maintained on the books of the Borrower in accordance with GAAP, as long as the same does not involve any danger of the sale, forfeiture or loss of property that is subject to the Mortgage Debenture or of any interest therein; (ii) any Liens arising in the ordinary course of business of the Borrower on equipment purchased after the date hereof to secure the purchase money financing incurred to purchase such equipment, (iii) any other Lien in favour of any other creditor approved in writing by the Lender or (iv) any lien in favor of the Lender.

(1) Shall not incur Indebtedness (as defined below) in excess of one million Barbados Dollars (BDS$ 1,000,000.00) at any one time, other than (i) Indebtedness owed to the Lender, (ü) Indebtedness owed to the Guarantor in the ordinary course of the Borrower's business; (iii) current liability for taxes and assessments incurred in the ordinary course of business, and (iv) Indebtedness in respect of current accounts payable (other than for borrowed funds or purchase money obligations) incurred in the ordinary course of business (provided that all Indebtedness referred to in clauses (üi) and (iv) shall be promptly paid and discharged when due or in conformity with customary trade practices); as used herein, "Indebtedness" shall mean all indebtedness and obligations for borrowed money or for the deferred purchase price of property or Services purchased, all obligations in respect of any letters of credit or acceptances issued or made for the Borrower's account, and all obligations in respect of any capital leases.

(m) Not to repay any loan made to the Borrower by any of its directors or shareholders or by any subsidiary without first obtaining the consent of the Lender.

5.02 Financial Covenants. Without limiting the generality of any of the foregoing covenants, representations and warranties, for so long as this Agreement remains in effect or any sum is or may become due from the Borrower hereunder:

(a) The Borrower shall furnish the Lender, within ninety (90) calendar days after the end of each fiscal year of the Borrower, evidence (satisfactory to the Lender in the reasonable exercise of the Lender's discretion) that, as of the end of such fiscal year:

(i) The Borrower has maintained or caused to be maintained a Maximum Leverage Ratio (as defined below) of not more than two point five (2.5) to one point zero (1.0) for the financial year 2012; one point five (1.5) to one point zero (1.0) for the financial year 2013 and for the remainder of the Term of the Advance, one point five (1.5) to one point zero (1.0);

(b) The Borrower shall furnish the Lender, within ninety (90) calendar days after the end of each fiscal year of the Borrower, evidence (satisfactory to the Lender in the reasonable exercise of the Lender's discretion) that, as of the end of such fiscal year:

(i) The Borrower has maintained or caused to be maintained a Debt Service Coverage Ratio (as defined below) of not less than one point three (1.3) to one point zero (1-0).

(c) As used in this Agreement, the following capitalized terms shall have the definitions set forth below, the terms used in such definitions being used in accordance with generally accepted accounting principles and practices (applicable to corporations such as the Borrower organized under the laws of, and having their principal places of business in, Barbados) consistently applied:

(i) "Debt Service Coverage Ratio" - shall mean that certain ratio the numerator of which equals EBIT (as hereinafter defined) plus depreciation expenses and the denominator of which equals the sum of gross interest expense plus current maturity of long term debt, in each case of the Borrower and its Consolidated Subsidiaries determined in accordance with GAAP.

(ii) "EBIT" - shall mean the sum of (A) net income (B) tax expenses (C) interest expenses (D) other non-cash expenses (E) parent Company expenses and (F) losses (or minus) gains from the sale of assets (other than inventory in the ordinary course of business) less interest income, in each case of the Borrower and its Consolidated Subsidiaries determined in accordance with GAAP.

(ii) "Maximum Leverage Ratio" shall mean that certain ratio the numerator of which equals total debt and the denominator of which equals EBITDA (as defined below); and

(iii) "EBITDA" shall mean the sum of (A) net income, (B) tax expenses, (C) interest expenses, (D) depreciation expenses, (E) amortization expenses, (F) other non-cash items used to determine net income, (G) parent Company expenses and (H) losses (or minus gains) from the sale of assets (other than inventory in the ordinary course of business), less interest income, in each case of the Borrower and its Consolidated Subsidiaries determined in accordance with GAAP.

(a) Without limiting the generality of any provisions of Clause 5.01 hereof,
(b) the Borrower's failure to satisfy (as of the end of any fiscal quarter) any one (or more) of the
(c) covenants set forth in Clause 4.02(a)(i) and Clause 4.02(a)(ii) above shall constitute an Event of
(d) Default for all purposes of this Agreement. The Lender's determination of all amounts referred
(e) to in Clause 4.02(a) (i) and (ii) above shall be conclusive, absent manifest error.
(f) The balance sheets and profit and loss accounts of the Borrower as of the
(g) end of each fiscal quarter, prepared in accordance with generally accepted accounting principles
(h) and practices consistently applied, and certified by the Borrower as the case may be, in such
(i) manner as is acceptable to the Lender, shall be delivered to the Lender not later than sixty (60)
(j) calendar days after the end of the fiscal quarter.
(k) The balance sheets and profit and loss accounts of the Borrower as of the
(l) end of each fiscal year, prepared in accordance with generally accepted accounting principles
(m) and practices consistently applied, and audited by an audit firm acceptable to the Lender, shall be
(n) delivered to the Lender not later than ninety (90) calendar days after the end of the fiscal year.
(o) To furnish to the Lender within fourteen (14) calendar days after the final
(p) audited balance sheet and profit and loss accounts of the Borrower for the financial year have
(q) been presented to the Borrower , a certified verification from the Borrower's auditor of the fixed
(r) asset register of the Borrower prepared in accordance with Generally Accepted Accounting
(s) Principles.

(h) Such other financial information regarding the Borrower as the Lender may reasonably require from time to time shall be delivered to the Lender not later than thirty (30) calendar days after a request is made for the same.

6. <u>DEFAULT</u>

6.01 <u>Events of Default</u>. Each of the following occurrences shall constitute an "Event of Default" hereunder:

(a) The Borrower fails to pay any portion of the Advance when such amount
(b) becomes due and payable hereunder; or the Borrower fails to pay any interest accrued hereunder
(c) (or any other amount owed to the Lender hereunder) within five (5) Business Days of the date

(d) when such amount becomes due and payable hereunder;
(e) The Borrower defaults in the observance or Performance of any covenant,
(f) agreement or undertaking of the Borrower expressed or implied in this Agreement or in the
(g) Mortgage Debenture and on the part of the Borrower to be observed and performed for more
(h) than thirty (30) calendar days after written notice from the Lender to the Borrower requiring such
(i) breach to be remedied;
(j) Any representation or warranty made by the Borrower under or in
(k) connection with this Agreement or the Mortgage Debenture, or any representation or warranty
(l) deemed to be made by the Borrower hereunder, proves to have been incorrect or misleading (in
(m) any way materially and adversely affecting the Lender) when made or when deemed to have
(n) been made, and reasonable notice of such default is provided by the Lender, but the Borrower
(o) fails to remedy such default within thirty (30) calendar days after **its** receipt of such notice;
(p) The Mortgage Debenture fails for any reason, except to the extent
(q) permitted under the terms thereof and/or the terms hereof, to effect (or to perfect or continue) a
(r) valid and enforceable, perfected, first-priority security interest securing the payment of all of the
(s) Borrower's obligations to the Lender hereunder or thereunder; or any other occurrence
(t) constituting a default, event of default or other event of acceleration pursuant to the Mortgage
(u) Debenture takes place;
(v) Any holder of (or any individual or entity entitled to benefit from) any
(w) mortgage, Charge (whether fixed or floating), pledge, lien, hypothecation, retention of title,
(x) encumbrance or other security interest or similar interest of any kind takes possession of any
(y) property of the Borrower or of any part thereof;
(z) An order is issued, or an effective resolution is passed, for the winding up
(aa) of the Borrower, or the Borrower otherwise ceases or threatens to cease to carry on its business
(ab) or substantially the whole of its business;
(ac) The Borrower fails to pay its debts as they become due, admits in writing
(ad) that it is unable to do so, or makes a general assignment for the benefit of creditors; or any
(ae) proceeding is commenced by or with respect to the Borrower:

(i) seeking to adjudicate it bankrupt or insolvent,

(ii) seeking the liquidation, winding up, reorganization, arrangement, adjustment, relief or composition of the Borrower or its debts (under any law relating to bankruptcy, insolvency, reorganization or relief of debtors), or

(iii) seeking the appointment of a receiver, trustee, intervenor, custodian or similar official for the Borrower or for any substantial part of its property;

or the Borrower takes any corporate action to authorize any of the actions set forth in this Clause 5.01(g);

(h) Any final judgment exceeding two hundred fifty thousand Barbados Dollars (BDS$250,000.00) (or the then equivalent amount in any other currency) entered against the Borrower shall for a period of ten (10) or more calendar days remain unsatisfied, discontinued or not subject to a stay of execution;

(i) The Borrower' s Charter is amended without the Lender's prior written consent and in a manner materially adverse to the interests of the Lender;

(j) Any legislation or any decree or other action by any governmental agency, instrumentality or subdivision materially and adversely affects the enforceability of this Agreement or the Mortgage Debenture, the ability of the Borrower to perform its obligations hereunder or thereunder, or any other interests of the Lender hereunder;

(k) This Agreement or the Mortgage Debenture is, or becomes, invalid or ineffective (or unenforceable against the Borrower), in whole or in part, in any respect materially adverse to the interests of the Lender;

(1) The Borrower asserts or at any time denies it has any further liability or Obligation to the Lender under this Agreement or under the Mortgage Debenture;

(m) Any change in the ownership of the Borrower occurs that adversely affects the Borrower's ability to perform its obligations under this Agreement or under the Mortgage Debenture or the Lender's ability to enforce its interests, rights or remedies hereunder or thereunder;

(n) Any action or proceeding affecting the Borrower or its property and pending before any court, governmental agency or arbitrator (or the issuance of any judgment, order or decree, or any other occurrence, in any such action or proceeding) materially and adversely affects the financial condition or operations of the Borrower, the value of the Collateral, the ability of the Borrower to perform this Agreement or the Mortgage Debenture, or the ability of the Lender to enforce this Agreement or the Mortgage Debenture;

(o) The confiscation, seizure, appropriation, expropriation, requisition for title or use, retention, control, restraint, destruction or interference with, of or with respect to any Collateral or any other property of the Borrower occurs by or under the order of the Government of Barbados (or any agency, instrumentality or subdivision thereof), so as to materially and adversely affect the Borrower's ability to perform, or the Lender's ability to enforce, this Agreement or the Mortgage Debenture;

(p) Any indebtedness of the Borrower to the Lender not arising under this Agreement or any indebtedness of the Borrower to any other entity or individual which is outstanding in a principal amount in excess of five hundred thousand Barbados Dollars (BDS$500,000.00) (or the equivalent in any other

currency, as determined by the Lender) is not fully paid when such indebtedness becomes due and payable (whether at its stated date of maturity, by virtue of acceleration or otherwise) and remains unpaid (in whole or in part) after any applicable grace period; or the Borrower fails, in any material respect, to perform (or any other default, or other event permitting acceleration of the maturity of any indebtedness, occurs under the terms of) any agreement relating to any indebtedness of the type and amount described in this Clause 5.01(p); or

(q) It becomes unlawful or impossible for the Lender to continue to effect or rund the facility contemplated under this Agreement;

(r) After giving the Lender advance written notice of a Prepayment pursuant to Clause 1.07 hereof, the Borrower fails to make such Prepayment on the date (or fails to make such Prepayment in the amount) stated in such notice.

7.02 Acceleration.

(a) If one or more of the foregoing Events of Default shall occur, then the Lender (acting, except as otherwise expressly provided herein, without presentment, demand, protest or any advance notice to the Borrower, all of which are hereby expressly waived by the Borrower) may, at the Lender's sole discretion (at any time after any such Event of Default), declare the outstanding principal balance of the Advance, all unpaid interest thereon and all other amounts owing to the Lender under **this** Agreement to be immediately due and payable, whereupon:

(i) The outstanding principal balance of the Advance, all unpaid interest then accrued thereon and all other amounts then owing to the Lender under this Agreement shall immediately become and be due and payable in füll.

(ii) The Lender may, at its sole discretion and at any time or from time to time, treat all amounts owing to the Lender under this Agreement, including without limitation all accrued but unpaid interest, as past due obligations secured by all of the Collateral for purposes of the enforcement of the Mortgage Debenture or for purposes of any provisions hereof relating to any of the Collateral.

(iii) The Lender may, in its sole discretion, exercise any other remedies it may have hereunder, under the Mortgage Debenture or under any law, regulation or other contract.

(b) After the occurrence of any or all of the events and actions described in

Clause 5.02(a) hereof, the Borrower shall remain fully liable to the Lender for any deficiencies

remaining with respect to any amounts owing to the Lender hereunder.

8. **MISCELLANEOUS PROVISIONS**

8.01 (a) Further Assurances. The Borrower at its expense shall take any lawful actions and execute, deliver, file and register any documents (and correct any errors or omissions determined by the Lender, in its discretion but in good faith, to exist in this Agreement or in the Mortgage Debenture) which the Lender may (in its discretion but in good faith) deem necessary or appropriate in order to further the purposes of this Agreement or of the Mortgage Debenture; and, without limiting the generality of any provisions in Clause 5.01 hereof, the Borrower's failure in any respect to comply with this Clause 6.01 shall constitute an Event of Default for all purposes of this Agreement.

(b) Taxes. Etc.

(i) Any and all payments made by or on behalf of the Borrower to (or to the credit of) the Lender hereunder or under any related documents shall be made free and clear of and without deduction for any present or future taxes, levies, imposts, deductions, charges, withholdings or liabilities with respect thereto, excluding all income taxes, franchise taxes and other taxes of Barbados and of the jurisdiction of the Lender's Iending office or any political subdivision of either thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable by the Borrower to the Lender hereunder or under any related document, then (A) the sum payable shall be increased as may be necessary so that after all required deductions of Taxes (including Taxes applicable to additional sums payable under this Clause 6.01(b)) are made, the Lender receives an amount equal to the sum it would have received had no such deductions been made, (B) all such deductions shall be made, and (C) the füll amount deducted shall be remitted by the Borrower

to the relevant taxation authority or other authority in accordance with applicable law.

(ii) In addition, the Borrower agrees to pay any stamp duties and any filing, registration and recording fees and similar fees which arise from the execution, delivery, registration or filing of, or otherwise with respect to, this Agreement or the Mortgage Debenture (hereinafter referred to as "Other Taxes").

(iii) Upon written demand from the Lender and the Borrower's receipt of the Originals (or certified copies) of any receipts evidencing the payment of any Taxes or Other Taxes by the Lender, the Borrower shall indemnify the Lender for the füll amount of Taxes and Other Taxes (including, without Hmitation, any Taxes (or Other Taxes) imposed by any jurisdiction on

amounts payable under this Clause 6.01(b)) paid by the Lender and for any liability arising in connection therewith.

(iv) Within thirty (30) calendar days after the date of any payment of Taxes or Other Taxes, the Borrower shall furnish to the Lender the original (or a certified copy) of a receipt evidencing the payment thereof.

(v) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Clause 6.0 l(b) shall survive the payment in füll of any other obligations of the Borrower to the Lender hereunder.

(a) Amendments, Etc. No amendment or waiver of any provision in this

(b) Agreement or in the Mortgage Debenture, nor any consent of the Lender to any

departure by the

(c) Borrower therefrom, shall in any event be effective unless the same shall be in writing

and

(d) executed by the Lender and, in the case of any such amendment, also by the Borrower;

and then

(e) any such waiver or consent shall be effective only in the specific instance and for the

specific

(f) purpose for which given.

(g) No Waiver; Remedies. No failure on the part of the Lender to exercise,

(h) and no delay of the Lender in exercising, any right under this Agreement or under the

Mortgage

(i) Debenture shall operate as a waiver thereof; nor shall any single or partial exercise of any

right

(j) of the Lender under this Agreement or under the Mortgage Debenture preclude any other

or

(k) further exercise thereof or the exercise of any other right of the Lender. The remedies of

the

(l) Lender afforded by this Agreement or by the Mortgage Debenture are cumulative and not

(m) exclusive of any other remedies of the Lender afforded by law or contract, and any or all

(n) remedies afforded hereby or by law or other contract may be pursued simultaneously or

(o) consecutively, at the Lender's reasonable discretion.

(p) Costs and Expenses.

(i) The Borrower agrees it shall, within thirty (30) calendar days after demand, pay (or reimburse the Lender for) all reasonable costs and expenses (including without Hmitation court costs, reasonable experts' fees and expenses, reasonable attorneys[1] fees and expenses) incurred by the Lender (whether or not any litigation is commenced and, if litigation is commenced, whether incurred at trial level, on appeal, in bankruptcy proceedings or otherwise) in connection with the enforcement of this Agreement or of the Mortgage Debenture or the protection of any of the Lender's rights hereunder or thereunder, including without limitation all such costs and expenses incurred by the Lender as a result of any failure of the Borrower to perform any of its duties or obligations hereunder or thereunder. At the time of any demand hereunder the Lender shall provide reasonable supporting data and information.

(ii) The Borrower agrees it shall, prior to disbursement or within thirty (30) calendar days after demand, pay (or reimburse the Lender for) all reasonable costs and expenses (including without limitation printing, travel, Publicity and any other out-of-pocket costs and reasonable legal costs) incurred by the Lender in connection with the preparation, negotiation, execution and filing of this Agreement or of the Mortgage Debenture. At the time of any demand hereunder the Lender shall provide reasonable supporting data and information.

(iü) The Borrower agrees it shall, on disbursement of the Advance, pay to Lender a structuring fee of point two five per cent (0.25%) of the amount disbursed on the date of disbursement.

(a) Rieht of Set-Off. If any Obligation of the Borrower to the Lender becomes
(b) past due hereunder or under the Mortgage Debenture, the Lender is hereby authorized at any
(c) time and from time to time thereafter, to the füllest extent permitted by law, to set off and apply,
(d) without advance notice to the Borrower, any and all deposits (time or demand, provisional or
(e) final) at any time held (and any and all other indebtedness at any time owing) by the Lender to or
(f) for the credit or account of the Borrower against such Obligation of the Borrower to the Lender,
(g) whether or not the Lender shall have made any demand regarding such Obligation. The Lender
(h) agrees promptly to notify the Borrower after any such set-off and application. The rights of the
(i) Lender under this Clause 6.01(f) are in addition to all other rights and remedies (including any
(j) other rights of setoff) which the Lender may have at any time.
(k) Severabilitv; Construction. Any provision of this Agreement or of any
(l) related document which is prohibited or unenforceable in any jurisdiction shall, as to such
(m) jurisdiction, be ineffective to the extent of such prohibition or unenforceability without
(n) invalidating the remaining provisions of the same agreement or affecting the validity or
(o) enforceability of such provision in any other jurisdiction. It is the intention of the parties to this
(p) Agreement that if any provision hereof or of the Mortgage Debenture is capable of two
(q) constructions, one of which would render the provision void or voidable and the other of which
(r) would render the provision valid, the provision shall have the meaning which renders it valid.
(s) No ambiguity in any provision hereof or of the Mortgage Debenture shall be construed against
(t) the Lender by reason only of the fact that such provision was drafted by the Lender or by its
(u) legal counsel.

(h) Survival. All covenants, agreements, representations and warranties made by the Borrower herein or in the Mortgage Debenture shall, notwithstanding any investigation by the Lender, be deemed material and be deemed to have been relied upon by the Lender and shall survive the execution and delivery to the Lender of such agreement.

(i) Binding Effect: Assignment, This Agreement shall be binding upon and inure to the benefit of the Borrower and the Lender and their respective successors and assigns, except that the Borrower shall not assign or transfer any of its rights and/or obligations hereunder or under the Mortgage Debenture, and any such assignment or transfer purported to be made by the Borrower shall be null and void. The Lender may at any time transfer or assign (or grant a participation or participations in) any or all of its rights and/or obligations hereunder and/or under the Mortgage Debenture) without the consent of the Borrower, provided that any such transfer, assignment or participation is made to another financial Institution (including, without limitation, any financial Institution affiliated with the Lender). After any such transfer(s) or assignment(s) of any or all such rights and/or obligations of the Lender, the Lender may serve (but shall not be obligated to serve) as agent bank with respect thereto for the transferee(s) or assignee(s) thereof.

(j) Notices. Unless otherwise expressly provided herein, all notices and Orders given in writing (including facsimile transmission or telex) under this Agreement or the Mortgage Debenture executed by the Borrower or the Lender shall be deemed given when received at the applicable address set forth below (or at any other address of which the recipient shall have notified the sender pursuant to this Clause 6.0l(j):

Lender	Borrower
Citicorp Merchant Bank Limited	PSMT (Barbados) Inc.
Cedar Court	Green Hill
Wildey Business Centre	St. Michael
Wildey, St. Michael	Barbados
Barbados	
Attention: Business Manager	*Attention: AtulPatel*
Email:	email: apatel@pricesmart.com
Facsimile #: (246) 421-7893	Facsimüe #: 1-858-404-8838

Notices and Orders under this Agreement or the Mortgage Debenture may be by telex communication (whether or not tested) or by other written communication, including facsimile transmission. Any notice from the Borrower or the Lender to the other given by untested telex communication or facsimile transmission shall be confirmed by the sender in a writing, signed in the original, placed in the mail (for air mail) within twenty-four (24) hours thereafter. In the case of a discrepancy between an initial notice, as understood by the recipient, and such conflrmation thereof, the initial notice as understood by the recipient shall control, and shall bind the sender, as to any action taken by the recipient before its receipt of such confirmation, even if such action is in error (provided that any such error is made in good faith and does not result from gross negligence on the part of the recipient).

(k) Lender May Perform. If the Borrower fails to perform any agreement contained herein or in the Mortgage Debenture, the Lender may itself perform, or cause the Performance of, such agreement, and all expenses of the Lender incurred in connection therewith (including without limitation all reasonable attorneys[1] fees, whether or not any litigation is commenced) shall be payable by the Borrower upon demand.

(1) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of Barbados.

(m) Terminology. For purposesof this Agreement:

(i)"hereof, "herein", "hereby", "hereunder", "herewith", "hereafter," "hereinafler" and similar terms refer to this Agreement in its entirety, and

(ii)"attorneys' fees" includes, without limitation, all attorneys' fees reasonably incurred in connection with any judicial, bankruptcy, administrative or other proceedings, including any appellate proceedings, whether such proceedings arise before or after entry of a final judgment, as well as all attorneys' fees reasonably incurred without the commencement of any suit or other proceedings.

(n) Captions. Captions in this Agreement are included herein for convenience of reference only and shall not in any way amplify, limit or otherwise constitute a part of or affect this Agreement for any other purpose.

(o) Savings Clause. Should any interest or other charges paid hereunder result in the computation or earning of interest in excess of the maximum rate or amount of interest permitted by applicable law, such excess interest and charges shall be (and the same hereby are) waived by the Lender, and the amount of such excess shall be automatically credited against, and be deemed to have been payments in reduction of, the principal then due hereunder, and any

portion of such excess which exceeds the principal then due hereunder shall be paid by the Lender to the Borrower.

(p) Füll Recourse, Notwithstanding any other provisions of this Agreement or of the Mortgage Debenture, the Lender has and shall have füll recourse against the Borrower itself and all its assets in order to obtain payment in füll of the Advance, of all interest accruing thereon and of any and all other obligations, fees, charges, expenses and other sums to be paid hereunder by the Borrower (and any interest accruing thereon).

(q) Indemnification and Exculpation. The Borrower hereby agrees tp indemnify and hold harmless the Lender and any affiliates of the Lender (and all directors, officers, employees, attorneys and agents of the Lender and of any affiliates of the Lender) from and against all Claims, causes of action, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, fees, taxes and other liabilities, including without limitation reasonable attorneys' fees (whether incurred at trial, at any appellate level, or without litigation), by whomsoever brought or caused, which may at any time or times be imposed upon, incurred by or asserted against the Lender or any other of such indemnitees, in any way arising under or relating to this Agreement, the Mortgage Debenture or any transaction contemplated herein or therein (except to the extent of such indemnitee's gross negligence or willful misconduct). Moreover, except to the extent of his, her or its gross negligence or willful misconduct, neither the Lender nor any other

of such indemnitees shall at any time incur any liability whatsoever to the Borrower (and the Borrower hereby expressly waives and releases any and all Claims and causes of action whatsoever which the Borrower may at any time or times have against the Lender or any other of such indemnitees) in connection with this Agreement, the Mortgage Debenture, or any transaction contemplated herein or therein.

(r) Confidentialitv. The Lender agrees to hold all confidential Information obtained pursuant to the provisions of this Agreement in accordance with its customary procedure for handling such Information of this nature and in accordance with safe and sound banking practices, provided, that nothing herein shall prevent the Lender from disclosing and/or transferring such confidential Information (i) upon the order of any court or administrative agency or otherwise to the extent required by Statute, rule, regulation or judicial process, (ii) to bank examiners or upon the request or demand of any other regulatory agency or authority, (iii) which had been publicly disclosed other than as a result of a disclosure by the Lender prohibited by this Agreement, (iv) in connection with any litigation with respect to this Agreement or the documents executed in connection herewith to which the Lender is a party, or in connection with the exercise of any remedy hereunder or under this Agreement, (v) to the Lender's legal counsel and independent auditors and accountants, (vi) to the Lender's branches, subsidiaries, representative offices, affiliates and agents and third parties selected by any of the foregoing entities, wherever situated, for confidential use (including in connection with the provisions of any Service and for data processing, statistical and risk analysis purposes), and (vii) subject to provisions substantially similar to those contained in this sub-clause, to any actual or proposed participant or assignee.

[Intentionally blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

Countersigned

Secretary
THE COMMON SEAL of **PSMT (BARBADOS)**)
INC. was hereto affixed by the order of the Board of Directors in the presence of:

Director

Witness: Name: Abode: Description:

THE COMMON SEAL of **CITICORP MERCHANT BANK LIMITED** was hereto affixed by Order of the Board of Directors in the presence of:

Countersigned

Director

Exhibit 31.1

Certification

I, Jose Luis Laparte, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PriceSmart, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 9, 2013

/s/ JOSE LUIS LAPARTE

Jose Luis Laparte

Director, Chief Executive Officer and President

(Principal Executive Officer)

Exhibit 31.2

Certification

I, John M. Heffner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PriceSmart, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 9, 2013

/s/ JOHN M. HEFFNER

John M. Heffner

Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of PriceSmart, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended November 30, 2012 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: January 9, 2013

/s/ JOSE LUIS LAPARTE

Jose Luis Laparte
Director, Chief Executive Officer and President
(Principal Executive Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of PriceSmart, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period November 30, 2012 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: January 9, 2013

/s/ JOHN M. HEFFNER

John M. Heffner

Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Goodwill (Details) (USD $) In Thousands, unless otherwise specified	3 Months Ended Nov. 30, 2012	Aug. 31, 2012	Nov. 30, 2011
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [Abstract]			
Goodwill	$ 36,821	$ 36,886	$ 37,236
Goodwill, Translation Adjustments	$ (65)		

UNCONSOLIDATED AFFILIATES - Financial Information (Details) (USD $) In Thousands, unless otherwise specified	3 Months Ended		
	Nov. 30, 2012	Nov. 30, 2011	Aug. 31, 2012
Assets and Liabilities, Net			
Current assets	$ 832		$ 943
Noncurrent assets	6,770		6,056
Current liabilities	563		1,052
Noncurrent liabilities	2		0
Net Income (Loss)			
Net loss	$ (8)	$ 14	

COMMITMENTS AND CONTINGENCIES (Details) (USD $)	0 Months Ended	3 Months Ended			
	Sep. 29, 2008	Nov. 30, 2012	Aug. 31, 2012	Nov. 30, 2012 Distribution Center Services in Mexico [Member]	Nov. 30, 2012 Price Plaza Alajuela PPA, S.A [Member]
Loss Contingencies [Line Items]					
Accrual for Taxes Other than Income Taxes, Current		$ 3,200,000	$ 3,300,000		
Long-term Purchase Commitment, Time Period				3 years	
Purchase Commitment, Remaining Minimum Amount Committed		125,000			
Long-term Purchase Commitment, Remaining Minimum Amount Committed		135,000			
Estimated long-term Purchase Commitment, Amount					$ 4,100,000
Ownership Percentage Interest in Joint Venture	50.00%				

SEGMENTS (Details) (USD $) In Thousands, unless otherwise specified	3 Months Ended Nov. 30, 2012 Country	3 Months Ended Nov. 30, 2011	Aug. 31, 2012	3 Months Ended Nov. 30, 2012 United States Operations	3 Months Ended Nov. 30, 2011 United States Operations	Aug. 31, 2012 United States Operations	3 Months Ended Nov. 30, 2012 Latin American Operations	3 Months Ended Nov. 30, 2011 Latin American Operations	Aug. 31, 2012 Latin American Operations	3 Months Ended Nov. 30, 2012 Caribbean Operations	3 Months Ended Nov. 30, 2011 Caribbean Operations	Aug. 31, 2012 Caribbean Operations	3 Months Ended Nov. 30, 2012 Reconciling Items	3 Months Ended Nov. 30, 2011 Reconciling Items	Aug. 31, 2012 Reconciling Items
Segment Reporting Information [Line Items]															
Number of countries and territories	13														
Segment Reporting Information															
Revenue from external customers	$ 535,286	$ 477,451		$ 3,073	$ 2,249		$ 356,747	$ 309,585		$ 175,466	$ 165,617			$ 0 [1]	
Intersegment revenues	0	0		229,260	213,827		24	8		1,467	1,177		(230,751) [1]	(215,012) [1]	
Depreciation and amortization	5,684	5,811		490	420		2,986	3,077		2,208	2,314				
Operating income	29,770	24,261		8,214	7,706		16,177	11,258		5,379	5,297				
Net income	20,005	13,989		5,622	3,987		10,649	6,174		3,734	3,828				
Capital expenditures, net	14,663	8,280		242	444		11,684	4,406		2,737	3,430				
Long-lived assets (other than deferred tax assets)	394,187	352,129	385,985	17,529	16,464	17,781	260,381	215,501	251,647	116,277	120,164	116,557	0 [1]	0 [1]	0 [1]
Goodwill	36,821	37,236	36,886	0	0	0	31,737	32,039	31,760	5,084	5,197	5,126	0 [1]	0 [1]	0 [1]
Identifiable assets	$ 779,904	$ 688,042	$ 735,712	$ 75,691	$ 36,532	$ 87,467	$ 484,455	$ 423,027	$ 441,857	$ 219,758	$ 228,483	$ 206,388	$ 0 [1]	$ 0 [1]	$ 0 [1]

SEGMENTS (Details) (USD $) In Thousands, unless otherwise specified	3 Months Ended Nov. 30, 2011 Scenario, Previously Reported [Member]	Aug. 31, 2012 Scenario, Previously Reported [Member]	3 Months Ended Nov. 30, 2011 Scenario, Previously Reported [Member] United States Operations	Aug. 31, 2012 Scenario, Previously Reported [Member] United States Operations	3 Months Ended Nov. 30, 2011 Scenario, Previously Reported [Member] Latin American Operations	Aug. 31, 2012 Scenario, Previously Reported [Member] Latin American Operations	3 Months Ended Nov. 30, 2011 Scenario, Previously Reported [Member] Caribbean Operations	Aug. 31, 2012 Scenario, Previously Reported [Member] Caribbean Operations	3 Months Ended Aug. 31, 2012 Scenario, Adjustment [Member]	3 Months Ended May 31, 2012 Scenario, Adjustment [Member]	3 Months Ended Feb. 29, 2012 Scenario, Adjustment [Member]	3 Months Ended Nov. 30, 2011 Scenario, Adjustment [Member]	12 Months Ended Aug. 31, 2012 Scenario, Adjustment [Member]
Segment Reporting Information [Line Items]													
Number of countries and territories													
Segment Reporting Information													
Revenue from external customers	$ 478,685		$ 2,249		$ 310,542		$ 165,894					$ (1,234)	
Intersegment revenues													
Depreciation and amortization													
Operating income									0	0	0	0	0
Net income													
Capital expenditures, net													
Long-lived assets (other than deferred tax assets)	352,033	384,263	16,464	17,781	215,405	249,925	120,164	116,557	1,722			96	1,722
Goodwill													
Identifiable assets													

SEGMENTS (Details) (USD $) In Thousands, unless otherwise specified	3 Months Ended Nov. 30, 2011 Scenario, Adjustment [Member] United States Operations	Aug. 31, 2012 Scenario, Adjustment [Member] United States Operations	3 Months Ended Nov. 30, 2011 Scenario, Adjustment [Member] Latin American Operations	Aug. 31, 2012 Scenario, Adjustment [Member] Latin American Operations	3 Months Ended Nov. 30, 2011 Scenario, Adjustment [Member] Caribbean Operations	Aug. 31, 2012 Scenario, Adjustment [Member] Caribbean Operations	3 Months Ended Nov. 30, 2011 Scenario, Actual [Member]	Aug. 31, 2012 Scenario, Actual [Member]	3 Months Ended Nov. 30, 2011 Scenario, Actual [Member] United States Operations	Aug. 31, 2012 Scenario, Actual [Member] United States Operations	3 Months Ended Nov. 30, 2011 Scenario, Actual [Member] Latin American Operations	Aug. 31, 2012 Scenario, Actual [Member] Latin American Operations	3 Months Ended Nov. 30, 2011 Scenario, Actual [Member] Caribbean Operations	Aug. 31, 2012 Scenario, Actual [Member] Caribbean Operations
Segment Reporting Information [Line Items]														
Number of countries and territories														
Segment Reporting Information														
Revenue from external customers	$ 0		$ (957)		$ (277)		$ 477,451		$ 2,249		$ 309,585		$ 165,617	
Intersegment revenues														
Depreciation and amortization														
Operating income														
Net income														
Capital expenditures, net														
Long-lived assets (other than deferred tax assets)	0	0	96	1,722	0	0	352,129	385,985	16,464	17,781	215,501	251,647	120,164	116,557
Goodwill														
Identifiable assets														

[1] (1) The reconciling items reflect the amount eliminated on consolidation of intersegment transactions.

STOCKHOLDERS EQUITY Dividends (Details) (USD $)	0 Months Ended				3 Months Ended		
	Dec. 21, 2012	Nov. 27, 2012	Jan. 25, 2012	Nov. 30, 2012	Aug. 31, 2012	Feb. 29, 2012	Nov. 30, 2011
Common Stock, Dividends, Per Share, Cash Paid	$ 0.30				$ 0.30	$ 0.30	
common stock dividends, per share, payable				$ 0.30			
Common Stock, Dividends, Per Share, Declared		$ 0.60	$ 0.60	$ 0.60			$ 0.00
First of two dividend payments [Member]							
common stock dividends, per share, payable				$ 0.30			
Second of two dividend payments [Member]							
common stock dividends, per share, payable				$ 0.30			

SEGMENTS (Tables)	3 Months Ended		12 Months Ended
	Nov. 30, 2012	Nov. 30, 2011	Aug. 31, 2012

Segment Reporting [Abstract]

Schedule of Error Corrections and Prior Period Adjustments [Table Text Block]

Reclassifications to consolidated statement of income recorded during fiscal year 2013 for fiscal year 2012 - The Company receives cash consideration from its vendors for product demonstrations. Prior to fiscal year 2013, the Company recorded this consideration as Other income. However, cash or equity consideration received from a vendor is presumed to be a reduction of cost of sales when it is recognized in the income statement. Additionally, reimbursements of costs incurred by the customer to sell the vendor's products are treated as a reduction of the related cost when recognized in the income statement. Therefore, the Company has accordingly recorded such consideration as a reduction to cost of sales and a reduction to related costs incurred to sell the vendor's products starting in fiscal year 2013. The Company has made reclassifications to the consolidated statement of income for fiscal year 2012 to conform to the presentation in fiscal year 2013. These reclassifications did not impact consolidated operating income or net income. The following table summarizes the impact of these reclassifications (in thousands):

	Three Months Ended				
	November 30, 2011	February 29, 2012	May 31, 2012	August 31, 2012	Total Fiscal Year 2012
Revenues:					
Net warehouse club sales-as previously reported	$ 468,329	$ 537,816	$ 494,898	$ 499,003	$ 2,000,046
Reclassifications	(137)	(197)	(151)	(197)	(682)
Net warehouse club sales-as currently reported	$ 468,192	$ 537,619	$ 494,747	$ 498,806	$ 1,999,364
Other income-as previously reported	$ 1,776	$ 2,165	$ 2,163	$ 2,318	$ 8,422
Reclassifications	(1,097)	(1,230)	(1,294)	(1,279)	(4,900)
Other income-as currently reported	$ 679	$ 935	$ 869	$ 1,039	$ 3,522
Cost of goods sold:					
Net warehouse club-as previously reported	$ 400,481	$ 459,313	$ 421,512	$ 422,825	$ 1,704,131
Reclassifications	(616)	(805)	(788)	(590)	(2,799)
Net warehouse club-as currently reported	$ 399,865	$ 458,508	$ 420,724	$ 422,235	$ 1,701,332
Selling, general and administrative:					
Warehouse club operations-as previously reported	$ 42,509	$ 46,384	$ 46,197	$ 47,311	$ 182,401
Reclassifications	(618)	(622)	(657)	(886)	(2,783)
Warehouse club operations-as currently reported	$ 41,891	$ 45,762	$ 45,540	$ 46,425	$ 179,618
Net effect on Operating income	$ —	$ —	$ —	$ —	$ —

The following table summarizes the impact of these reclassifications to the amounts reported for each segment (in thousands):

Three Month Period Ended November 30, 2011	United States Operations	Latin American Operations	Caribbean Operations	Total
Revenue from external customers-as previously reported	$ 2,249	$ 310,542	$ 165,894	$478,685
Reclassifications	—	(957)	(277)	(1,234)
Revenue from external customers-as currently reported	2,249	309,585	165,617	477,451
Long-lived assets (other than deferred tax assets)-as previously reported	16,464	215,405	120,164	352,033
Reclassifications	—	96	—	96
Long-lived assets (other than deferred tax assets)-as currently reported	16,464	215,501	120,164	352,129

As of August 31, 2012	United States Operations	Latin American Operations	Caribbean Operations	Total
Long-lived assets (other than deferred tax assets)-as previously reported	17,781	249,925	116,557	384,263
Reclassifications	—	1,722	—	1,722
Long-lived assets (other than deferred tax assets)-as currently reported	17,781	251,647	116,557	385,985

Schedule of Segment Reporting Information, by Segment [Table Text Block]

The following table summarizes by segment certain revenues, operating costs and balance sheet items (in thousands):

	United States Operations	Latin American Operations	Caribbean Operations	Reconciling Items(1)	Total
Three Month Period Ended November 30, 2012					
Revenue from external customers	$ 3,073	$ 356,747	$ 175,466		$535,286
Intersegment revenues	229,260	24	1,467	(230,751)	—
Depreciation and amortization	490	2,986	2,208		5,684
Operating income	8,214	16,177	5,379		29,770
Net income	5,622	10,649	3,734		20,005
Capital expenditures, net	242	11,684	2,737		14,663
Long-lived assets (other than deferred tax assets)	17,529	260,381	116,277	—	394,187
Goodwill	—	31,737	5,084	—	36,821
Identifiable assets	75,691	484,455	219,758	—	779,904
Three Month Period Ended November 30, 2011					
Revenue from external customers	$ 2,249	$ 309,585	$ 165,617	$ —	$477,451
Intersegment revenues	213,827	8	1,177	(215,012)	—
Depreciation and amortization	420	3,077	2,314	—	5,811
Operating income	7,706	11,258	5,297	—	24,261
Net income	3,987	6,174	3,828	—	13,989
Capital expenditures, net	444	4,406	3,430	—	8,280
Long-lived assets (other than deferred tax assets)	16,464	215,501	120,164	—	352,129
Goodwill	—	32,039	5,197	—	37,236
Identifiable assets	36,532	423,027	228,483	—	688,042
As of August 31, 2012					
Long-lived assets (other than deferred tax assets)	17,781	251,647	116,557	—	385,985
Goodwill	—	31,760	5,126	—	36,886
Identifiable assets	87,467	441,857	206,388	—	735,712

(1) The reconciling items reflect the amount eliminated on consolidation of intersegment transactions.

EARNINGS PER SHARE (Tables)	3 Months Ended Nov. 30, 2012
Earnings Per Share [Abstract]	
Schedule of the Computation of Net Income Per Share	The following table sets forth the computation of net income per share for the three months ended November 30, 2012 and 2011 (in thousands, except per share amounts):

	Three Months Ended November 30, 2012	Three Months Ended November 30, 2011
Net income from continuing operations	$20,005	$13,996
Less: Earnings and dividends allocated to unvested stockholders	(407)	(204)
Dividend distribution to common stockholders	(17,755)	—
Basic undistributed net earnings available to common stockholders from continuing operations	$ 1,843	$13,792
Add: Net undistributed earnings allocated and reallocated to unvested stockholders (two-class method) and dividend distribution	17,755	—
Net earnings available to common stockholders from continuing operations	$19,598	$13,792
Net earnings (loss) available to common stockholders from discontinued operations	$ —	$ (7)
Basic weighted average shares outstanding	29,592	29,503
Add dilutive effect of stock options (two-class method)	12	14
Diluted average shares outstanding	29,604	29,517
Basic income per share from continuing operations	$ 0.66	$ 0.47
Diluted income per share from continuing operations	$ 0.66	$ 0.47
Basic income (loss) per share from discontinued operations	$ 0.00	$ 0.00
Diluted income (loss) per share from discontinued operations	$ 0.00	$ 0.00
Net Income attributable to PriceSmart:		
Income from continuing operations	$20,005	$13,996
Income (loss) from discontinued operations, net of tax	—	(7)
	$20,005	$13,989

DEBT - Annual Maturities (Details) (USD $) In Thousands, unless otherwise specified	Nov. 30, 2012
Maturities of long-term debt	
2013	$ 16,247
2014	16,415
2015	10,111
2016	22,034
2017	10,648
Thereafter	5,508
Long-term Debt	$ 80,963

PROPERTY AND EQUIPMENT, NET Property Plant and Equipment (Details) (USD $) In Thousands, unless otherwise specified	3 Months Ended		
	Nov. 30, 2012	Nov. 30, 2011	Aug. 31, 2012
Property, Plant and Equipment [Line Items]			
Property, Plant and Equipment, Gross	$ 427,289		$ 414,504
Accumulated Depreciation, Depletion and Amortization, Property, Plant, and Equipment	(119,943)		(114,937)
Property, Plant and Equipment, Net	307,346		299,567
Depreciation and amortization expense	5,684	5,811	
Total interest capitalized	4,663	4,675	
Interest expense capitalized	172	18	
Land [Member]			
Property, Plant and Equipment [Line Items]			
Property, Plant and Equipment, Gross	89,848		89,878
Building and Building Improvements [Member]			
Property, Plant and Equipment [Line Items]			
Property, Plant and Equipment, Gross	214,412		198,967
Furniture, Fixtures and Equipment [Member]			
Property, Plant and Equipment [Line Items]			
Property, Plant and Equipment, Useful Life, Minimum	3		
Property, Plant and Equipment, Useful Life, Maximum	15		
Property, Plant and Equipment, Gross	109,474		103,250
Construction in Progress [Member]			
Property, Plant and Equipment [Line Items]			
Property, Plant and Equipment, Gross	13,555		22,409
Building [Member]			
Property, Plant and Equipment [Line Items]			
Property, Plant and Equipment, Useful Life, Minimum	10		
Property, Plant and Equipment, Useful Life, Maximum	25		
Restatement Adjustment [Member]			
Property, Plant and Equipment [Line Items]			
Property, Plant and Equipment, Net			$ 8,900

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Balance Sheet Location, Fair Value (Details) (USD $) In Thousands, unless otherwise specified	Nov. 30, 2012	Aug. 31, 2012
Carrying Amount		
Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]		
Long-term debt, including current portion	$ 80,963	$ 78,659
Fair Value		
Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]		
Long-term debt, including current portion	$ 82,227	$ 80,830

UNCONSOLIDATED AFFILIATES (Details) (USD $) In Thousands, unless otherwise specified	0 Months Ended		0 Months Ended		0 Months Ended	
	Sep. 29, 2008	Nov. 30, 2012	Sep. 24, 2008 GolfPark Plaza, S.A	Nov. 30, 2012 GolfPark Plaza, S.A	Sep. 29, 2008 Price Plaza Alajuela, S.A.	Nov. 30, 2012 Price Plaza Alajuela, S.A.
Variable Interest Entity [Line Items]						
Ownership Percentage Interest in Joint Venture	50.00%		50.00%		50.00%	
Variable Interest Entity, Reporting Entity Involvement, Intial Contirbution		$ 6,809		$ 4,616		$ 2,193

STOCK BASED COMPENSATION Schedule of shared based arrangement (Details) (USD $) In Thousands, except Share data, unless otherwise specified	3 Months Ended		12 Months Ended	
	Nov. 30, 2012	Nov. 30, 2011	Aug. 31, 2012	Aug. 31, 2011
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]				
Share-based Compensation Arrangement by Share-based Payment Award, Options, Outstanding, Number	36,000		36,000	
Share-based Compensation Arrangement by Share-based Payment Award, Award Vesting Period, Minimum	five			
Share-based Compensation Arrangement by Share-based Payment Award, Expiration Date	six			
Share-based Compensation Arrangement by Share-based Payment Award, Award Vesting Period, Maximum	ten			
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Nonvested, Number	706,487		700,893	436,611
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Grants in Period	6,264		399,041	
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Forfeited in Period	(670)		(5,230)	
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Vested in Period	0		(129,529)	
Options granted to directors	$ 33	$ 18		
Restricted stock awards	1,550	867		
Restricted stock units	240	81		
Stock-based compensation expense	1,823	966		
Remaining unrecognized compensation cost (in thousands)	$ 25,658	$ 7,528		
Weighted average period of time over which this cost will be recognized (years)	7.73	3.06		
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Grants in Period, Weighted Average Grant Date Fair Value	$ 82.87	$ 0.00		
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Vested in Period, Weighted Average Grant Date Fair Value	$ 0.00	$ 0.00		
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Forfeited in Period, Weighted Average Grant Date Fair Value	$ 19.85	$ 0.00		
1998 equity participation plan [Member]				
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]				

Share-based Compensation Arrangement by Share-based Payment Award, Number of Shares Authorized	700,000	
Share-based Compensation Arrangement by Share-based Payment Award, Number of Shares Available for Grant	121,842	121,842
2001 equity participation plan [Member]		
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]		
Share-based Compensation Arrangement by Share-based Payment Award, Number of Shares Authorized	400,000	
Share-based Compensation Arrangement by Share-based Payment Award, Number of Shares Available for Grant	22,169	22,169
2002 equity participation plan [Member]		
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]		
Share-based Compensation Arrangement by Share-based Payment Award, Number of Shares Authorized	1,250,000	
Share-based Compensation Arrangement by Share-based Payment Award, Number of Shares Available for Grant	45,320	50,914

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	3 Months Ended
	Nov. 30, 2012
Accounting Policies [Abstract]	
Significant Accounting Policies [Text Block]	(see below)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation - The interim consolidated financial statements of the Company included herein include the assets, liabilities and results of operations of the Company's wholly owned subsidiaries. All significant inter-company accounts and transactions have been eliminated in consolidation. The interim consolidated financial statements have been prepared by the Company without audit, pursuant to the rules and regulations of the SEC, and reflect all adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary to fairly present the financial position, results of operations, and cash flows for the interim periods presented. Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") have been condensed or omitted pursuant to such SEC rules and regulations. Management believes that the disclosures made are adequate to make the information presented not misleading. The results for interim periods are not necessarily indicative of the results for the full year.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Variable Interest Entities – The Company reviews and determines at the start of each arrangement, or subsequently if a reconsideration event occurs, whether any of its investments in joint ventures are a Variable Interest Entity ("VIE") and whether it must consolidate a VIE and/or disclose information about its involvement in a VIE. The Company has determined that the joint ventures for GolfPark Plaza and Price Plaza Alajuela are VIEs. The Company has determined that it is not the primary beneficiary of the VIEs and, therefore, has accounted for these entities under the equity method.

Restricted Cash – The changes in restricted cash are disclosed within the consolidated statement of cash flows based on the nature of the restriction. The following table summarizes the restricted cash reported by the Company (in thousands):

	November 30, 2012	August 31, 2012
Short-term restricted cash:		
Restricted cash for Honduras loan	$ 1,200	$ 1,200
Other short-term restricted cash (1)	20	41
Total short-term restricted cash	1,220	1,241
Long-term restricted cash:		
Restricted cash for Honduras loan	3,720	3,720
Restricted Cash - Colombia Bank Loans	32,000	32,000
Other long-term restricted cash (1)	800	785
Total long-term restricted cash	36,520	36,505
Total restricted cash	$ 37,740	$ 37,746

(1) The other restricted cash consist mainly of cash deposits held within banking institutions in compliance with federal regulatory requirements in Costa Rica and Panama.

Merchandise Inventories – Merchandise inventories, which include merchandise for resale, are valued at the lower of cost (average cost) or market. The Company provides for estimated inventory losses and obsolescence between physical inventory counts on the basis of a percentage of sales. The provision is adjusted periodically to reflect the trend of actual physical inventory count results, with physical inventories occurring primarily in the second and fourth fiscal quarters. In addition, the Company may be required to take markdowns below the carrying cost of certain inventory to expedite the sale of such merchandise.

Fair Value Measurements – The Company measures the fair value for all financial and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a recurring or nonrecurring basis. The fair value of an asset is the price at which the asset could be sold in an orderly transaction between unrelated, knowledgeable and willing parties able to engage in the transaction. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor in a transaction between such parties, not the amount that would be paid to settle the liability with the creditor.

The Company has established a three-tier fair value hierarchy, which prioritizes the inputs used in measuring and revaluing fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The Company was not required to revalue any assets or liabilities utilizing Level 1 or Level 3 inputs at the balance sheet dates. The Company's Level 2 assets and liabilities revalued at the balance sheet dates, on a recurring basis, primarily included cash flow hedges (interest rate swaps and cross-currency interest rate swaps) and forward foreign exchange contracts. In addition, the Company utilizes Level 2 inputs in determining the fair value of long-term debt. The Company has elected not to revalue long-term debt because this debt will be settled at the recorded costs and not at the fair market value. The Company did not make any significant transfers in and out of Level 1 and Level 2 fair value tiers during the periods reported on herein.

Nonfinancial assets and liabilities are recognized at fair value subsequent to initial recognition when there is evidence of impairment. For the periods reported, no impairment of such nonfinancial assets was recorded.

The disclosure of fair value of certain financial assets and liabilities recorded at cost is as follows:

Cash and cash equivalents: The carrying value approximates fair value due to the short maturity of these instruments.

Short-term restricted cash: The carrying value approximates fair value due to the short maturity of these instruments.

Long-term restricted cash: Long-term restricted cash primarily consists of auto renewable 3-12 month certificates of deposit, which are held as collateral on our long-term debt. The carrying value approximates fair value due to the short maturity of the underlying certificates of deposit.

Accounts receivable: The carrying value approximates fair value due to the short maturity of these accounts.

Short-term debt: The carrying value approximates fair value due to the short maturity of these instruments.

Long-term debt: The fair value of debt is generally measured using a discounted cash flow analysis based on current market interest rates for similar types of financial instruments. These inputs are not quoted prices in active markets but they are either directly or indirectly observable; therefore, they are classified as Level 2 inputs. The carrying value and fair value of the Company’s debt as of November 30, 2012 and August 31, 2012 is as follows (in thousands):

	November 30, 2012		August 31, 2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt, including current portion	$ 80,963	$ 82,227	$ 78,659	$ 80,830

Derivatives- The Company uses derivative financial instruments for hedging and non-trading purposes to manage its exposure to changes in interest and currency exchange rates. In using derivative financial instruments for the purpose of hedging the Company’s exposure to interest and currency exchange rate risks, the contractual terms of a hedged instrument closely mirror those of the hedged item, providing a high degree of risk reduction and correlation. Contracts that are effective at meeting the risk reduction and correlation criteria (effective hedge) are recorded using hedge accounting. If a derivative financial instrument is an effective hedge, changes in the fair value of the instrument will be offset in accumulated other comprehensive income (loss) until the hedged item completes its contractual term. If any portion of the hedge is deemed ineffective, the change in fair value of the hedged assets or liabilities will be immediately recognized in earnings during the period. Instruments that do not meet the criteria for hedge accounting, or contracts for which the Company has not elected hedge accounting, are valued at fair value with unrealized gains or losses reported in earnings during the period of the change. Valuation techniques utilized in the fair value measurement of assets and liabilities presented on the Company’s consolidated balance sheets were not changed from previous practice during the reporting period.

Cash Flow Instruments. The Company is a party to receive floating-rate, pay fixed-rate interest rate swaps to hedge the interest rate risk of certain U.S. denominated debt within its international subsidiaries whose functional currency is other than the U.S dollar. The swaps are designated as cash flow hedges of interest expense risk. These instruments are considered effective hedges and are recorded using hedge accounting. The Company is also a party to receive fixed-rate, pay fixed-rate cross-currency interest rate swaps to hedge the currency exposure associated with the expected payments of principal and interest of U.S. denominated debt within its international subsidiaries whose functional currency is other than the U.S dollar. The swaps are designated as cash flow hedges of the currency risk related to payments on the U.S. denominated debt. These instruments are also considered to be effective hedges and are recorded using hedge accounting. Under cash flow hedging, the effective portion of the fair value of the derivative, calculated as the net present value of the future cash flows, is deferred on the consolidated balance sheets in accumulated other comprehensive loss. If any portion of an interest rate swap is determined to be an ineffective hedge, the gains or losses from changes in fair value would be recorded directly in the consolidated statements of income. Amounts recorded in accumulated other comprehensive loss are released to earnings in the same period that the hedged transaction impacts consolidated earnings. See Note 9 - Derivative Instruments and Hedging Activities for information on the fair value of interest rate swaps and cross-currency interest rate swaps as of November 30, 2012 and August 31, 2012.

Fair Value Instruments. The Company is exposed to foreign-currency exchange-rate fluctuations in the normal course of business. The Company is also exposed to foreign-currency exchange-rate fluctuations on U.S. dollar denominated liabilities within its international subsidiaries whose functional currency is other than the U.S. dollar. The Company manages these fluctuations, in part, through the use of non-deliverable forward foreign-exchange contracts that are intended to offset changes in cash flow attributable to currency exchange movements. The contracts are intended primarily to economically address exposure to U.S. dollar merchandise inventory expenditures made by the Company's international subsidiaries whose functional currency is other than the U.S. dollar. Currently, these contracts are treated for accounting purposes as fair value instruments and do not qualify for derivative hedge accounting. The Company seeks to mitigate foreign-currency exchange-rate risk with the use of these contracts and does not intend to engage in speculative transactions. These contracts do not contain any credit-risk-related contingent features.

The Company seeks to manage counterparty risk associated with these contracts by limiting transactions to counterparties with which the Company has an established banking relationship. There can be no assurance, however, that this practice effectively mitigates counterparty risk. The contracts are limited to less than one year in duration. See Note 9 - Derivative Instruments and Hedging Activities for information on the fair value of open, unsettled forward foreign-exchange contracts as of November 30, 2012 and August 31, 2012.

The following table summarizes financial assets and liabilities measured and recorded at fair value on a recurring basis in the Company's consolidated balance sheet as of November 30, 2012 and August 31, 2012 (in thousands) for derivatives that qualify for hedge accounting:

Assets and Liabilities as of November 30, 2012	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Other long-term liabilities – (Interest rate swaps)	$ —	$ (135)	$ —	$ (135)
Other long-term liabilities – (Cross-currency interest rate swaps)	—	(1,249)	—	(1,249)
Total	$ —	$ (1,384)	$ —	$(1,384)

Assets and Liabilities as of August 31, 2012	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Other long-term liabilities – (Interest rate swaps)	$ —	$ (216)	$ —	$ (216)
Other long-term liabilities – (Cross-currency interest rate swaps)	—	(983)	—	(983)
Total	$ —	$ (1,199)	$ —	$(1,199)

The following table summarizes financial assets and liabilities measured and recorded at fair value on a recurring basis in the Company's consolidated balance sheet as of November 30, 2012 and August 31, 2012 (in thousands) for derivatives that do not qualify for hedge accounting:

Assets and Liabilities as of November 30, 2012	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Prepaid expenses and other current assets (Foreign currency forward contracts)	$ —	$ 2	$ —	$ 2
Other accrued expenses (Foreign currency forward contracts)	—	(21)	—	(21)
Net fair value of derivatives designated as hedging instruments that do not qualify for hedge accounting	$ —	$ (19)	$ —	$(19)

Assets and Liabilities as of August 31, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Prepaid expenses and other current assets (Foreign currency forward contracts)	$ —	$ 27	$ —	$ 27
Other accrued expenses (Foreign currency forward contracts)	—	(3)	—	(3)
Net fair value of derivatives designated as hedging instruments that do not qualify for hedge accounting	$ —	$ 24	$ —	$ 24

As of November 30, 2012 and August 31, 2012, the Company had no significant measurements of financial assets or liabilities at fair value on a nonrecurring basis.

Goodwill – The table below presents goodwill resulting from certain business combinations as of November 30, 2012 and August 31, 2012 (in thousands). The change in goodwill is a result of foreign exchange translation losses.

	November 30, 2012	August 31, 2012	Change
Goodwill	$ 36,821	$ 36,886	$ (65)

The Company reviews previously reported goodwill at the entity level for impairment if there has been a significant change in the reporting unit's assets and liabilities since the most recent evaluation, if the reporting unit's most recent fair value determination resulted in an amount that exceeded its carrying amount by a substantial margin or if the likelihood that a current fair value determination would be more likely than not to show that the current fair value of the unit is less than the carrying amount of the reporting unit.

Revenue Recognition – The Company recognizes merchandise sales revenue when title passes to the customer. Membership income represents annual membership fees paid by the Company's warehouse club members, which are recognized ratably over the 12-month term of the membership. Membership refunds are prorated over the remaining term of the membership; accordingly, no refund reserve is required to be established for the periods presented. The Company recognizes and presents revenue-producing transactions on a net of tax basis.

The Company began offering Platinum memberships, in Costa Rica, during fiscal year 2013, that provide members with a 2% rebate, up to a maximum of $500.00, on most items. Platinum members can apply this rebate to future purchases at the warehouse club at the end of the annual membership period. The Company records this 2% rebate as a reduction of revenue, at the time of the rebate generated by the sales transaction. Accordingly, the Company has reduced warehouse sales and has accrued a liability within other accrued expenses. The rebate expires within six months of the membership renewal date. However, the Company has determined that in the absence of relevant historical experience, the Company is not able to make a reasonable estimate of rebate redemptions and accordingly has assumed a 100% redemption rate. The Company will periodically review expired unused rebates outstanding, and the expired unused rebates will be recognized as "Revenues: Other Income" on the consolidated statements of income.

The Company recognizes gift certificates sales revenue when the certificates are redeemed. The outstanding gift certificates are reflected as "Other accrued expenses" in the consolidated balance sheets. These gift certificates generally have a one-year stated expiration date from the date of issuance. However, the absence of a large volume of transactions for gift certificates impairs the Company's ability to make a reasonable estimate of the redemption levels for gift certificates; therefore, the Company assumes a 100% redemption rate. The Company periodically reviews unredeemed outstanding gift certificates, and the gift certificates that have expired are recognized as "Revenues: Other Income" on the consolidated statements of income.

Operating leases, where the Company is the lessor, with lease payments that have fixed and determinable rent increases are recognized as revenue on a straight-line basis over the lease term. The Company also accounts in its straight-line computation for the effect of any "rental holidays." Contingent rental revenue is recognized as the contingent rent becomes due per the individual lease agreements.

Cost of Goods Sold – The Company includes the cost of merchandise, food service and bakery raw materials, and one hour photo supplies in cost of goods sold. The Company also includes in cost of goods sold the external and internal distribution and handling costs for supplying merchandise, raw materials and supplies to the warehouse clubs. External costs include inbound freight, duties, drayage, fees, insurance, and non-recoverable value-added tax related to inventory shrink, spoilage and damage. Internal costs include payroll and related costs, utilities, consumable supplies, repair and maintenance, rent expense, building and equipment depreciation at its distribution facilities and payroll and other direct costs for in store demonstrations.

Vendor consideration consists primarily of volume rebates, time-limited product promotions, slotting fees, demonstration reimbursements and prompt payment discounts. Volume rebates that are not threshold based are incorporated into the unit cost of merchandise reducing the inventory cost and cost of goods sold. Volume rebates that are threshold based are recorded as a reduction to cost of good sold when the Company achieves established purchase levels, that are confirmed by the vendor in writing or upon receipt of funds. On a quarterly basis, the Company calculates the amount of rebates recorded in cost of goods sold that relates to inventory on hand and this amount is reclassified as a reduction to inventory, if significant. Product promotions are generally linked to coupons that provide for reimbursement to the Company from vendor rebates for the product being promoted. Slotting fees are related to consideration received by the Company from vendors for End Cap placement ("End Cap") to "obtain space" for the vendor's products within the warehouse club. Demonstration reimbursements are related to consideration received by the Company from vendors for the in store promotion of the vendors products. The Company records the reduction in cost of goods sold on a transactional basis for these programs. Prompt payment discounts are taken in substantially all cases, and therefore, are applied directly to reduce the acquisition cost of the related inventory, with the resulting effect recorded to cost of goods sold when the inventory is sold.

Selling, General and Administrative – Selling, general and administrative costs are comprised primarily of expenses associated with warehouse operations. Warehouse operations include the operating costs of the Company's warehouse clubs, including all payroll and related costs, utilities, consumable supplies, repair and maintenance, rent expense, building and equipment depreciation, and bank and credit card processing fees. Also included in selling, general and administrative expenses are the payroll and related costs for the Company's U.S. and regional purchasing and management centers.

Pre-Opening Costs – The Company expenses pre-opening costs (the costs of start-up activities, including organization costs and rent) as incurred.

Asset Impairment Costs – The Company periodically evaluates its long-lived assets for indicators of impairment. Management's judgments are based on market and operational conditions at the time of the evaluation and can include management's best estimate of future business activity. These periodic evaluations could cause management to conclude that impairment factors exist, requiring an adjustment of these assets to their then-current fair value. Future business conditions and/or activity could differ materially from the projections made by management causing the need for additional impairment charges.

Contingencies and Litigation – The Company accounts and reports for loss contingencies if (a) information available prior to issuance of the consolidated financial statements indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the consolidated financial statements and (b) the amount of loss can be reasonably estimated.

Foreign Currency – The assets and liabilities of the Company's foreign operations are translated to U.S. dollars when the functional currency in the Company's international subsidiaries is the local currency and not U.S. dollars. Assets and liabilities of these foreign subsidiaries are translated to U.S. dollars at the exchange rate on the balance sheet date, and revenue, costs and expenses are translated at average rates of exchange in effect during the period. The corresponding translation gains and losses are recorded as a component of accumulated other comprehensive income or loss. These adjustments will affect net income upon the sale or liquidation of the underlying investment.

Monetary assets and liabilities denominated in currencies other than the functional currency of the respective entity, (primarily U.S. Dollars) are revalued to the functional currency using the exchange rate on the balance sheet date. These foreign exchange transaction gains (losses), including repatriation of funds are recorded as Other income (expense) in the Consolidated Statements of Income. The following table summarizes the amounts recorded for the three month periods ending November 30, 2012 and 2011 (in thousands):

	Three Months Ended November 30,	
	2012	**2011**
Currency gain (loss)	$ (1)	$ (1,183)

Income Taxes – The Company accounts for income taxes using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences and carry-forwards are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is established when necessary to reduce deferred tax assets to amounts expected to be realized.

The Company and its subsidiaries are required to file federal and state income tax returns in the United States and various other tax returns in foreign jurisdictions. The preparation of these tax returns requires the Company to interpret the applicable tax laws and regulations in effect in such jurisdictions, which could affect the amount of tax paid by the Company. The Company, in consultation with its tax advisors, bases its tax returns on interpretations that are believed to be reasonable under the circumstances. The tax returns, however, are subject to routine reviews by the various federal, state and foreign taxing authorities in the jurisdictions in which the Company or one of its subsidiaries file tax returns. As part of these reviews, a taxing authority may disagree with respect to the income tax positions taken by the Company ("uncertain tax positions") and, therefore, require the Company or one of its subsidiaries to pay additional taxes.

The Company accrues an amount for its estimate of probable additional income tax liability. In certain cases, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant tax authority. An uncertain income tax position will not be recognized if it has less than 50% likelihood of being sustained. This requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. When facts and circumstances change, the Company reassess these probabilities and records any changes in the consolidated financial statements as appropriate. There were no material changes in the Company's uncertain income tax positions for the periods ended November 30, 2012 and 2011.

The following tables presents a reconciliation of the effective tax rate for the periods presented:

	Three Months Ended November 30,	
	2012	**2011**
Federal tax provision at statutory rates	35.0 %	35.0 %
State taxes, net of federal benefit	0.3	1.2
Differences in foreign tax rates	(5.0)	(4.2)
Permanent items and other adjustments	—	1.2
Increase (decrease) in foreign valuation allowance	0.2	2.9
Provision for income taxes	30.5 %	36.2 %

For the first three months of fiscal year 2013, the decrease in the effective tax rate versus the prior year was primarily attributable to the following factors: (i) 3.1% results from a decrease in taxable losses of the Company's Colombia affiliate (for which the Company takes a full valuation allowance); (ii) 1.5% results from reversals of income tax liability for uncertain tax positions in the first three months of fiscal year 2013, compared to additional accruals for the same during the first three months of fiscal year 2012; and (iii) 0.9% results from adoption of California single sales factor apportionment.

Recent Accounting Pronouncements

FASB ASC 220

In June 2011, the FASB issued guidance to amend the presentation of comprehensive income to allow an entity the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. The guidance eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. The amended guidance was effective for annual and interim periods within those years beginning after December 15, 2011 and was to be applied retrospectively. The Company adopted this guidance on September 1, 2012. Adoption of this guidance did not have a material impact on the Company’s consolidated financial statements.

FASB ASC 350

In December 2010, the FASB issued amended guidance concerning testing for impairment of goodwill where an entity has one or more reporting units whose carrying value is zero or negative. The amended guidance requires the entity to perform a test to measure the amount, if any, of impairment to goodwill by comparing the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. The Company was required to adopt this amended guidance for fiscal years or interim periods within those years after December 15, 2011. The Company adopted this guidance on September 1, 2012. The adoption of the amended guidance did not have an impact on the Company’s consolidated financial statements or disclosures to those financial statements.

EARNINGS PER SHARE (Details) (USD $) In Thousands, except Per Share data, unless otherwise specified	3 Months Ended	
	Nov. 30, 2012	Nov. 30, 2011
Earnings Per Share [Abstract]		
Net income from continuing operations	$ 20,005	$ 13,996
Less: Earnings and dividends allocated to unvested stockholders	(407)	(204)
Dividend distribution to common stockholders	(17,755)	0
Basic undistributed net earnings available to common stockholders from continuing operations	1,843	13,792
Add: Net undistributed earnings allocated and reallocated to unvested stockholders (two-class method) and dividend distribution	17,755	0
Net earnings available to common stockholders from continuing operations	19,598	13,792
Net earnings (loss) available to common stockholders from discontinued operations	0	(7)
Basic weighted average shares outstanding	29,592	29,503
Add dilutive effect of stock options (two-class method)	12	14
Diluted average shares outstanding	29,604	29,517
Basic income per share from continuing operations	$ 0.66	$ 0.47
Diluted income per share from continuing operations	$ 0.66	$ 0.47
Basic income (loss) per share from discontinued operations	$ 0	$ 0
Diluted income (loss) per share from discontinued operations	$ 0	$ 0
Net income attributable to PriceSmart:		
Income (Loss) from Discontinued Operations, Net of Tax, Attributable to Parent	0	(7)
Net income	$ 20,005	$ 13,989

STOCK BASED COMPENSATION Disclosure of Compensation Related Costs, Shared-based Payments (Tables)	3 Months Ended
	Nov. 30, 2012

Disclosure of Compensation Related Costs, Share-based Payments [Abstract]

Schedule of Share-based compensation, shares available for grant [Table Text Block]

The following table summarizes the shares authorized and shares available for future grants:

		November 30, 2012	August 31, 2012
	Shares authorized	Shares available to grant	Shares available to grant
1998 Plan	700,000	121,842	121,842
2001 Plan	400,000	22,169	22,169
2002 Plan	1,250,000	45,320	50,914

Schedule of Employee Service Share-based Compensation, Allocation of Recognized Period Costs [Table Text Block]

The following table summarizes the components of the stock-based compensation expense (in thousands), which are included in general and administrative expense and warehouse club operations in the consolidated statements of income:

	Three Months Ended November 30,	
	2012	2011
Options granted to directors	$ 33	$ 18
Restricted stock awards	1,550	867
Restricted stock units	240	81
Stock-based compensation expense	$ 1,823	$ 966

Schedule of Share-based Payment Award, Valuation Assumptions [Table Text Block]

The following table summarizes other information related to stock-based compensation:

	November 30,	
	2012	2011
Remaining unrecognized compensation cost (in thousands)	$ 25,658	$ 7,528
Weighted average period of time over which this cost will be recognized (years)	7.73	3.06

Schedule of Share-based Compensation, Restricted Stock and Restricted Stock Units Activity [Table Text Block]

The Company began issuing restricted stock awards in fiscal year 2006 and restricted stock units in fiscal year 2008. The restricted stock awards and units vest over a five to ten year period and the unvested portion of the award is forfeited if the employee or non-employee director leaves the Company before the vesting period is completed. Restricted stock awards and units activity for the period was as follows:

	Three Months Ended November 30,	Fiscal Year Ended August 31,
	2012	2012
Grants outstanding at beginning of period	700,893	436,611
Granted	6,264	399,041
Forfeited	(670)	(5,230)
Vested	—	(129,529)
Grants outstanding at end of period	706,487	700,893

Share-based Compensation Arrangement by Share-based Payment Award, Options, Grants in Period, Weighted Average Grant Date Fair Value [Table Text Block]

The following table summarizes the weighted average grant date fair value for restricted stock awards and units for the period:

	Three Months Ended November 30,	
Weighted Average Grant Date Fair Value	2012	2011
Restricted stock awards and units granted	$ 82.87	$ —
Restricted stock awards and units vested	$ —	$ —
Restricted stock awards and units forfeited	$ 19.85	$ —

Schedule of Share-based compensation, Shares repurchased [Table Text Block]

The following table summarizes this activity during the period:

	Three Months Ended November 30, 2012	Three Months Ended November 30, 2011
Shares repurchased	—	—
Cost of repurchase of shares	—	—

Schedule of Share-based compensation, reissued treasury shares [Table Text Block]

The Company reissues treasury shares as part of its stock-based compensation programs. The following table summarizes the treasury shares reissued during the period:

	Three Months Ended November 30, 2012	Three Months Ended November 30, 2011
Reissued treasury shares	—	—

Schedule of Share-based Compensation, Stock Options, Activity [Table Text Block]

The following table summarizes the stock options outstanding and the stock-based compensation related to stock options as a percentage to the total stock-based compensation:

	November 30, 2012 2012	August 31, 2012 2012
Stock Options Outstanding	36,000	36,000

STOCKHOLDERS EQUITY Retained Earnings (Tables)	3 Months Ended
	Nov. 30, 2012
Equity [Abstract]	
Retained earnings not available for distribution [Table Text Block]	The following table summarizes retained earnings designated as legal reserves of various subsidiaries which cannot be distributed as dividends to PriceSmart, Inc. according to applicable statutory regulations (in thousands):

	November 30, 2012	August 31, 2012
Retained earnings not available for distribution	$ 5,815	$ 5,490

SUBSEQUENT EVENTS (Details) (USD $)	0 Months Ended			3 Months Ended										
	Dec. 21, 2012	Nov. 27, 2012	Jan. 25, 2012	Nov. 30, 2012	Aug. 31, 2012	Feb. 29, 2012	Nov. 30, 2011	Dec. 11, 2012	Dec. 05, 2012	Feb. 21, 2012	Nov. 17, 2011	May 05, 2011	Nov. 20, 2008	Feb. 13, 2008
Subsequent Event [Line Items]														
Document Period End Date							Nov. 30, 2012							
Common Stock, Dividends, Per Share, Declared		$ 0.60	$ 0.60	$ 0.60			$ 0.00							
common stock dividends, per share, payable				$ 0.30										
Common Stock, Dividends, Per Share, Cash Paid	$ 0.30				$ 0.30	$ 0.30								
Debt Instrument, Face Amount									$ 8,000,000					
Notional Amount of Interest Rate Cash Flow Hedge Derivatives								8,000,000		8,000,000	8,000,000	8,000,000	8,900,000	4,500,000
Colombia Subsidiary | New Derivative Contracts														
Subsequent Event [Line Items]														
Notional Amount of Foreign Currency Derivatives				4,000,000										
Costa Rica [Member] | New Derivative Contracts														
Subsequent Event [Line Items]														
Notional Amount of Foreign Currency Derivatives				$ 2,000,000										

STOCKHOLDERS EQUITY Other Comprehensive Income (Details) (USD $) In Thousands, unless otherwise specified	3 Months Ended				12 Months Ended		
	Nov. 30, 2012		Nov. 30, 2011		Aug. 31, 2012		Aug. 31, 2011
Accumulated Other Comprehensive Income (Loss), Foreign Currency Translation Adjustment, Net of Tax	$ (33,358)		$ (30,999)		$ (31,962)		$ (21,894)
Accumulated Other Comprehensive Income (Loss), Pension and Other Postretirement Benefit Plans, Net of Tax	73		264		(74)		(273)
Accumulated Other Comprehensive Income (Loss), Cumulative Changes in Net Gain (Loss) from Cash Flow Hedges, Effect Net of Tax	(1,351)		(86)		(1,146)		(748)
Accumulated Other Comprehensive Income (Loss), Net of Tax	(34,782)		(31,349)		(33,182)		(22,915)
Other Comprehensive Income (Loss), Foreign Currency Transaction and Translation Adjustment, Net of Tax	(1,396)	[1]	(217)	[1]	(1,187)		
Other Comprehensive Income (Loss), Pension and Other Postretirement Benefit Plans, Adjustment, before Tax	(1)		9				
Other Comprehensive Income (Loss), Pension and Other Postretirement Benefit Plans, Tax	2		0				
Other Comprehensive Income (Loss), Pension and Other Postretirement Benefit Plans, Adjustment, Net of Tax	1		9		199		
Other Comprehensive Income (Loss), Unrealized Gain (Loss) on Derivatives Arising During Period, before Tax	(225)	[2]	502	[2]			
Other Comprehensive Income (Loss), Unrealized Gain (Loss) on Derivatives Arising During Period, Tax	20	[2]	160	[2]			
Other Comprehensive Income (Loss), Unrealized Gain (Loss) on Derivatives Arising During Period, Net of Tax	(205)	[2]	662	[2]	(398)	[2]	
Foreign currency translation differences for merger of foreign operations	0	[1]	(5,604)	[1],[3]	(5,604)	[3]	
Other Comprehensive Income (Loss), Correction of Prior Year Foreign Currency Transaction and Translation Adjustment, Net of Tax	0	[1],[3]	(3,284)	[1],[3]	(3,277)	[3]	
Other Comprehensive Income (Loss), before Tax	(1,622)		(8,594)				
Other Comprehensive Income (Loss), Tax	22		160				
Other Comprehensive Income (Loss), Net of Tax	(1,600)		(8,434)				
Foreign currency translation adjustments [Member]							
Other Comprehensive Income (Loss), Foreign Currency Transaction and Translation Adjustment, Net of Tax	(1,396)		(217)		(1,187)		
Foreign currency translation differences for merger of foreign operations			(5,604)	[3]	(5,604)	[3]	
Other Comprehensive Income (Loss), Correction of Prior Year Foreign Currency Transaction and Translation Adjustment, Net of Tax			(3,284)	[3]	(3,277)	[3]	

Defined Benefit Plans and Other Postretirement Benefit Plans [Domain]			
Other Comprehensive Income (Loss), Pension and Other Postretirement Benefit Plans, Adjustment, Net of Tax	1	9	199
Gain (Loss) on Derivatives [Member]			
Other Comprehensive Income (Loss), Unrealized Gain (Loss) on Derivatives Arising During Period, Net of Tax	$ (205) [2]	$ 662 [2]	$ (398) [2]

[1] (3) Translation adjustments arising in translating the financial statements of a foreign entity have no effect on the income taxes of that foreign entity. They may, however, affect: (a) the amount, measured in the parent entity's reporting currency, of withholding taxes assessed on dividends paid to the parent entity and (b) the amount of taxes assessed on the parent entity by the government of its country. The Company has determined that the reinvestment of earnings of its foreign subsidiaries are indefinite because of the long-term nature of the Company's foreign investment plans. Therefore, deferred taxes are not provided for on translation adjustments related to unremitted earnings of the Company's foreign subsidiaries.

[2] (1) See Note 9 - Derivative Instruments and Hedging Activities

[3] (2) See Note 1 - Company Overview and Basis of Presentation

DEBT (Tables)

3 Months Ended Nov. 30, 2012

Debt Disclosure [Abstract]

Schedule of short-term borrowings

Short-term borrowings consist of lines of credit which are secured by certain assets of the Company and its subsidiaries and in some cases are guaranteed by the Company as summarized below (in thousands):

	Total Amount of Facilities	Facilities Used: Short-term Borrowings	Facilities Used: Letters of Credit	Facilities Available	Weighted average interest rate
November 30, 2012	36,983	—	195	36,788	N/A
August 31, 2012	$ 36,967	$ —	$ 774	$ 36,193	N/A

Each of the facilities expires annually and is normally renewed.

Annual maturities of long-term debt

Annual maturities of long-term debt are as follows (in thousands):

Twelve months ended November 30,	Amount
2013	$ 16,247
2014	16,415
2015	10,111
2016	22,034
2017	10,648
Thereafter	5,508
Total	$ 80,963

DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (Tables)	3 Months Ended
	Nov. 30, 2012

Derivative [Line Items]

Schedule of Interest Rate Derivatives

The following table summarizes these agreements:

Subsidiary	Date entered into	Derivative Financial Counter-party	Derivative Financial Instruments	Initial US Notional Amount	Bank US loan Held with	Floating Leg (swap counter-party)	Fixed Rate for PSMT Subsidiary	Settlement Reset Date	Effective Period of Swap
Colombia	21-Feb-12	Bank of Nova Scotia	Cross currency interest rate swap	8,000,000	Bank of Nova Scotia	Variable rate 3-month Libor plus 0.6%	6.02%	February, May, August and November beginning on May 22, 2012	February 21, 2012 - February 21, 2017
Colombia	17-Nov-11	Bank of Nova Scotia	Cross currency interest rate swap	8,000,000	Citibank, N.A.	Variable rate 6-month Eurodollar Libor plus 2.4%	5.85%	May 3, 2012 and semi-annually thereafter	November 3, 2011 - November 3, 2013
Colombia	21-Oct-11	Bank of Nova Scotia	Cross currency interest rate swap	2,000,000	Bank of Nova Scotia	Variable rate 3-month Libor plus 0.7%	5.30%	January, April, July and October, beginning on October 29, 2011	July 29, 2011 - April 1, 2016
Colombia	21-Oct-11	Bank of Nova Scotia	Cross currency interest rate swap	6,000,000	Bank of Nova Scotia	Variable rate 3-month Libor plus 0.7%	5.45%	March, June, September and December, beginning on October 29, 2011	September 29, 2011 - April 1, 2016
Colombia	5-May-11	Bank of Nova Scotia	Cross currency interest rate swap	8,000,000	Bank of Nova Scotia	Variable rate 3-month Libor plus 0.7%	6.09%	January, April, July and October, beginning on July 5, 2011	April 1, 2011 - April 1, 2016
Trinidad	20-Nov-08	Royal Bank of Trinidad & Tobago	Interest rate swaps	8,900,000	Royal Bank of Trinidad & Tobago	Variable rate 1-year Libor plus 2.75%	7.05%	Annually on August 26	September 25, 2008 - September 26, 2013
Barbados	13-Feb-08	Citibank, N.A.	Interest rate swaps	4,500,000	Citibank, N.A.	Variable rate 9-month Libor plus 1.5%	5.22%	Semi-annually on November 15 and May 15	November 15, 2007 - November 14, 2012

Interest Rate Swap

Derivative [Line Items]

Schedule of Notional Amounts of Outstanding Derivative Positions

The total notional balance of the Company's pay-fixed/receive-variable interest rate swaps and cross-currency interest rate swaps was as follows (in thousands):

Floating Rate Payer (Swap Counterparty)	Notional Balance as of November 30, 2012	Notional Balance as of August 31, 2012
RBTT	$ 5,175	$ 5,400
Scotiabank	32,000	32,000
Citibank N.A.	—	2,475
Total	$ 37,175	$ 39,875

Derivative Swaps [Member]

Derivative [Line Items]

Schedule of Cash Flow Hedging Instruments, Statements of Financial Performance and Financial Position, Location

For the three-month period ended November 30, 2012 and 2011 the Company included the gain or loss on the hedged items (that is, variable-rate borrowings) in the same line item—interest expense—as the offsetting gain or loss on the related interest rate swaps as follows (in thousands):

Income Statement Classification	Interest expense on Borrowings	Loss on Swaps	Interest expense
Interest expense for the three months ended November 30, 2012	$ 198	$ 396	$ 594
Interest expense for the three months ended November 30, 2011	$ 143	$ 248	$ 391

Schedule of Derivative Instruments in Statement of Financial Position, Fair Value

The following table summarizes the fair value of interest rate swaps and cross-currency interest rate swaps derivative instruments that qualify for derivative hedge accounting (in thousands, except footnote data):

	Derivatives			
	November 30, 2012		August 31, 2012	
Derivatives designated as cash flow hedging instruments	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Cross currency interest rate swaps[(2)]	Other non-current assets	$ —	Other non-current assets	$ —
Interest rate swaps[(1)]	Other long-term liabilities	$ (135)	Other long-term liabilities	$ (216)

Cross currency interest rate swaps(2)	Other long-term liabilities	(1,249)	Other long-term liabilities	(983)
Net fair value of derivatives designated as hedging instruments - assets (liability)(3)		$ (1,384)		$ (1,199)

(1) The effective portion of the interest rate swaps was recorded as a loss to Accumulated other comprehensive loss for $102,000 and $162,000 net of tax, as of November 30, 2012 and August 31, 2012, respectively. The Company has recorded a deferred tax asset amount of $33,000 and $54,000 as of November 30, 2012 and August 31, 2012, respectively.

(2) The effective portion of the cross currency interest rate swaps was recorded to Accumulated other comprehensive loss for $1.2 million and $983,000 as of November 30, 2012 and August 31, 2012, respectively. The Company has recorded a valuation allowance on the related deferred tax asset.

(3) Derivatives listed on the above table were designated as cash flow hedging instruments.

Foreign Exchange Contract

Derivative [Line Items]

Schedule of Cash Flow Hedging Instruments, Statements of Financial Performance and Financial Position, Location

For the three-month periods ended November 30, 2012 and 2011, the Company included the forward derivative gain or loss on the non-deliverable forward foreign-exchange contracts as follows (in thousands):

Income Statement Classification	Forward Derivative (Gain)/Loss
Other income (expense), net for the three months ended November 30, 2012	$ 95
Other income (expense), net for the three months ended November 30, 2011	$ —

Schedule of Notional Amounts of Outstanding Derivative Positions

The Company entered into the forward foreign exchange contracts summarized below as of November 30, 2012:

Subsidiary	Date entered into	Derivative Financial Counter-party	Derivative Financial Instruments	Notional Amount (in thousands)	Settlement Date	Effective Period
Colombia	September 2012 through November 2012	Bank of Nova Scotia	Forward foreign exchange contracts	$8,000	December 4, 2012 through December 28, 2012	December 4, 2012 through December 28, 2012

Schedule of Derivative Instruments in Statement of Financial Position, Fair Value

The following table summarizes the fair value of foreign currency forward contracts that do not qualify for derivative hedge accounting (in thousands):

	Derivatives			
	November 30, 2012		August 31, 2012	
Derivatives designated as fair value hedging instruments	**Balance Sheet Location**	**Fair Value**	**Balance Sheet Location**	**Fair Value**
Foreign currency forward contracts	Prepaid expenses and other current assets	$ 2	Prepaid expenses and other current assets	$ 27
Foreign currency forward contracts	Other accrued expenses	$ (21)	Other accrued expenses	$ (3)
Net fair value of derivatives designated as hedging instruments that do not qualify for hedge accounting		$ (19)		$ 24

COMPANY OVERVIEW AND BASIS OF PRESENTATION	3 Months Ended
	Nov. 30, 2012
Organization, Consolidation and Presentation of Financial Statements [Abstract]	
COMPANY OVERVIEW AND BASIS OF PRESENTATION	

COMPANY OVERVIEW AND BASIS OF PRESENTATION

PriceSmart, Inc.'s ("PriceSmart" or the "Company") business consists primarily of international membership shopping warehouse clubs similar to, but smaller in size than, warehouse clubs in the United States. As of November 30, 2012, the Company had 30 consolidated warehouse clubs in operation in 12 countries and one U.S. territory (five in Costa Rica, four each in Panama and Trinidad, three each in Guatemala and in the Dominican Republic, two each in Colombia, El Salvador and Honduras and one each in Aruba, Barbados, Jamaica, Nicaragua and the United States Virgin Islands), of which the Company owns 100% of the corresponding legal entities (see Note 2 - Summary of Significant Accounting Policies). The Company acquired land in south Cali, Colombia on December 14, 2011, upon which it opened a new warehouse club on October 19, 2012. Additionally, on January 9, 2012 the Company entered into an agreement to acquire property located in La Union, Cartago, Costa Rica, upon which the Company anticipates constructing its sixth membership warehouse club in Costa Rica. The Company currently anticipates opening this club in the fall of calendar year 2013. Finally, on March 15, 2012 the Company acquired land in north Cali, Colombia upon which it anticipates opening a new warehouse club in the spring of calendar year 2013. The Company continues to explore other potential sites for future warehouse clubs in other major cities in Colombia. The initial warehouse club sales and membership sign-ups experienced with the opening of the Barranquilla and south Cali warehouse clubs has reinforced the Company's belief that Colombia could be a market for multiple PriceSmart warehouse clubs.

Basis of Presentation - The interim consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q for interim financial reporting pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). These interim consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2012 (the "2012 Form 10-K"). The interim consolidated financial statements include the accounts of PriceSmart, Inc., a Delaware corporation, and its subsidiaries. Inter-company transactions between the Company and its subsidiaries have been eliminated in consolidation.

In accordance with the Financial Accounting Standards Board's ("FASB") revised guidance establishing general accounting standards and disclosure of subsequent events, the Company has evaluated subsequent events through the date and time these financial statements were issued.

Reclassifications to consolidated balance sheet recorded during fiscal year 2013 for fiscal year 2012 - Certain reclassifications to the consolidated balance sheet have been made to prior fiscal year amounts to conform to the presentation in the current fiscal year. These reclassifications did not impact consolidated total assets, total current liabilities or total liabilities.

Reclassifications to consolidated statement of income recorded during fiscal year 2013 for fiscal year 2012 - The Company receives cash consideration from its vendors for product demonstrations. Prior to fiscal year 2013, the Company recorded this consideration as Other income. However, cash or equity consideration received from a vendor is presumed to be a reduction of cost of sales when it is recognized in the income statement. Additionally, reimbursements of costs incurred by the customer to sell the vendor's products are treated as a reduction of the related cost when recognized in the income statement. Therefore, the Company has accordingly recorded such consideration as a reduction to cost of sales and a reduction to related costs incurred to sell the vendor's products starting in fiscal year 2013. The Company has made reclassifications to the consolidated statement of income for fiscal year 2012 to conform to the presentation in fiscal year 2013. These reclassifications did not impact consolidated operating income or net income. The following table summarizes the impact of these reclassifications (in thousands):

	Three Months Ended				
	November 30, 2011	**February 29, 2012**	**May 31, 2012**	**August 31, 2012**	**Total Fiscal Year 2012**
Revenues:					
Net warehouse club sales-as previously reported	$ 468,329	$ 537,816	$ 494,898	$ 499,003	$ 2,000,046
Reclassifications	(137)	(197)	(151)	(197)	(682)
Net warehouse club sales-as currently reported	$ 468,192	$ 537,619	$ 494,747	$ 498,806	$ 1,999,364
Other income-as previously reported	$ 1,776	$ 2,165	$ 2,163	$ 2,318	$ 8,422
Reclassifications	(1,097)	(1,230)	(1,294)	(1,279)	(4,900)

Other income-as currently reported	$ 679	$ 935	$ 869	$ 1,039	$ 3,522
Cost of goods sold:					
Net warehouse club-as previously reported	$ 400,481	$ 459,313	$ 421,512	$ 422,825	$ 1,704,131
Reclassifications	(616)	(805)	(788)	(590)	(2,799)
Net warehouse club-as currently reported	$ 399,865	$ 458,508	$ 420,724	$ 422,235	$ 1,701,332
Selling, general and administrative:					
Warehouse club operations-as previously reported	$ 42,509	$ 46,384	$ 46,197	$ 47,311	$ 182,401
Reclassifications	(618)	(622)	(657)	(886)	(2,783)
Warehouse club operations-as currently reported	$ 41,891	$ 45,762	$ 45,540	$ 46,425	$ 179,618
Net effect on Operating income	$ —	$ —	$ —	$ —	$ —

Reclassifications and prior period adjustments recorded during fiscal year 2012- During fiscal year 2007 and during the first quarter of fiscal year 2012, the Company merged in each period a wholly owned subsidiary formed to purchase, develop and serve as a holding company for the land and buildings used by certain operating warehouse clubs (each, a "Landco") with one of the wholly owned subsidiaries formed to operate these warehouse clubs (each, an "Opco"). Each of the Landco entities involved in these mergers had a functional and reporting currency in U.S. dollars, and each of the related Opco entities that they were merged into had a foreign currency as a functional currency and U.S. dollars as a reporting currency. In each of these mergers, the Opco was the surviving entity, with the assets, liabilities and equity accounts of the Landco being transferred to the Opco and the Landco subsidiary ceasing to exist. Since the Landco entity ceased to exist, and all relevant economic activities previously performed by the Landco no longer exist, a significant change in economic facts and circumstances has been determined to have taken place, indicating that the functional currency has changed as the assets were transferred to the Opco. Upon this transfer, the Company is required to remeasure the non-monetary balance sheet items at historical exchange rates in order to produce the same result in terms of the functional currency that would have occurred if those items had been initially recorded in the foreign functional currency. As a result of the 2012 merger, and the resulting translation adjustments, the Company recorded in the first quarter of fiscal year 2012 a charge to comprehensive income for approximately $5.6 million relating to the fiscal year 2012 merger, with a corresponding reduction to Property and equipment, net for the same amount.

During the first quarter of fiscal year 2012, the Company identified errors in the consolidated financial statements for the fiscal year ended August 31, 2011 and for fiscal years previous to 2009. The errors relate to incorrect (i) accounting for the 2007 merger described above which impacted the translation of Property and equipment, net from foreign currencies to U.S. dollars and the related offset to Accumulated other comprehensive loss; and (ii) the translation of Property and equipment, net from foreign currencies to U.S. dollars and the related offset to Accumulated other comprehensive loss. The correction of these errors would have decreased comprehensive income by $6.4 million in fiscal year 2007 and increased comprehensive income by $3.1 million in fiscal year 2011. The total of these corrections, which was recorded in the first quarter of fiscal 2012 as a charge to comprehensive income was approximately $3.3 million. The Company decreased Property and equipment, net and increased Accumulated other comprehensive loss by the same amount.

The Company analyzed the impact of these items and concluded that neither error would be material to any individual period, taking into account the requirements of the Securities and Exchange Commission ("SEC") Staff Accounting Bulletin No. 108, Considering the Effects of Prior Year Misstatements in the Current Year Financial Statements ("SAB 108"). In accordance with the relevant guidance, management evaluated the materiality of errors from a quantitative and qualitative perspective. Based on such evaluation, the Company concluded that correcting the cumulative errors, which decreased comprehensive income by approximately $3.3 million for the three month period ended November 30, 2011, was immaterial to the expected full year results for fiscal 2012 and financial position as presented on the consolidated balance sheet. Correcting the error would not have had a material impact on any individual prior period presented in the 2011 Form 10-K nor would it have affected the trend of financial results. As provided by SAB 108, the error correction did not require the restatement of the consolidated financial statements for prior periods.

As a result of recording (i) the fiscal year 2012 merger and the resulting translation adjustment, (ii) the correction of the accounting for the 2007 merger, and (iii) the correction of an error in translation of Property and equipment, net from foreign currencies to U.S. dollars, the Company recorded an increase to Accumulated other comprehensive loss for $8.9 million within the first quarter of fiscal year 2012.

UNCONSOLIDATED AFFILIATES (Tables)

3 Months Ended Nov. 30, 2012

Unconsolidated Affiliates [Abstract]

Schedule of Variable Interest Entities Maximum Loss Exposure

The table below summarizes the Company's interest in the VIEs and the Company's maximum exposure to loss as a result of its involvement with the VIEs as of November 30, 2012 (in thousands):

Entity	% Ownership	Initial Investment	Additional Contributions	Net Loss Inception to Date	Company's Variable Interest in Entity	Commitment to Future Additional Contributions[(1)]	Company's Maximum Exposure to Loss in Entity[(2)]
GolfPark Plaza, S.A.	50%	$ 4,616	$ 733	$ (64)	$ 5,285	$ 1,767	$ 7,052
Price Plaza Alajuela, S.A.	50%	2,193	676	(49)	2,820	1,345	4,165
Total		$ 6,809	$ 1,409	$ (113)	$ 8,105	$ 3,112	$ 11,217

Schedule of Variable Interest Entities Financial Information

The summarized financial information of the unconsolidated affiliates is as follows (in thousands):

	November 30, 2012	August 31, 2012
Current assets	$ 832	$ 943
Noncurrent assets	6,770	6,056
Current liabilities	563	1,052
Noncurrent liabilities	2	—

	Three Months Ended November 30,	
	2012	2011
Net loss	$ (8)	$ 14

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Foreign Currency Translation (Details) (USD $) In Thousands, unless otherwise specified	3 Months Ended	
	Nov. 30, 2012	Nov. 30, 2011
Accounting Policies [Line Items]		
Other Nonoperating Income (Expense)	$ (58)	$ (1,269)
Foreign Currency Gain (Loss)		
Accounting Policies [Line Items]		
Other Nonoperating Income (Expense)	$ (1)	$ (1,183)

UNCONSOLIDATED AFFILIATES - Maximum Exposure to Loss (Details) (USD $) In Thousands, unless otherwise specified	Nov. 30, 2012	
Maximum Loss Exposure		
Intial Investment	$ 6,809	
Additonal Contributions	1,409	
Net Loss Inception to Date	(113)	
Company's Variable Interest in Entity	8,105	
Commitment to Future Additional Contributions	3,112	[1]
Company's Maximum Exposure to Loss in Entity	11,217	[2]
GolfPark Plaza, S.A		
Maximum Loss Exposure		
Intial Investment	4,616	
Additonal Contributions	733	
Net Loss Inception to Date	(64)	
Company's Variable Interest in Entity	5,285	
Commitment to Future Additional Contributions	1,767	[1]
Company's Maximum Exposure to Loss in Entity	7,052	[2]
Price Plaza Alajuela, S.A.		
Maximum Loss Exposure		
Intial Investment	2,193	
Additonal Contributions	676	
Net Loss Inception to Date	(49)	
Company's Variable Interest in Entity	2,820	
Commitment to Future Additional Contributions	1,345	[1]
Company's Maximum Exposure to Loss in Entity	$ 4,165	[2]

[1] (1)The parties intend to seek alternate financing for the project, which could reduce the amount of contributions each party would be required to provide. The parties may mutually agree on changes to the project, which could increase or decrease the amount of contributions each party is required to provide.

[2] The maximum exposure is determined by adding the Company’s variable interest in the entity and any explicit or implicit arrangements that could require the Company to provide additional financial support.

CONSOLIDATED BALANCE SHEETS (Unaudited) (USD $) In Thousands, unless otherwise specified	Nov. 30, 2012	Aug. 31, 2012
Current Assets:		
Cash and cash equivalents	$ 84,350	$ 91,248
Short-term restricted cash	1,220	1,241
Receivables, net of allowance for doubtful accounts of $1 as of November 30 and August 31, 2012, respectively	6,085	5,786
Merchandise inventories	239,978	201,043
Deferred tax assets - current	5,941	5,619
Prepaid expenses and other current assets	34,628	29,955
Total current assets	372,202	334,892
Long-term restricted cash	36,520	36,505
Property and equipment, net	307,346	299,567
Goodwill	36,821	36,886
Deferred tax assets - long term	13,515	14,835
Other non-current assets	5,395	5,468
Investment in unconsolidated affiliates	8,105	7,559
Total Assets	779,904	735,712
Current Liabilities:		
Accounts payable	200,829	173,197
Accrued salaries and benefits	12,641	14,729
Deferred membership income	15,002	13,747
Income taxes payable	6,690	8,193
Other accrued expenses	13,834	17,516
Dividends payable	18,129	0
Long-term debt, current portion	7,798	7,237
Deferred tax liability - current	173	122
Total current liabilities	275,096	234,741
Deferred tax liability - long-term	2,351	2,191
Long-term portion of deferred rent	4,368	4,336
Long-term income taxes payable, net of current portion	2,108	2,512
Long-term debt, net of current portion	73,165	71,422
Other long-term liabilities (includes $1.4 million and $1.2 million for the fair value of derivative instruments and $419 and $396 for the defined benefit plan as of November 30 and August 31, 2012, respectively)	1,803	1,596
Total liabilities	358,891	316,798
Equity:		
Common stock, $0.0001 par value, 45,000,000 shares authorized; 30,861,245 and 30,855,651 shares issued and 30,215,819 and 30,210,255 shares outstanding (net of treasury shares) as of November 30 and August 31, 2012, respectively	3	3

Additional paid-in capital	385,977	384,154
Tax benefit from stock-based compensation	6,680	6,680
Accumulated other comprehensive loss	(34,782)	(33,182)
Retained earnings	79,615	77,739
Less: treasury stock at cost; 645,426 shares as of November 30 and August 31, 2012, respectively	(16,480)	(16,480)
Total equity	421,013	418,914
Total Liabilities and Equity	$ 779,904	$ 735,712

STOCKHOLDERS EQUITY Retained Earnings Appropriated (Details) (USD $) In Thousands, unless otherwise specified	Nov. 30, 2012	Aug. 31, 2012
Retained Earnings Appropriated [Abstract]		
Retained Earnings, Appropriated	$ 5,815	$ 5,490

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) (USD $) In Thousands, unless otherwise specified	3 Months Ended	
	Nov. 30, 2012	Nov. 30, 2011
Operating Activities:		
Net income	$ 20,005	$ 13,989
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	5,684	5,811
Allowance for doubtful accounts	0	(1)
Loss on sale of property and equipment	55	86
Deferred income taxes	1,209	679
Discontinued operations	0	7
Equity in gains/(losses) of unconsolidated affiliates	4	(7)
Stock-based compensation	1,823	966
Change in operating assets and liabilities:		
Change in receivables, prepaid expenses and other current assets, accrued salaries and benefits, deferred membership income and other accruals	(9,558)	(8,343)
Merchandise inventories	(38,935)	(42,362)
Accounts payable	27,631	16,421
Net cash provided by (used in) continuing operating activities	7,918	(12,754)
Net cash provided by (used in) discontinued operating activities	0	377
Net cash provided by (used in) operating activities	7,918	(12,377)
Investing Activities:		
Additions to property and equipment	(14,663)	(8,280)
Proceeds from disposal of property and equipment	45	14
Capital contribution to Costa Rica joint venture	(300)	0
Capital contribution to Panama joint venture	(250)	0
Net cash provided by (used in) continuing investing activities	(15,168)	(8,266)
Financing Activities:		
Proceeds from bank borrowings	3,979	45,823
Repayment of bank borrowings	(1,921)	(38,192)
Release of (addition to) restricted cash	0	(6,000)
Purchase of treasury stock	0	3
Net cash provided by (used in) financing activities	2,058	1,634
Effect of exchange rate changes on cash and cash equivalents	(1,706)	468
Net increase (decrease) in cash and cash equivalents	(6,898)	(18,541)
Cash and cash equivalents at beginning of year	91,248	76,817
Cash and cash equivalents at end of year	84,350	58,276
Cash paid during the period for:		
Interest, net of amounts capitalized	1,295	1,266
Income taxes	9,366	8,937
Supplemental disclosure of non-cash financing activities:		

Cancellation of joint ventures Prico Enterprise loan	0	(473)
Dividends declared but not paid	$ 18,129	$ 0

COMPANY OVERVIEW AND BASIS OF PRESENTATION Reclassifications and Prior Period Adjusments (Details) (USD $)	3 Months Ended				3 Months Ended	12 Months Ended		3 Months Ended				12 Months Ended	3 Months Ended				12 Months Ended	3 Months Ended				12 Months Ended
	Nov. 30, 2012	Nov. 30, 2011	Aug. 31, 2012	Aug. 31, 2011	Nov. 30, 2011 Restatement Adjustment [Member]	Aug. 31, 2011 Previously Reported, Adjustment if Made During Period [Member]	Aug. 31, 2007 Previously Reported, Adjustment if Made During Period [Member]	Aug. 31, 2012 Scenario, Previously Reported [Member]	May 31, 2012 Scenario, Previously Reported [Member]	Feb. 29, 2012 Scenario, Previously Reported [Member]	Nov. 30, 2011 Scenario, Previously Reported [Member]	Aug. 31, 2012 Scenario, Previously Reported [Member]	Aug. 31, 2012 Scenario, Adjustment [Member]	May 31, 2012 Scenario, Adjustment [Member]	Feb. 29, 2012 Scenario, Adjustment [Member]	Nov. 30, 2011 Scenario, Adjustment [Member]	Aug. 31, 2012 Scenario, Adjustment [Member]	Aug. 31, 2012 Scenario, Actual [Member]	May 31, 2012 Scenario, Actual [Member]	Feb. 29, 2012 Scenario, Actual [Member]	Nov. 30, 2011 Scenario, Actual [Member]	Aug. 31, 2012 Scenario, Actual [Member]
Net warehouse club sales	$ 523,599,000	$ 468,192,000						$ 499,003,000	$ 494,898,000	$ 537,816,000	$ 468,329,000	$ 2,000,046,000	$ (197,000)	$ (151,000)	$ (197,000)	$ (137,000)	$ (682,000)	$ 498,806,000	$ 494,747,000	$ 537,619,000	$ 468,192,000	$ 1,999,364,000
Other Comprehensive Income (Loss), Foreign Currency Transaction and Translation Reclassification Adjustment Realized upon Sale or Liquidation, Net of Tax					5,600,000																	
Comprehensive Income (Loss), Net of Tax, Including Portion Attributable to Noncontrolling Interest	18,405,000	5,555,000			(3,300,000)	3,100,000	(6,400,000)															
Other Selling, General and Administrative Expense	45,842,000	41,891,000						47,311,000	46,197,000	46,384,000	42,509,000	182,401,000	(886,000)	(657,000)	(622,000)	(618,000)	(2,783,000)	46,425,000	45,540,000	45,762,000	41,891,000	179,618,000
Accumulated Other Comprehensive Income (Loss), Net of Tax	(34,782,000)	(31,349,000)	(33,182,000)	(22,915,000)	8,900,000																	
Other Income								2,318,000	2,163,000	2,165,000	1,776,000	8,422,000	(1,279,000)	(1,294,000)	(1,230,000)	(1,097,000)	(4,900,000)	1,039,000	869,000	935,000	679,000	3,522,000
Cost of Goods and Services Sold								422,825,000	421,512,000	459,313,000	400,481,000	1,704,131,000	(590,000)	(788,000)	(805,000)	(616,000)	(2,799,000)	422,235,000	420,724,000	458,508,000	399,865,000	1,701,332,000
Operating Income (Loss)	$ 29,770,000	$ 24,261,000											$ 0	$ 0	$ 0	$ 0	$ 0					

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Tables)	3 Months Ended
	Nov. 30, 2012
Accounting Policies [Line Items]	
Translation of foreign currencies gains or losses [Table Text Block]	The following table summarizes the amounts recorded for the three month periods ending November 30, 2012 and 2011 (in thousands):
Schedule of Restricted Cash and Cash Equivalents [Table Text Block]	The following table summarizes the restricted cash reported by the Company (in thousands):
Schedule of Effective Income Tax Rate Reconciliation [Table Text Block]	The following tables presents a reconciliation of the effective tax rate for the periods presented:
Fair Value, by Balance Sheet Grouping	The carrying value and fair value of the Company's debt as of November 30, 2012 and August 31, 2012 is as follows (in thousands):
Schedule of Goodwill [Table Text Block]	**Goodwill** – The table below presents goodwill resulting from certain business combinations as of November 30, 2012 and August 31, 2012 (in thousands). The change in goodwill is a result of foreign exchange translation losses.
Derivative Swaps [Member]	

The following table summarizes the amounts recorded for the three month periods ending November 30, 2012 and 2011 (in thousands):

	Three Months Ended November 30,	
	2012	2011
Currency gain (loss)	$ (1)	$ (1,183)

The following table summarizes the restricted cash reported by the Company (in thousands):

	November 30, 2012	August 31, 2012
Short-term restricted cash:		
Restricted cash for Honduras loan	$ 1,200	$ 1,200
Other short-term restricted cash (1)	20	41
Total short-term restricted cash	1,220	1,241
Long-term restricted cash:		
Restricted cash for Honduras loan	3,720	3,720
Restricted Cash - Colombia Bank Loans	32,000	32,000
Other long-term restricted cash (1)	800	785
Total long-term restricted cash	36,520	36,505
Total restricted cash	$ 37,740	$ 37,746

The following tables presents a reconciliation of the effective tax rate for the periods presented:

	Three Months Ended November 30,	
	2012	2011
Federal tax provision at statutory rates	35.0 %	35.0 %
State taxes, net of federal benefit	0.3	1.2
Differences in foreign tax rates	(5.0)	(4.2)
Permanent items and other adjustments	—	1.2
Increase (decrease) in foreign valuation allowance	0.2	2.9
Provision for income taxes	30.5 %	36.2 %

For the first three months of fiscal year 2013, the decrease in the effective tax rate versus the prior year was primarily attributable to the following factors: (i) 3.1% results from a decrease in taxable losses of the Company's Colombia affiliate (for which the Company takes a full valuation allowance); (ii) 1.5% results from reversals of income tax liability for uncertain tax positions in the first three months of fiscal year 2013, compared to additional accruals for the same during the first three months of fiscal year 2012; and (iii) 0.9% results from adoption of California single sales factor apportionment.

The carrying value and fair value of the Company's debt as of November 30, 2012 and August 31, 2012 is as follows (in thousands):

	November 30, 2012		August 31, 2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt, including current portion	$ 80,963	$ 82,227	$ 78,659	$ 80,830

Goodwill – The table below presents goodwill resulting from certain business combinations as of November 30, 2012 and August 31, 2012 (in thousands). The change in goodwill is a result of foreign exchange translation losses.

	November 30, 2012	August 31, 2012	Change
Goodwill	$ 36,821	$ 36,886	$ (65)

Accounting Policies [Line Items]

Schedule of Fair Value, Assets and Liabilities Measured on Recurring Basis

The following table summarizes financial assets and liabilities measured and recorded at fair value on a recurring basis in the Company's consolidated balance sheet as of November 30, 2012 and August 31, 2012 (in thousands) for derivatives that qualify for hedge accounting:

Assets and Liabilities as of November 30, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Other long-term liabilities – (Interest rate swaps)	$ —	$ (135)	$ —	$ (135)
Other long-term liabilities – (Cross-currency interest rate swaps)	—	(1,249)	—	(1,249)
Total	$ —	$ (1,384)	$ —	$(1,384)

Assets and Liabilities as of August 31, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Other long-term liabilities – (Interest rate swaps)	$ —	$ (216)	$ —	$ (216)
Other long-term liabilities – (Cross-currency interest rate swaps)	—	(983)	—	(983)
Total	$ —	$ (1,199)	$ —	$(1,199)

Forward Contracts [Member]

Accounting Policies [Line Items]

Schedule of Fair Value, Assets and Liabilities Measured on Recurring Basis

The following table summarizes financial assets and liabilities measured and recorded at fair value on a recurring basis in the Company's consolidated balance sheet as of November 30, 2012 and August 31, 2012 (in thousands) for derivatives that do not qualify for hedge accounting:

Assets and Liabilities as of November 30, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Prepaid expenses and other current assets (Foreign currency forward contracts)	$ —	$ 2	$ —	$ 2
Other accrued expenses (Foreign currency forward contracts)	—	(21)	—	(21)
Net fair value of derivatives designated as hedging instruments that do not qualify for hedge accounting	$ —	$ (19)	$ —	$(19)

Assets and Liabilities as of August 31, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Prepaid expenses and other current assets (Foreign currency forward contracts)	$ —	$ 27	$ —	$ 27
Other accrued expenses (Foreign currency forward contracts)	—	(3)	—	(3)
Net fair value of derivatives designated as hedging instruments that do not qualify for hedge accounting	$ —	$ 24	$ —	$ 24

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Restricted Cash (Details) (USD $) In Thousands, unless otherwise specified	Nov. 30, 2012	Aug. 31, 2012
Restricted Cash and Cash Equivalents Items [Line Items]		
Restricted Cash and Cash Equivalents, Current	$ 1,220	$ 1,241
Restricted Cash and Cash Equivalents, Noncurrent	36,520	36,505
Longtermcertificatesofdeposit [Member]		
Restricted Cash and Cash Equivalents Items [Line Items]		
Restricted Cash and Cash Equivalents, Noncurrent	36,520	36,505
Shorttemcertificateofdeposit [Member]		
Restricted Cash and Cash Equivalents Items [Line Items]		
Restricted Cash and Cash Equivalents, Current	1,220	1,241
longtermstatutorydeposit [Member]		
Restricted Cash and Cash Equivalents Items [Line Items]		
Deposits with Governmental Agencies	800	785
Certificates of Deposit [Member]		
Restricted Cash and Cash Equivalents Items [Line Items]		
Restricted Cash and Cash Equivalents	37,740	37,746
Banco del Pais [Member] | Longtermcertificatesofdeposit [Member]		
Restricted Cash and Cash Equivalents Items [Line Items]		
Certificates of Deposit, at Carrying Value	3,720	3,720
Banco del Pais [Member] | Shorttemcertificateofdeposit [Member]		
Restricted Cash and Cash Equivalents Items [Line Items]		
Certificates of Deposit, at Carrying Value	1,200	1,200
Federalregulatoryrequirements [Member] | Shorttemstatutorydeposit [Member] [Member]		
Restricted Cash and Cash Equivalents Items [Line Items]		
Deposits with Governmental Agencies	20	41
Citibank and Scotiabank [Member] | Longtermcertificatesofdeposit [Member]		
Restricted Cash and Cash Equivalents Items [Line Items]		
Certificates of Deposit, at Carrying Value	$ 32,000	$ 32,000

EARNINGS PER SHARE Earnings Per Share (Tables)	3 Months Ended Nov. 30, 2012
Earnings Per Share [Abstract]	
Schedule of Earnings Per Share, Basic and Diluted [Table Text Block]	The following table sets forth the computation of net income per share for the three months ended November 30, 2012 and 2011 (in thousands, except per share amounts):

	Three Months Ended November 30,	
	2012	2011
Net income from continuing operations	$20,005	$13,996
Less: Earnings and dividends allocated to unvested stockholders	(407)	(204)
Dividend distribution to common stockholders	(17,755)	—
Basic undistributed net earnings available to common stockholders from continuing operations	$ 1,843	$13,792
Add: Net undistributed earnings allocated and reallocated to unvested stockholders (two-class method) and dividend distribution	17,755	—
Net earnings available to common stockholders from continuing operations	$19,598	$13,792
Net earnings (loss) available to common stockholders from discontinued operations	$ —	$ (7)
Basic weighted average shares outstanding	29,592	29,503
Add dilutive effect of stock options (two-class method)	12	14
Diluted average shares outstanding	29,604	29,517
Basic income per share from continuing operations	$ 0.66	$ 0.47
Diluted income per share from continuing operations	$ 0.66	$ 0.47
Basic income (loss) per share from discontinued operations	$ 0.00	$ 0.00
Diluted income (loss) per share from discontinued operations	$ 0.00	$ 0.00
Net Income attributable to PriceSmart:		
Income from continuing operations	$20,005	$13,996
Income (loss) from discontinued operations, net of tax	—	(7)
	$20,005	$13,989

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (USD $) In Thousands, unless otherwise specified	3 Months Ended			
	Nov. 30, 2012		Nov. 30, 2011	
Net income	$ 20,005		$ 13,989	
Other Comprehensive Income (Loss), Foreign Currency Transaction and Translation Adjustment, Net of Tax	(1,396)	[1]	(217)	[1]
Net gain (loss) arising during period	1		9	
Total defined pension plans	1		9	
Other Comprehensive Income (Loss), Derivatives Qualifying as Hedges, Net of Tax	(205)	[2]	662	[2]
Foreign currency translation differences for merger of foreign operations	0	[1]	(5,604)	[1],[3]
Other Comprehensive Income (Loss), Correction of Prior Year Foreign Currency Transaction and Translation Adjustment, Net of Tax	0	[1],[3]	(3,284)	[1],[3]
Other Comprehensive Income (Loss), Net of Tax	(1,600)		(8,434)	
Comprehensive Income (Loss), Net of Tax, Including Portion Attributable to Noncontrolling Interest	$ 18,405		$ 5,555	

[1] (3) Translation adjustments arising in translating the financial statements of a foreign entity have no effect on the income taxes of that foreign entity. They may, however, affect: (a) the amount, measured in the parent entity's reporting currency, of withholding taxes assessed on dividends paid to the parent entity and (b) the amount of taxes assessed on the parent entity by the government of its country. The Company has determined that the reinvestment of earnings of its foreign subsidiaries are indefinite because of the long-term nature of the Company's foreign investment plans. Therefore, deferred taxes are not provided for on translation adjustments related to unremitted earnings of the Company's foreign subsidiaries.

[2] (1) See Note 9 - Derivative Instruments and Hedging Activities

[3] (2) See Note 1 - Company Overview and Basis of Presentation

CONSOLIDATED BALANCE SHEETS (Parenthetical) (Unaudited) (USD $) In Thousands, except Share data, unless otherwise specified	Nov. 30, 2012	Aug. 31, 2012
Current Assets:		
Receivables, allowance for doubtful accounts	$ 1	$ 1
Other non-current assets, fair value of derivative instruments	0	0
LIABILITIES AND EQUITY		
Other long-term liabilities, fair value of derivative instruments	1,400	1,200
defined benefit plan (other long-term liabilities)	$ 419	$ 396
Equity:		
Common stock, par value (in dollars per share)	$ 0.0001	$ 0.0001
Common stock, authorized (in shares)	45,000,000	45,000,000
Common stock, issued (in shares)	30,861,245	30,855,651
Common stock, outstanding (in shares)	30,215,819	30,210,225
Treasury stock, shares (in shares)	645,426	645,426

UNCONSOLIDATED AFFILIATES	3 Months Ended Nov. 30, 2012
Unconsolidated Affiliates [Abstract]	
UNCONSOLIDATED AFFILIATES	

UNCONSOLIDATED AFFILIATES

The Company determines whether any of the joint ventures in which it has made investments is a Variable Interest Entity ("VIE") at the start of each new venture and if a reconsideration event has occurred. At this time, the Company also considers whether it must consolidate a VIE and/or disclose information about its involvement in a VIE. A reporting entity must consolidate a VIE if that reporting entity has a variable interest (or combination of variable interests) that will absorb a majority of the VIE's expected losses, receive a majority of the VIE's expected residual returns, or both. A reporting entity must consider the rights and obligations conveyed by its variable interests and the relationship of its variable interests with variable interests held by other parties to determine whether its variable interests will absorb a majority of a VIE's expected losses, receive a majority of the VIE's expected residual returns, or both. The reporting entity that consolidates a VIE is called the primary beneficiary of that VIE. Due to the initial nature of the joint ventures (GolfPark Plaza and Price Plaza Alajuela) and the continued commitments for additional financing, the Company determined these joint ventures are VIEs. Since all rights and obligations are equally absorbed by both parties within each joint venture, the Company has determined that it is not the primary beneficiary of the VIEs and, therefore, has accounted for these entities under the equity method.

Under the equity method, the Company's investments in unconsolidated affiliates are initially recorded as an investment in the stock of an investee at cost and are adjusted for the carrying amount of the investment to recognize the investor's share of the earnings or losses of the investee after the date of the initial investment.

On September 24, 2008, the Company entered into an agreement with an entity controlled by local Panamanian businessmen, Fundacion Tempus Fugit S.A. ("FIDAU"), to jointly own and operate a commercial retail center adjacent to its new PriceSmart warehouse club, the details of which are summarized within the table below.

On September 29, 2008, the Company entered into an agreement with an entity controlled by local Costa Rican businessmen, JB Enterprises ("JBE"), to jointly own and operate a commercial retail center adjacent to the anticipated new PriceSmart warehouse club in Alajuela, Costa Rica, the details of which are summarized within the table below.

The table below summarizes the Company's interest in the VIEs and the Company's maximum exposure to loss as a result of its involvement with the VIEs as of November 30, 2012 (in thousands):

Entity	% Ownership	Initial Investment	Additional Contributions	Net Loss Inception to Date	Company's Variable Interest in Entity	Commitment to Future Additional Contributions(1)	Company's Maximum Exposure to Loss in Entity(2)
GolfPark Plaza, S.A.	50%	$ 4,616	$ 733	$ (64)	$ 5,285	$ 1,767	$ 7,052
Price Plaza Alajuela, S.A.	50%	2,193	676	(49)	2,820	1,345	4,165
Total		$ 6,809	$ 1,409	$ (113)	$ 8,105	$ 3,112	$ 11,217

(1) The parties intend to seek alternate financing for the project, which could reduce the amount of contributions each party would be required to provide. The parties may mutually agree on changes to the project, which could increase or decrease the amount of contributions each party is required to provide.

(2) The maximum exposure is determined by adding the Company's variable interest in the entity and any explicit or implicit arrangements that could require the Company to provide additional financial support.

The summarized financial information of the unconsolidated affiliates is as follows (in thousands):

	November 30, 2012	August 31, 2012
Current assets	$ 832	$ 943
Noncurrent assets	6,770	6,056
Current liabilities	563	1,052
Noncurrent liabilities	2	—

	Three Months Ended November 30,	
	2012	2011
Net loss	$ (8)	$ 14

Document And Entity Information (USD $)	3 Months Ended Nov. 30, 2011	Dec. 31, 2012	Feb. 29, 2012
Entity Registrant Name	PRICESMART INC		
Entity Central Index Key	0001041803		
Current Fiscal Year End Date	--08-31		
Entity Well-known Seasoned Issuer	No		
Entity Voluntary Filers	No		
Entity Current Reporting Status	Yes		
Entity Filer Category	Large Accelerated Filer		
Document Fiscal Year Focus	2013		
Document Fiscal Period Focus	Q1		
Document Type	10-Q		
Amendment Flag	false		
Document Period End Date	Nov. 30, 2012		
Entity Common Stock Shares Outstanding		30,216,819	
Entity Public Float			$ 1,307,573,091

SEGMENTS

Segment Reporting [Abstract]

SEGMENTS

3 Months Ended
Nov. 30, 2012

SEGMENTS

The Company and its subsidiaries are principally engaged in the international operation of membership shopping warehouse clubs in 13 countries/territories that are located in Latin America and the Caribbean. In addition, the Company operates distribution centers and corporate offices in the United States. The Company's reportable segments are based on management's organization of these locations into operating segments by general geographic location, used by management in setting up management lines of responsibility, providing support services, and making operational decisions and assessments of financial performance. The Company's operating segments are the United States, Latin America and the Caribbean. Segment amounts are presented after converting to U.S. dollars and consolidating eliminations. Certain revenues and operating costs included in the United States segment have not been allocated, as it is impractical to do so.

The Company has made reclassifications to the consolidated balance sheet and to the consolidated statement income of recorded during fiscal year 2013 for fiscal year 2012 (see Note 1 - Company Overview and Basis of Presentation). These reclassifications have been made to prior fiscal year amounts to conform to the presentation in the current fiscal year. The following table summarizes the impact of these reclassifications to the amounts reported for each segment (in thousands):

Three Month Period Ended November 30, 2011	**United States Operations**	**Latin American Operations**	**Caribbean Operations**	**Total**
Revenue from external customers-as previously reported	$ 2,249	$ 310,542	$ 165,894	$478,685
Reclassifications	—	(957)	(277)	(1,234)
Revenue from external customers-as currently reported	2,249	309,585	165,617	477,451
Long-lived assets (other than deferred tax assets)-as previously reported	16,464	215,405	120,164	352,033
Reclassifications	—	96	—	96
Long-lived assets (other than deferred tax assets)-as currently reported	16,464	215,501	120,164	352,129

As of August 31, 2012	**United States Operations**	**Latin American Operations**	**Caribbean Operations**	**Total**
Long-lived assets (other than deferred tax assets)-as previously reported	17,781	249,925	116,557	384,263
Reclassifications	—	1,722	—	1,722
Long-lived assets (other than deferred tax assets)-as currently reported	17,781	251,647	116,557	385,985

The following table summarizes by segment certain revenues, operating costs and balance sheet items (in thousands):

	United States Operations	**Latin American Operations**	**Caribbean Operations**	**Reconciling Items(1)**	**Total**
Three Month Period Ended November 30, 2012					
Revenue from external customers	$ 3,073	$ 356,747	$ 175,466		$ 535,286
Intersegment revenues	229,260	24	1,467	(230,751)	—
Depreciation and amortization	490	2,986	2,208		5,684
Operating income	8,214	16,177	5,379		29,770
Net income	5,622	10,649	3,734		20,005
Capital expenditures, net	242	11,684	2,737		14,663
Long-lived assets (other than deferred tax assets)	17,529	260,381	116,277	—	394,187
Goodwill	—	31,737	5,084	—	36,821
Identifiable assets	75,691	484,455	219,758	—	779,904
Three Month Period Ended November 30, 2011					

Revenue from external customers	$ 2,249	$ 309,585	$ 165,617	$ —	$ 477,451
Intersegment revenues	213,827	8	1,177	(215,012)	—
Depreciation and amortization	420	3,077	2,314	—	5,811
Operating income	7,706	11,258	5,297	—	24,261
Net income	3,987	6,174	3,828	—	13,989
Capital expenditures, net	444	4,406	3,430	—	8,280
Long-lived assets (other than deferred tax assets)	16,464	215,501	120,164	—	352,129
Goodwill	—	32,039	5,197	—	37,236
Identifiable assets	36,532	423,027	228,483	—	688,042
As of August 31, 2012					
Long-lived assets (other than deferred tax assets)	17,781	251,647	116,557	—	385,985
Goodwill	—	31,760	5,126	—	36,886
Identifiable assets	87,467	441,857	206,388	—	735,712

(1) The reconciling items reflect the amount eliminated on consolidation of intersegment transactions.

CONSOLIDATED STATEMENTS OF INCOME (Unaudited) (USD $) In Thousands, except Per Share data, unless otherwise specified	3 Months Ended	
	Nov. 30, 2012	Nov. 30, 2011
Revenues:		
Net warehouse club sales	$ 523,599	$ 468,192
Export sales	3,073	2,249
Membership income	7,673	6,331
Other income	941	679
Total revenues	535,286	477,451
Cost of goods sold:		
Net warehouse club	444,944	399,865
Export	2,835	2,161
Selling, general and administrative:		
Warehouse club operations	45,842	41,891
General and administrative	11,158	9,111
Pre-opening expenses	737	162
Total operating expenses	505,516	453,190
Operating income	29,770	24,261
Other income (expense):		
Interest income	294	184
Interest expense	(1,218)	(1,254)
Other income (expense), net	(58)	(1,269)
Total other expense	(982)	(2,339)
Income from continuing operations before provision for income taxes and loss of unconsolidated affiliates	28,788	21,922
Provision for income taxes	(8,779)	(7,933)
Income (loss) of unconsolidated affiliates	(4)	7
Income from continuing operations	20,005	13,996
Income (loss) from discontinued operations, net of tax	0	(7)
Net income	$ 20,005	$ 13,989
Net income per share available for distribution:		
Basic net income per share from continuing operations (in dollars per share)	$ 0.66	$ 0.47
Basic net income (loss) per share from discontinued operations, net of tax (in dollars per share)	$ 0	$ 0
Basic net income per share (in dollars per share)	$ 0.66	$ 0.47
Diluted net income per share from continuing operations (in dollars per share)	$ 0.66	$ 0.47
Diluted net income (loss) per share from discontinued operations, net of tax (in dollars per share)	$ 0	$ 0
Diluted net income per share (in dollars per share)	$ 0.66	$ 0.47
Shares used in per share computations:		

Basic (in shares)	29,592	29,503
Diluted (in shares)	29,604	29,517
Dividends per share (in dollars per share)	$ 0.60	$ 0.00

STOCKHOLDERS EQUITY	3 Months Ended
	Nov. 30, 2012

Stockholders' Equity Note [Abstract]

STOCKHOLDERS EQUITY

STOCKHOLDERS' EQUITY

Dividends

Dividends

The following table summarizes the dividends declared and paid during fiscal years 2013 and 2012.

		First Payment				Second Payment			
Declared	Amount	Record Date	Date Paid	Date Payable	Amount	Record Date	Date Paid	Date Payable	Amount
11/27/12	$ 0.60	12/10/12	N/A	12/21/12	$ 0.30	8/15/13	N/A	8/30/13	$ 0.30
1/25/12	$ 0.60	2/15/12	2/29/12	N/A	$ 0.30	8/15/12	8/31/12	N/A	$ 0.30

The Company anticipates the ongoing payment of semi-annual dividends in subsequent periods, although the actual declaration of future dividends, the amount of such dividends, and the establishment of record and payment dates is subject to final determination by the Board of Directors at its discretion after its review of the Company's financial performance and anticipated capital requirements.

Comprehensive Income and Accumulated Other Comprehensive Loss

The following table discloses the tax effects allocated to each component of other comprehensive income (loss) (in thousands):

	Three Months Ended November 30,					
	2012			2011		
	Before-Tax Amount	Tax (expense) or benefit	Net-of-Tax Amount	Before-Tax Amount	Tax (expense) or benefit	Net-of-Tax Amount
Foreign currency translation adjustments (3)	$ (1,396)	$ —	$ (1,396)	$ (217)	$ —	$ (217)
Defined benefit pension plans:						
Net gain (loss) arising during period	(1)	2	1	9	—	9
Total defined pension plans	(1)	2	1	9	—	9
Unrealized gains (losses) on change in fair value of interest rate swaps(1)	(225)	20	(205)	502	160	662
Foreign currency translations differences for merger of foreign operations(2)(3)	—	—	—	(5,604)	—	(5,604)
Correction of foreign currency translations for prior years related to foreign operations affecting property and equipment (2) (3)	—	—	—	(3,284)	—	(3,284)
Other comprehensive income (loss)	$ (1,622)	$ 22	$ (1,600)	$ (8,594)	$ 160	$ (8,434)

(1) See Note 9 - Derivative Instruments and Hedging Activities
(2) See Note 1 - Company Overview and Basis of Presentation
(3) Translation adjustments arising in translating the financial statements of a foreign entity have no effect on the income taxes of that foreign entity. They may, however, affect: (a) the amount, measured in the parent entity's reporting currency, of withholding taxes assessed on dividends paid to the parent entity and (b) the amount of taxes assessed on the parent entity by the government of its country. The Company has determined that the reinvestment of earnings of its foreign subsidiaries are indefinite because of the long-term nature of the Company's foreign investment plans. Therefore, deferred taxes are not provided for on translation adjustments related to unremitted earnings of the Company's foreign subsidiaries.

The following tables disclose the changes in the balances of each component of accumulated other comprehensive loss as reported within the balance sheet (in thousands):

Three months ended November 30, 2012

	Foreign currency translation adjustments	Defined benefit pension plans	Unrealized gains/(losses) on change in fair value of interest rate swaps[(1)]	Accumulated other compre-hensive loss
Beginning balance, September 1, 2012	$ (31,962)	$ (74)	$ (1,146)	$ (33,182)
Foreign currency translation adjustments	(1,396)	—	—	(1,396)
Defined benefit pension plans	—	1	—	1
Unrealized gains (losses) on change in fair value of interest rate swaps[(1)]	—	—	(205)	(205)
Ending balance, November 30, 2012	$ (33,358)	$ (73)	$ (1,351)	$ (34,782)

	Three months ended November 30, 2011			
	Foreign currency translation adjustments	Defined benefit pension plans	Unrealized gains/(losses) on change in fair value of interest rate swaps[(1)]	Accumulated other compre-hensive loss
Beginning balance, September 1, 2011	$ (21,894)	$ (273)	$ (748)	$ (22,915)
Foreign currency translation adjustments	(217)	—	—	(217)
Defined benefit pension plans	—	9	—	9
Unrealized gains (losses) on change in fair value of interest rate swaps[(1)]	—	—	662	662
Foreign currency translations differences for merger of foreign operations[(2)]	(5,604)	—	—	(5,604)
Correction of foreign currency translations for prior years related to foreign operations affecting property and equipment [(2)]	(3,284)	—	—	(3,284)
Ending balance, November 30, 2011	$ (30,999)	$ (264)	$ (86)	$ (31,349)

	Twelve Month Period Ended August 31, 2012			
	Foreign currency translation adjustments	Defined benefit pension plans	Unrealized gains/(losses) on change in fair value of interest rate swaps[(1)]	Accumulated other compre-hensive loss
Beginning balance, September 1, 2011	$ (21,894)	$ (273)	$ (748)	$ (22,915)
Foreign currency translation adjustments	(1,187)	—	—	(1,187)
Defined benefit pension plans	—	199	—	199
Unrealized gains (losses) on change in fair value of interest rate swaps[(1)]	—	—	(398)	(398)
Foreign currency translations differences for merger of foreign operations[(2)]	(5,604)	—	—	(5,604)
Correction of foreign currency translations for prior years related to foreign operations affecting property and equipment [(2)]	(3,277)	—	—	(3,277)
Ending balance, August 31, 2012	$ (31,962)	$ (74)	$ (1,146)	$ (33,182)

(1) See Note 9 - Derivative Instruments and Hedging Activities
(2) See Note 1 - Company Overview and Basis of Presentation

Retained Earnings Not Available for Distribution

The following table summarizes retained earnings designated as legal reserves of various subsidiaries which cannot be distributed as dividends to PriceSmart, Inc. according to applicable statutory regulations (in thousands):

	November 30, 2012	August 31, 2012
Retained earnings not available for distribution	$ 5,815	$ 5,490

EARNINGS PER SHARE	3 Months Ended Nov. 30, 2012
Earnings Per Share [Abstract]	
EARNINGS PER SHARE	**EARNINGS PER SHARE**

EARNINGS PER SHARE

The Company presents basic and diluted income per share using the two class method. The two-class method is an earnings allocation formula that treats a participating security as having rights to earnings that otherwise would have been available to common stockholders and that determines basic income per share for each class of common stock and participating security according to dividends declared (or accumulated) and participation rights in undistributed earnings that would have been available to common stockholders. A participating security is defined as a security that may participate in undistributed earnings with common stock. The Company's capital structure includes securities that participate with common stock on a one for one basis for distribution of dividends. These are the restricted stock awards and restricted stock units authorized within the 1998, 2001 and 2002 Equity Participation Plans of the Company. In addition, the Company determines the diluted income per share by including the basic weighted average of stock options outstanding in the calculation of diluted net income per share.

The following table sets forth the computation of net income per share for the three months ended November 30, 2012 and 2011 (in thousands, except per share amounts):

	Three Months Ended November 30,	
	2012	**2011**
Net income from continuing operations	$20,005	$13,996
Less: Earnings and dividends allocated to unvested stockholders	(407)	(204)
Dividend distribution to common stockholders	(17,755)	—
Basic undistributed net earnings available to common stockholders from continuing operations	$ 1,843	$13,792
Add: Net undistributed earnings allocated and reallocated to unvested stockholders (two-class method) and dividend distribution	17,755	—
Net earnings available to common stockholders from continuing operations	$19,598	$13,792
Net earnings (loss) available to common stockholders from discontinued operations	$ —	$ (7)
Basic weighted average shares outstanding	29,592	29,503
Add dilutive effect of stock options (two-class method)	12	14
Diluted average shares outstanding	29,604	29,517
Basic income per share from continuing operations	$ 0.66	$ 0.47
Diluted income per share from continuing operations	$ 0.66	$ 0.47
Basic income (loss) per share from discontinued operations	$ 0.00	$ 0.00
Diluted income (loss) per share from discontinued operations	$ 0.00	$ 0.00
Net Income attributable to PriceSmart:		
Income from continuing operations	$20,005	$13,996
Income (loss) from discontinued operations, net of tax	—	(7)
	$20,005	$13,989

PROPERTY AND EQUIPMENT, NET Property Plan and Equipment (Tables)	3 Months Ended
	Nov. 30, 2012
Property, Plant and Equipment [Line Items]	
Property, Plant and Equipment [Table Text Block]	Depreciation and amortization expense (in thousands):

	Three Months Ended November 30,	
	2012	2011
Depreciation and amortization expense	$ 5,684	$ 5,811

Property and equipment consist of the following (in thousands):

	November 30, 2012	August 31, 2012
Land	$ 89,848	$ 89,878
Building and improvements	214,412	198,967
Fixtures and equipment	109,474	103,250
Construction in progress	13,555	22,409
Total property and equipment, historical cost	427,289	414,504
Less: accumulated depreciation	(119,943)	(114,937)
Property and equipment, net	$ 307,346	$ 299,567

Total interest capitalized (in thousands):

	November 30, 2012	August 31, 2012
Total interest capitalized	$ 4,663	$ 4,675

Total interest expense capitalized (in thousands):

	Three Months Ended November 30,	
	2012	2011
Interest expense capitalized	$ 172	$ 18

SUBSEQUENT EVENTS	3 Months Ended Nov. 30, 2012
Subsequent Events [Abstract]	
SUBSEQUENT EVENTS	**SUBSEQUENT EVENTS** The Company has evaluated all events subsequent to the balance sheet date of November 30, 2012 through the date of issuance of these consolidated financial statements and have determined that, except as set forth below, there are no subsequent events that require disclosure. **Dividend Payment** On November 27, 2012 the Company declared and recorded a dividend of $0.60 per common share, to be paid in two payments of $0.30 per common share, on December 21, 2012 and August 30, 2013. On December 21, 2012 the Company paid a dividend of $0.30 per share. **Forward foreign exchange contracts entered into after November 30, 2012** The Company's Colombia subsidiary has entered into forward exchange contracts for approximately $4.0 million with settlement dates from January 2013 through February 2013. The Company's Costa Rica subsidiary has entered into forward exchange contracts for approximately $2.0 million with settlement dates from January 2013 through February 2013. **Intra-Company loan and cross-currency interest rate swap agreement entered into after November 30, 2012** The Company's Panama and Colombia's subsidiaries have entered into an intra-company loan agreement in the amount of $8.0 million effective December 5, 2012. The Company Colombia's subsidiary entered into a two-year-cross-currency interest swap agreement on December 11, 2012 with the Bank of Nova Scotia on the notional amount of $8.0 million related to the intra-company loan.

DEBT	3 Months Ended Nov. 30, 2012
Debt Disclosure [Abstract]	
DEBT	**DEBT**

DEBT

Short-term borrowings consist of lines of credit which are secured by certain assets of the Company and its subsidiaries and in some cases are guaranteed by the Company as summarized below (in thousands):

		Facilities Used			
	Total Amount of Facilities	Short-term Borrowings	Letters of Credit	Facilities Available	Weighted average interest rate
November 30, 2012	36,983	—	195	36,788	N/A
August 31, 2012	$ 36,967	$ —	$ 774	$ 36,193	N/A

Each of the facilities expires annually and is normally renewed.

Annual maturities of long-term debt are as follows (in thousands):

Twelve months ended November 30,	Amount
2013	$ 16,247
2014	16,415
2015	10,111
2016	22,034
2017	10,648
Thereafter	5,508
Total	$ 80,963

STOCK BASED COMPENSATION	3 Months Ended
	Nov. 30, 2012
Disclosure of Compensation Related Costs, Share-based Payments [Abstract]	
STOCK BASED COMPENSATION	

STOCK BASED COMPENSATION

The three types of equity awards offered by the Company are stock options (“options”), restricted stock awards (“RSA's”) and restricted stock units (“RSU's”). Compensation related to options is accounted for by applying the valuation technique based on the Black-Scholes model. Compensation related to RSA's and RSU's is based on the fair market value at the time of grant with the application of an estimated forfeiture rate. The Company recognizes the compensation cost related to these awards over the requisite service period as determined by the grant, amortized ratably or on a straight line basis over the life of the grant. The Company utilizes “modified grant-date accounting” for true-ups due to actual forfeitures at the vesting dates. The Company records the tax savings resulting from tax deductions in excess of expense for stock-based compensation as additional paid-in capital and the tax deficiency resulting from stock-based compensation in excess of the related tax deduction as a reduction in paid-in capital, based on the Tax Law Ordering method. In addition, the Company reflects the tax savings (deficiency) resulting from the taxation of stock-based compensation as a financing cash flow in its consolidated statement of cash flows, rather than as operating cash flows.

RSA's have the same cash dividend and voting rights as other common stock and are considered to be currently issued and outstanding shares of common stock. RSU's are not issued nor outstanding until vested and do not have the cash dividend and voting rights of common stock. However, the Company has paid dividend equivalents to the employees with unvested RSU's equal to the dividend they would have received had the shares of common stock underlying the RSU's been actually issued and outstanding. The providing of dividend equivalents on RSU's is subject to the annual review and final determination by the board of directors at their discretion. Payments of dividend equivalents to employees are recorded as compensation expense.

The Company has adopted three stock option and equity participation plans for the benefit of its eligible employees, consultants and non-employee directors, that contain shares available to grant. Options granted under these plans typically vest over five years and expire in six years. These plans also allow restricted stock awards and restricted stock units which typically vest between five to ten years. The following table summarizes the shares authorized and shares available for future grants:

		November 30, 2012	August 31, 2012
	Shares authorized	Shares available to grant	Shares available to grant
1998 Plan	700,000	121,842	121,842
2001 Plan	400,000	22,169	22,169
2002 Plan	1,250,000	45,320	50,914

The following table summarizes the components of the stock-based compensation expense (in thousands), which are included in general and administrative expense and warehouse club operations in the consolidated statements of income:

	Three Months Ended November 30,	
	2012	2011
Options granted to directors	$ 33	$ 18
Restricted stock awards	1,550	867
Restricted stock units	240	81
Stock-based compensation expense	$ 1,823	$ 966

The following table summarizes other information related to stock-based compensation:

	November 30,	
	2012	2011
Remaining unrecognized compensation cost (in thousands)	$ 25,658	$ 7,528

Weighted average period of time over which this cost will be recognized (years)	7.73	3.06

The Company began issuing restricted stock awards in fiscal year 2006 and restricted stock units in fiscal year 2008. The restricted stock awards and units vest over a five to ten year period and the unvested portion of the award is forfeited if the employee or non-employee director leaves the Company before the vesting period is completed. Restricted stock awards and units activity for the period was as follows:

	Three Months Ended November 30,	Fiscal Year Ended August 31,
	2012	2012
Grants outstanding at beginning of period	700,893	436,611
Granted	6,264	399,041
Forfeited	(670)	(5,230)
Vested	—	(129,529)
Grants outstanding at end of period	706,487	700,893

The following table summarizes the weighted average grant date fair value for restricted stock awards and units for the period:

	Three Months Ended November 30,	
Weighted Average Grant Date Fair Value	2012	2011
Restricted stock awards and units granted	$ 82.87	$ —
Restricted stock awards and units vested	$ —	$ —
Restricted stock awards and units forfeited	$ 19.85	$ —

At the vesting dates of restricted stock awards, the Company repurchases shares at the prior day's closing price per share, with the funds used to pay the employees' minimum statutory tax withholding requirements. The Company expects to continue this practice going forward. The following table summarizes this activity during the period:

	Three Months Ended November 30,	
	2012	2011
Shares repurchased	—	—
Cost of repurchase of shares	—	—

The Company reissues treasury shares as part of its stock-based compensation programs. The following table summarizes the treasury shares reissued during the period:

	Three Months Ended November 30,	
	2012	2011
Reissued treasury shares	—	—

The following table summarizes the stock options outstanding and the stock-based compensation related to stock options as a percentage to the total stock-based compensation:

	November 30, 2012	August 31, 2012
	2012	2012
Stock Options Outstanding	36,000	36,000

Due to the substantial shift from the use of stock options to restricted stock awards and units, the Company believes stock option activity is no longer significant and that any further disclosure on options is not necessary.

COMMITMENTS AND CONTINGENCIES	3 Months Ended Nov. 30, 2012
Commitments and Contingencies Disclosure [Abstract]	
COMMITMENTS AND CONTINGENCIES	**COMMITMENTS AND CONTINGENCIES** From time to time, the Company and its subsidiaries are subject to legal proceedings, claims and litigation arising in the ordinary course of business, the outcome of which, in the opinion of management, would not have a material adverse effect on the Company. The Company evaluates such matters on a case by case basis, and vigorously contests any such legal proceedings or claims which the Company believes are without merit. The Company is required to file federal and state tax returns in the United States and various other tax returns in foreign jurisdictions. The preparation of these tax returns requires the Company to interpret the applicable tax laws and regulations in effect in such jurisdictions, which could affect the amount of tax paid by the Company. The Company, in consultation with its tax advisors, bases its tax returns on interpretations that are believed to be reasonable under the circumstances. The tax returns, however, are subject to routine reviews by the various taxing authorities in the jurisdictions in which the Company files its returns. As part of these reviews, a taxing authority may disagree with respect to the interpretations the Company used to calculate its tax liability and therefore require the Company to pay additional taxes. The Company accrues an amount for its estimate of probable additional income tax liability. In certain cases, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant tax authority. An uncertain income tax position will not be recognized if it has less than 50% likelihood of being sustained. In evaluating the exposure associated with various non-income tax filing positions, the Company accrues for probable and estimable exposures for non-income tax related tax contingencies. As of November 30, 2012 and August 31, 2012, the Company had recorded within other accrued expenses a total of $3.2 million and $3.3 million, respectively, for various non-income tax related tax contingencies. While the Company believes the recorded liabilities are adequate, there are inherent limitations in projecting the outcome of litigation, in estimating probable additional income tax liability taking into account uncertain tax positions and in evaluating the probable additional tax associated with various non-income tax filing positions. As such, the Company is unable to make a reasonable estimate of the sensitivity to change of estimates affecting its recorded liabilities. As additional information becomes available, the Company assesses the potential liability and revises its estimates as appropriate. See Note 10- Unconsolidated Affiliates for a description of additional capital contributions that may be required in connection with joint ventures to develop commercial centers adjacent to PriceSmart warehouse clubs in Panama and Costa Rica. The Company contracts for distribution center services in Mexico. The contract for this distribution center's services was renewed on December 31, 2011 for an additional three years, with the applicable fees and rates to be reviewed at the beginning of each calendar year. Future minimum service commitments related to this contract for the period less than one year and for one to four years are approximately $125,000 and $135,000, respectively. During fiscal year 2010, the Company was made aware of a potential permitting issue involving the Alajuela warehouse club, located in Costa Rica. The construction of that club and its related facilities included the construction of a water retention basin ("WRB") on property

owned by Hacienda Santa Anita[1] ("HSA"). This WRB is used to slow the flow of water runoff from property owned by the Company (the Alajuela warehouse club), property owned by the joint venture Plaza Price Alajuela ("PPA"), and property owned by HSA, as it is discharged into the municipal drainage system. After certain administrative and court proceedings related to the original construction permit for the club and its facilities, the Company was advised by the Municipality of Alajuela ("MA") that the MA required the construction and proper operation of a set of complementary improvements to the WRB. These improvements consisted of digging a network of dirt canals on HSA property to capture and conduct surface waters from these properties to the WRB. The Company has performed this work. However, prior to the Company beginning this work, HSA required the Company to sign an indemnification agreement pursuant to which the Company agreed that it will purchase at fair market value the land held by HSA in the event HSA is not allowed to develop that land due to the construction of the canals. The Company has estimated the current fair value of the land to be approximately $4.1 million.

The Company has obtained all the necessary permits allowing the WRB to remain open under the current development conditions in the adjacent properties. To support additional development on the PPA property, certain additional improvements to the WRB were required, according to professionals retained by the Company. The Company obtained the necessary permits to perform these improvements and completed construction in early May 2012. The Company has not recorded a liability for any of these matters as of November 30, 2012 and August 31, 2012.

(1) Hacienda Santa Anita is a locally based business related to J.B. Enterprises (a Panamanian business entity). On September 29, 2008, the Company entered into a joint venture, known as Plaza Price Alajuela with J.B. Enterprises, to jointly own and operate a commercial retail center adjacent to the Alajuela warehouse club, with each owning a 50% interest in the joint venture.

DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES	3 Months Ended
	Nov. 30, 2012
Derivative Instruments and Hedging Activities Disclosure [Abstract]	
DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES	

DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company is exposed to certain risks relating to its ongoing business operations. One risk managed by the Company using derivative instruments is interest rate risk. To manage interest rate exposure, the Company enters into hedge transactions (interest rate swaps) using derivative financial instruments. The objective of entering into interest rate swaps is to eliminate the variability of cash flows in the LIBOR interest payments associated with variable-rate loans over the life of the loans. As changes in interest rates impact the future cash flow of interest payments, the hedges provide a synthetic offset to interest rate movements.

In addition, the Company is exposed to foreign currency and interest rate cash flow exposure related to a non-functional currency long-term debt of one of its wholly owned subsidiaries. To manage this foreign currency and interest rate cash flow exposure, the Company's subsidiary entered into a cross-currency interest rate swap that converts its foreign currency denominated floating interest payments to functional currency fixed interest payments during the life of the hedging instrument. As changes in foreign exchange and interest rates impact the future cash flow of interest payments, the hedge is intended to offset changes in cash flows attributable to interest rate and foreign exchange movements.

These derivative instruments (cash flow hedging instruments) are designated and qualify as cash flow hedges, with the effective portion of the gain or loss on the derivative reported as a component of other comprehensive income (loss) and reclassified into earnings in the same period or periods during which the hedged transaction is determined to be ineffective. There were no such amounts recorded for ineffectiveness for the periods reported herein related to the interest rate or cross currency interest rate swaps of long-term debt.

The Company is exposed to foreign-currency exchange-rate fluctuations in the normal course of business. The Company is also exposed to foreign-currency exchange-rate fluctuations on U.S. dollar denominated liabilities within its international subsidiaries whose functional currency is other than the U.S. dollar. The Company manages these fluctuations, in part, through the use of non-deliverable forward foreign-exchange contracts that are intended to offset changes in cash flow attributable to currency exchange movements. These contracts are intended primarily to economically address exposure to U.S. dollar merchandise inventory expenditures made by the Company's international subsidiaries whose functional currency is other than the U.S. dollar. Currently, these contracts do not qualify for derivative hedge accounting. The Company seeks to mitigate foreign-currency exchange-rate risk with the use of these contracts and does not intend to engage in speculative transactions. These contracts do not contain any credit-risk-related contingent features.

Cash Flow Hedges

The Company formally documents the hedging relationships for its derivative instruments that qualify for hedge accounting. As of November 30, 2012, all of the Company's interest rate swap and cross-currency interest rate swaps derivative financial instruments are designated and qualify as cash flow hedges. The cross-currency interest rate swap agreements convert the Company's foreign currency United States dollar denominated floating interest payments on long-term debt to functional currency fixed interest payments during the life of the hedging instrument. As changes in foreign exchange and interest rates impact the future cash flow of interest payments, the hedge is intended to offset changes in cash flows attributable to interest rate and foreign currency exchange movements. Various subsidiaries entered into interest rate swap agreements that fix the interest rate over the life of the underlying loans.

The following table summarizes these agreements:

Subsidiary	Date entered into	Derivative Financial Counter-party	Derivative Financial Instruments	Initial US Notional Amount	Bank US loan Held with	Floating Leg (swap counter-party)	Fixed Rate for PSMT Subsidiary	Settlement Reset Date	Effective Period of Swap
Colombia	21-Feb-12	Bank of Nova Scotia	Cross currency interest rate swap	8,000,000	Bank of Nova Scotia	Variable rate 3-month Libor plus 0.6%	6.02%	February, May, August and November beginning on May 22, 2012	February 21, 2012 - February 21, 2017
Colombia	17-Nov-11	Bank of Nova Scotia	Cross currency interest rate swap	8,000,000	Citibank, N.A.	Variable rate 6-month Eurodollar Libor plus 2.4%	5.85%	May 3, 2012 and semi-annually thereafter	November 3, 2011 - November 3, 2013
Colombia	21-Oct-11	Bank of Nova Scotia	Cross currency interest rate swap	2,000,000	Bank of Nova Scotia	Variable rate 3-month Libor plus 0.7%	5.30%	January, April, July and October, beginning on October 29, 2011	July 29, 2011 - April 1, 2016
Colombia	21-Oct-11	Bank of Nova Scotia	Cross currency interest rate swap	6,000,000	Bank of Nova Scotia	Variable rate 3-month Libor plus 0.7%	5.45%	March, June, September and December, beginning on October 29, 2011	September 29, 2011 - April 1, 2016
Colombia	5-May-11	Bank of Nova Scotia	Cross currency interest rate swap	8,000,000	Bank of Nova Scotia	Variable rate 3-month Libor plus 0.7%	6.09%	January, April, July and October, beginning on July 5, 2011	April 1, 2011 - April 1, 2016

Trinidad	20-Nov-08	Royal Bank of Trinidad & Tobago	Interest rate swaps	8,900,000	Royal Bank of Trinidad & Tobago	Variable rate 1-year Libor plus 2.75%	7.05%	Annually on August 26	September 25, 2008 - September 26, 2013
Barbados	13-Feb-08	Citibank, N.A.	Interest rate swaps	4,500,000	Citibank, N.A.	Variable rate 9-month Libor plus 1.5%	5.22%	Semi-annually on November 15 and May 15	November 15, 2007 - November 14, 2012

For the three-month period ended November 30, 2012 and 2011 the Company included the gain or loss on the hedged items (that is, variable-rate borrowings) in the same line item—interest expense—as the offsetting gain or loss on the related interest rate swaps as follows (in thousands):

Income Statement Classification	**Interest expense on Borrowings**	**Loss on Swaps**	**Interest expense**
Interest expense for the three months ended November 30, 2012	$ 198	$ 396	$ 594
Interest expense for the three months ended November 30, 2011	$ 143	$ 248	$ 391

The total notional balance of the Company's pay-fixed/receive-variable interest rate swaps and cross-currency interest rate swaps was as follows (in thousands):

	Notional Balance as of	
Floating Rate Payer (Swap Counterparty)	**November 30, 2012**	**August 31, 2012**
RBTT	$ 5,175	$ 5,400
Scotiabank	32,000	32,000
Citibank N.A.	—	2,475
Total	$ 37,175	$ 39,875

The following table summarizes the fair value of interest rate swaps and cross-currency interest rate swaps derivative instruments that qualify for derivative hedge accounting (in thousands, except footnote data):

	Derivatives			
	November 30, 2012		**August 31, 2012**	
Derivatives designated as cash flow hedging instruments	**Balance Sheet Location**	**Fair Value**	**Balance Sheet Location**	**Fair Value**
Cross currency interest rate swaps[(2)]	Other non-current assets	$ —	Other non-current assets	$ —
Interest rate swaps[(1)]	Other long-term liabilities	$ (135)	Other long-term liabilities	$ (216)
Cross currency interest rate swaps[(2)]	Other long-term liabilities	(1,249)	Other long-term liabilities	(983)
Net fair value of derivatives designated as hedging instruments - assets (liability)[(3)]		$ (1,384)		$ (1,199)

(1) The effective portion of the interest rate swaps was recorded as a loss to Accumulated other comprehensive loss for $102,000 and $162,000 net of tax, as of November 30, 2012 and August 31, 2012, respectively. The Company has recorded a deferred tax asset amount of $33,000 and $54,000 as of November 30, 2012 and August 31, 2012, respectively.

(2) The effective portion of the cross currency interest rate swaps was recorded to Accumulated other comprehensive loss for $1.2 million and $983,000 as of November 30, 2012 and August 31, 2012, respectively. The Company has recorded a valuation allowance on the related deferred tax asset.

(3) Derivatives listed on the above table were designated as cash flow hedging instruments.

Fair Value Instruments

The Company has entered into non-deliverable forward foreign-exchange contracts. These contracts are treated for accounting purposes as fair value contracts and do not qualify for derivative hedge accounting. The use of non-deliverable forward foreign-exchange contracts is intended to offset changes in cash flow attributable to currency exchange movements. These contracts are intended primarily to economically hedge exposure to U.S. dollar merchandise inventory expenditures made by the Company's international subsidiaries whose functional currency is other than the U.S. dollar. The Company entered into the forward foreign exchange contracts summarized below as of November 30, 2012:

Subsidiary	Date entered into	Derivative Financial Counter-party	Derivative Financial Instruments	Notional Amount (in thousands)	Settlement Date	Effective Period
Colombia	September 2012 through November 2012	Bank of Nova Scotia	Forward foreign exchange contracts	$8,000	December 4, 2012 through December 28, 2012	December 4, 2012 through December 28, 2012

For the three-month periods ended November 30, 2012 and 2011, the Company included the forward derivative gain or loss on the non-deliverable forward foreign-exchange contracts as follows (in thousands):

Income Statement Classification	Forward Derivative (Gain)/Loss
Other income (expense), net for the three months ended November 30, 2012	$ 95
Other income (expense), net for the three months ended November 30, 2011	$ —

The following table summarizes the fair value of foreign currency forward contracts that do not qualify for derivative hedge accounting (in thousands):

	Derivatives			
	November 30, 2012		August 31, 2012	
Derivatives designated as fair value hedging instruments	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Foreign currency forward contracts	Prepaid expenses and other current assets	$ 2	Prepaid expenses and other current assets	$ 27
Foreign currency forward contracts	Other accrued expenses	$ (21)	Other accrued expenses	$ (3)
Net fair value of derivatives designated as hedging instruments that do not qualify for hedge accounting		$ (19)		$ 24

COMPANY OVERVIEW AND BASIS OF PRESENTATION (Details)	Nov. 30, 2012 Club
Company Overview [Line Items]	
Number of stores	30
Number of countries	12
Costa Rica	
Company Overview [Line Items]	
Number of stores	5
Panama	
Company Overview [Line Items]	
Number of stores	4
Trinidad	
Company Overview [Line Items]	
Number of stores	4
Guatemala	
Company Overview [Line Items]	
Number of stores	3
Dominican Republic	
Company Overview [Line Items]	
Number of stores	3
El Salvador	
Company Overview [Line Items]	
Number of stores	2
Honduras	
Company Overview [Line Items]	
Number of stores	2
Aruba	
Company Overview [Line Items]	
Number of stores	1
Barbados	
Company Overview [Line Items]	
Number of stores	1
Jamaica	
Company Overview [Line Items]	
Number of stores	1
Nicaragua	
Company Overview [Line Items]	
Number of stores	1
Domestic Territories	
Company Overview [Line Items]	
Number of countries	1
United States Virgin Islands	

Company Overview [Line Items]	
Number of stores	1

DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES Derivative Instruments and Hedging Activities (Details) (USD $)	3 Months Ended																	3 Months Ended	12 Months Ended	3 Months Ended	12 Months Ended	3 Months Ended														
	Nov. 30, 2012	Nov. 30, 2011	Dec. 11, 2012	Aug. 31, 2012	Feb. 21, 2012	Nov. 17, 2011	May 05, 2011	Nov. 20, 2008	Feb. 13, 2008	Nov. 30, 2012 RBTT [Member]	Aug. 31, 2012 RBTT [Member]	Nov. 30, 2012 Scotiabank [Member]	Aug. 31, 2012 Scotiabank [Member]	Nov. 30, 2012 Citibank [Member]	Aug. 31, 2012 Citibank [Member]	Nov. 30, 2012 Derivative Swaps [Member]	Aug. 31, 2012 Derivative Swaps [Member]	Nov. 30, 2012 Interest Rate Swap [Member]	Aug. 31, 2011 Interest Rate Swap [Member]	Nov. 30, 2012 Cross Currency Interest Rate Contract [Member]	Aug. 31, 2011 Cross Currency Interest Rate Contract [Member]	Nov. 30, 2012 Forward Foreign Exchange Contracts [Member]	Aug. 31, 2012 Forward Foreign Exchange Contracts [Member]	Oct. 21, 2011 Colombia $6M Cross Currency Interest Rate Swap [Member]	Oct. 21, 2011 Colombia Cross currency interest rate swap [Member]	Nov. 30, 2012 Derivative Swaps [Member]	Nov. 30, 2011 Derivative Swaps [Member]	Nov. 30, 2012 Forward Foreign Exchange Contracts [Member]	Nov. 30, 2011 Forward Foreign Exchange Contracts [Member]	Aug. 31, 2012 Fair Value, Inputs, Level 2 [Member] Fair Value, Measurements, Recurring [Member]	Nov. 30, 2012 Fair Value, Inputs, Level 2 [Member] Fair Value, Measurements, Recurring [Member] Interest Rate Swap [Member]	Aug. 31, 2012 Fair Value, Inputs, Level 2 [Member] Fair Value, Measurements, Recurring [Member] Interest Rate Swap [Member]	Nov. 30, 2012 Fair Value, Inputs, Level 2 [Member] Fair Value, Measurements, Recurring [Member] Cross Currency Interest Rate Contract [Member]	Aug. 31, 2012 Fair Value, Inputs, Level 2 [Member] Fair Value, Measurements, Recurring [Member] Cross Currency Interest Rate Contract [Member]	Nov. 30, 2012 Fair Value, Inputs, Level 2 [Member] Fair Value, Measurements, Recurring [Member] Forward Foreign Exchange Contracts [Member]	Aug. 31, 2012 Fair Value, Inputs, Level 2 [Member] Fair Value, Measurements, Recurring [Member] Forward Foreign Exchange Contracts [Member]
Derivative [Line Items]																																				
Derivative Asset, Fair Value, Gross Asset	$ 0 [1]																													$ 0 [1]					$ 2,000	$ 27,000
Derivative Liability, Fair Value, Gross Liability																															(135,000) [2]	(216,000) [2]	(1,249,000) [1]	(983,000) [1]	21,000	3,000
Derivative, Fair Value, Net																(1,384,000) [3]	(1,199,000) [3]					(19,000)	24,000													
Notional Amount of Foreign Currency Derivative Instruments Not Designated as Hedging Instruments	8,000,000																																			
Derivative Instruments, Gain (Loss) Recognized in Other Comprehensive Income (Loss), Effective Portion, Net																		102,000	162,000	1,200,000	983,000															
Other Comprehensive Income (Loss), Tax	22,000	160,000																33,000	54,000																	
Notional Amount of Interest Rate Cash Flow Hedge Derivatives			8,000,000		8,000,000	8,000,000	8,000,000	8,900,000	4,500,000															6,000,000	2,000,000											
Derivative, Fixed Interest Rate					6.02%	5.85%	6.09%	7.05%	5.22%															5.45%	5.30%											
interest expense (variable) on borrowings for derivatives	198,000	143,000																																		
Gain (Loss) on Derivative Instruments, Net, Pretax																										396,000	248,000	95,000	0							
interest expense (fixed) on borrowings of derivatives	594,000	391,000																																		
Derivative Liability, Notional Amount	$ 37,175,000			$ 39,875,000						$ 5,175,000	$ 5,400,000	$ 32,000,000	$ 32,000,000	$ 0	$ 2,475,000																					

[1] (2) The effective portion of the cross currency interest rate swaps was recorded to Accumulated other comprehensive loss for $1.2 million and $983,000 as of November 30, 2012 and August 31, 2012, respectively. The Company has recorded a valuation allowance on the related deferred tax asset.
[2] (1) The effective portion of the interest rate swaps was recorded as a loss to Accumulated other comprehensive loss for $102,000 and $162,000 net of tax, as of November 30, 2012 and August 31, 2012, respectively. The Company has recorded a deferred tax asset amount of $33,000 and $54,000 as of November 30, 2012 and August 31, 2012, respectively.
[3] (3) Derivatives listed on the above table were designated as cash flow hedging instruments.

COMPANY OVERVIEW AND BASIS OF PRESENTATION (Tables)	3 Months Ended	12 Months Ended
	Nov. 30, 2011	Aug. 31, 2012
Organization, Consolidation and Presentation of Financial Statements [Abstract]		
Schedule of Error Corrections and Prior Period Adjustments	See below	See below

Schedule of Error Corrections and Prior Period Adjustments

3 Months Ended Nov. 30, 2011

The following table summarizes the impact of these reclassifications to the amounts reported for each segment (in thousands):

Three Month Period Ended November 30, 2011	United States Operations	Latin American Operations	Caribbean Operations	Total
Revenue from external customers-as previously reported	$ 2,249	$ 310,542	$ 165,894	$478,685
Reclassifications	—	(957)	(277)	(1,234)
Revenue from external customers-as currently reported	2,249	309,585	165,617	477,451
Long-lived assets (other than deferred tax assets)-as previously reported	16,464	215,405	120,164	352,033
Reclassifications	—	96	—	96
Long-lived assets (other than deferred tax assets)-as currently reported	16,464	215,501	120,164	352,129

12 Months Ended Aug. 31, 2012

Reclassifications to consolidated statement of income recorded during fiscal year 2013 for fiscal year 2012 - The Company receives cash consideration from its vendors for product demonstrations. Prior to fiscal year 2013, the Company recorded this consideration as Other income. However, cash or equity consideration received from a vendor is presumed to be a reduction of cost of sales when it is recognized in the income statement. Additionally, reimbursements of costs incurred by the customer to sell the vendor's products are treated as a reduction of the related cost when recognized in the income statement. Therefore, the Company has accordingly recorded such consideration as a reduction to cost of sales and a reduction to related costs incurred to sell the vendor's products starting in fiscal year 2013. The Company has made reclassifications to the consolidated statement of income for fiscal year 2012 to conform to the presentation in fiscal year 2013. These reclassifications did not impact consolidated operating income or net income. The following table summarizes the impact of these reclassifications (in thousands):

	Three Months Ended				
	November 30, 2011	February 29, 2012	May 31, 2012	August 31, 2012	Total Fiscal Year 2012
Revenues:					
Net warehouse club sales-as previously reported	$ 468,329	$ 537,816	$ 494,898	$ 499,003	$ 2,000,046
Reclassifications	(137)	(197)	(151)	(197)	(682)
Net warehouse club sales-as currently reported	$ 468,192	$ 537,619	$ 494,747	$ 498,806	$ 1,999,364
Other income-as previously reported	$ 1,776	$ 2,165	$ 2,163	$ 2,318	$ 8,422
Reclassifications	(1,097)	(1,230)	(1,294)	(1,279)	(4,900)
Other income-as currently reported	$ 679	$ 935	$ 869	$ 1,039	$ 3,522
Cost of goods sold:					
Net warehouse club-as previously reported	$ 400,481	$ 459,313	$ 421,512	$ 422,825	$ 1,704,131
Reclassifications	(616)	(805)	(788)	(590)	(2,799)
Net warehouse club-as currently reported	$ 399,865	$ 458,508	$ 420,724	$ 422,235	$ 1,701,332
Selling, general and administrative:					
Warehouse club operations-as previously reported	$ 42,509	$ 46,384	$ 46,197	$ 47,311	$ 182,401
Reclassifications	(618)	(622)	(657)	(886)	(2,783)
Warehouse club operations-as currently reported	$ 41,891	$ 45,762	$ 45,540	$ 46,425	$ 179,618
Net effect on Operating income	$ —	$ —	$ —	$ —	$ —

As of August 31, 2012	United States Operations	Latin American Operations	Caribbean Operations	Total
Long-lived assets (other than deferred tax assets)-as previously reported	17,781	249,925	116,557	384,263
Reclassifications	—	1,722	—	1,722
Long-lived assets (other than deferred tax assets)-as currently reported	17,781	251,647	116,557	385,985

STOCKHOLDERS EQUITY Dividends (Tables)	3 Months Ended Nov. 30, 2012
Equity [Abstract]	
Schedule of Dividends Payable [Table Text Block]	The following table summarizes the dividends declared and paid during fiscal years 2013 and 2012.

		First Payment				Second Payment			
Declared	Amount	Record Date	Date Paid	Date Payable	Amount	Record Date	Date Paid	Date Payable	Amount
11/27/12	$ 0.60	12/10/12	N/A	12/21/12	$ 0.30	8/15/13	N/A	8/30/13	$ 0.30
1/25/12	$ 0.60	2/15/12	2/29/12	N/A	$ 0.30	8/15/12	8/31/12	N/A	$ 0.30

DEBT - Short-term (Details) (USD $) In Thousands, unless otherwise specified	Nov. 30, 2012	Aug. 31, 2011
Line of Credit Facility [Line Items]		
Total Amount of Facilities	$ 36,983	$ 36,967
Facilities Available	36,788	36,193
Short-term Borrowings		
Line of Credit Facility [Line Items]		
Facilities Used	0	0
Letters of Credit		
Line of Credit Facility [Line Items]		
Facilities Used	$ 195	$ 774

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Income Tax (Details) (USD $)	3 Months Ended	
	Nov. 30, 2012	**Nov. 30, 2011**
Income Taxes [Abstract]		
Federal tax provision at statutory rates	35.00%	35.00%
State taxes, net of federal benefit	$ 0.003	$ 0.012
Differences in foreign tax rates	(5.00%)	(4.20%)
Permanent items and other adjustments	0.00%	1.20%
Increase (decrease) in Foreign valuation allowance	0.20%	2.90%
Provision for income taxes	30.50%	36.20%

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Unaudited) (USD $) In Thousands	Total	Common Stock [Member]	Additional Paid-in Capital [Member]	Tax benefit from stock-based compensation [Member]	Accumulated other comprehensive loss [Member]	Retained Earnings (Accumulated deficit) [Member]	Treasury Stock [Member]
Balance at Aug. 31, 2011	$ 375,838	$ 3	$ 383,549	$ 5,242	$ (22,915)	$ 28,238	$ (18,279)
Balance (in shares) at Aug. 31, 2011		30,696					796
Purchase of treasury stock	3						3
Purchase of treasury stock (in shares)							0
Stock-based compensation	966		966	0			
Net income	13,989					13,989	
Other Comprehensive Income (Loss), Net of Tax	(8,434)				(8,434)		
Balance at Nov. 30, 2011	382,362	3	384,515	5,242	(31,349)	42,227	(18,276)
Balance (in shares) at Nov. 30, 2011		30,696					796
Balance at Aug. 31, 2012	418,914	3	384,154	6,680	(33,182)	77,739	(16,480)
Balance (in shares) at Aug. 31, 2012		30,856					645
Issuance of restricted stock award (in shares)		6					
Forfeiture of restricted stock awards (in shares)		(1)					
Stock-based compensation	1,823		1,823	0			
Dividends payable to stockholders	(18,129)					(18,129)	
Net income	20,005					20,005	
Other Comprehensive Income (Loss), Net of Tax	(1,600)				(1,600)		
Balance at Nov. 30, 2012	$ 421,013	$ 3	$ 385,977	$ 6,680	$ (34,782)	$ 79,615	$ (16,480)
Balance (in shares) at Nov. 30, 2012		30,861					645

PROPERTY AND EQUIPMENT, NET	3 Months Ended Nov. 30, 2012
Property, Plant and Equipment [Abstract]	
PROPERTY AND EQUIPMENT, NET	

PROPERTY AND EQUIPMENT

Property and equipment are stated at historical cost. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. The useful life of fixtures and equipment ranges from three to 15 years and that of buildings from ten to 25 years. Leasehold improvements are amortized over the shorter of the life of the improvement or the expected term of the lease. In some locations, leasehold improvements are amortized over a period longer than the initial lease term where management believes it is reasonably assured that the renewal option in the underlying lease will be exercised as an economic penalty may be incurred if the option is not exercised. The sale or purchase of property and equipment is recognized upon legal transfer of property. For property and equipment sales, if any long-term notes are carried by the Company as part of the sales terms, the sale is reflected at the net present value of current and future cash streams.

Property and equipment consist of the following (in thousands):

	November 30, 2012	August 31, 2012
Land	$ 89,848	$ 89,878
Building and improvements	214,412	198,967
Fixtures and equipment	109,474	103,250
Construction in progress	13,555	22,409
Total property and equipment, historical cost	427,289	414,504
Less: accumulated depreciation	(119,943)	(114,937)
Property and equipment, net	$ 307,346	$ 299,567

During fiscal year 2012, as a result of the merger of wholly owned subsidiaries under the common control of the Company and the correction of currency translation errors, the Company recorded during the first quarter of fiscal year 2012 a decrease in Property and equipment, net of approximately $8.9 million (see Note 1 - Company Overview and Basis of Presentation).

Depreciation and amortization expense (in thousands):

	Three Months Ended November 30,	
	2012	2011
Depreciation and amortization expense	$ 5,684	$ 5,811

Total interest capitalized (in thousands):

	November 30, 2012	August 31, 2012
Total interest capitalized	$ 4,663	$ 4,675

Total interest expense capitalized (in thousands):

	Three Months Ended November 30,	
	2012	2011
Interest expense capitalized	$ 172	$ 18

STOCKHOLDERS EQUITY Other Comprehensive Income or Loss (Tables)	3 Months Ended
	Nov. 30, 2012
Equity [Abstract]	
Schedule of Comprehensive Income (Loss) [Table Text Block]	The following table discloses the tax effects allocated to each component of other comprehensive income (loss) (in thousands):

	Three Months Ended November 30,					
	2012			2011		
	Before-Tax Amount	Tax (expense) or benefit	Net-of-Tax Amount	Before-Tax Amount	Tax (expense) or benefit	Net-of-Tax Amount
Foreign currency translation adjustments [3]	$ (1,396)	$ —	$ (1,396)	$ (217)	$ —	$ (217)
Defined benefit pension plans:						
Net gain (loss) arising during period	(1)	2	1	9	—	9
Total defined pension plans	(1)	2	1	9	—	9
Unrealized gains (losses) on change in fair value of interest rate swaps[1]	(225)	20	(205)	502	160	662
Foreign currency translations differences for merger of foreign operations[2][3]	—	—	—	(5,604)	—	(5,604)
Correction of foreign currency translations for prior years related to foreign operations affecting property and equipment [2] [3]	—	—	—	(3,284)	—	(3,284)
Other comprehensive income (loss)	$ (1,622)	$ 22	$ (1,600)	$ (8,594)	$ 160	$ (8,434)

Schedule of Accumulated Other Comprehensive Income (Loss) [Table Text Block]

The following tables disclose the changes in the balances of each component of accumulated other comprehensive loss as reported within the balance sheet (in thousands):

	Three months ended November 30, 2012			
	Foreign currency translation adjustments	Defined benefit pension plans	Unrealized gains/(losses) on change in fair value of interest rate swaps[1]	Accumulated other comprehensive loss
Beginning balance, September 1, 2012	$ (31,962)	$ (74)	$ (1,146)	$ (33,182)
Foreign currency translation adjustments	(1,396)	—	—	(1,396)
Defined benefit pension plans	—	1	—	1
Unrealized gains (losses) on change in fair value of interest rate swaps[1]	—	—	(205)	(205)
Ending balance, November 30, 2012	$ (33,358)	$ (73)	$ (1,351)	$ (34,782)

	Three months ended November 30, 2011			
	Foreign currency translation adjustments	Defined benefit pension plans	Unrealized gains/(losses) on change in fair value of interest rate swaps[1]	Accumulated other comprehensive loss
Beginning balance, September 1, 2011	$ (21,894)	$ (273)	$ (748)	$ (22,915)
Foreign currency translation adjustments	(217)	—	—	(217)
Defined benefit pension plans	—	9	—	9
Unrealized gains (losses) on change in fair value of interest rate swaps[1]	—	—	662	662
Foreign currency translations differences for merger of foreign operations[2]	(5,604)	—	—	(5,604)

Correction of foreign currency translations for prior years related to foreign operations affecting property and equipment [2]	(3,284)	—	—	(3,284)
Ending balance, November 30, 2011	$ (30,999)	$ (264)	$ (86)	$ (31,349)

	Twelve Month Period Ended August 31, 2012			
	Foreign currency translation adjustments	Defined benefit pension plans	Unrealized gains/(losses) on change in fair value of interest rate swaps[1]	Accumulated other comprehensive loss
Beginning balance, September 1, 2011	$ (21,894)	$ (273)	$ (748)	$ (22,915)
Foreign currency translation adjustments	(1,187)	—	—	(1,187)
Defined benefit pension plans	—	199	—	199
Unrealized gains (losses) on change in fair value of interest rate swaps[1]	—	—	(398)	(398)
Foreign currency translations differences for merger of foreign operations[2]	(5,604)	—	—	(5,604)
Correction of foreign currency translations for prior years related to foreign operations affecting property and equipment [2]	(3,277)	—	—	(3,277)
Ending balance, August 31, 2012	$ (31,962)	$ (74)	$ (1,146)	$ (33,182)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Fair Value Hierarchy (Details) (USD $) In Thousands, unless otherwise specified	Nov. 30, 2012		Aug. 31, 2012	
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]				
Derivative Asset, Fair Value, Gross Asset	$ 0	[1]		
Fair Value, Measurements, Recurring [Member] | Fair Value, Inputs, Level 1 [Member]				
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]				
Assets and Liabilities, Net, Fair Value Disclosure	0		0	
Fair Value, Measurements, Recurring [Member] | Fair Value, Inputs, Level 2 [Member]				
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]				
Derivative Asset, Fair Value, Gross Asset			0	[1]
Assets and Liabilities, Net, Fair Value Disclosure	(1,384)		(1,199)	
Fair Value, Measurements, Recurring [Member] | Fair Value, Inputs, Level 3 [Member]				
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]				
Assets and Liabilities, Net, Fair Value Disclosure	0		0	
Fair Value, Measurements, Recurring [Member] | Estimate of Fair Value, Fair Value Disclosure [Member]				
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]				
Assets and Liabilities, Net, Fair Value Disclosure	(1,384)		(1,199)	
Fair Value, Measurements, Recurring [Member] | Interest Rate Swap [Member] | Fair Value, Inputs, Level 1 [Member]				
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]				
Derivative Liability, Fair Value, Gross Liability	0		0	
Fair Value, Measurements, Recurring [Member] | Interest Rate Swap [Member] | Fair Value, Inputs, Level 2 [Member]				
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]				
Derivative Liability, Fair Value, Gross Liability	135	[2]	216	[2]
Fair Value, Measurements, Recurring [Member] | Interest Rate Swap [Member] | Fair Value, Inputs, Level 3 [Member]				
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]				
Derivative Liability, Fair Value, Gross Liability	0		0	

Fair Value, Measurements, Recurring [Member] | Interest Rate Swap [Member] | Estimate of Fair Value, Fair Value Disclosure [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Derivative Liability, Fair Value, Gross Liability	(135)	(216)
Fair Value, Measurements, Recurring [Member] | Cross Currency Interest Rate Contract [Member] | Fair Value, Inputs, Level 1 [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Derivative Liability, Fair Value, Gross Liability	0	0
Fair Value, Measurements, Recurring [Member] | Cross Currency Interest Rate Contract [Member] | Fair Value, Inputs, Level 2 [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Derivative Liability, Fair Value, Gross Liability	1,249 [1]	983 [1]
Fair Value, Measurements, Recurring [Member] | Cross Currency Interest Rate Contract [Member] | Fair Value, Inputs, Level 3 [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Derivative Liability, Fair Value, Gross Liability	0	0
Fair Value, Measurements, Recurring [Member] | Cross Currency Interest Rate Contract [Member] | Estimate of Fair Value, Fair Value Disclosure [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Derivative Liability, Fair Value, Gross Liability	(1,249)	(983)
Fair Value, Measurements, Recurring [Member] | Forward Foreign Exchange Contracts [Member] | Fair Value, Inputs, Level 1 [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Derivative Asset, Fair Value, Gross Asset	0	0
Derivative Liability, Fair Value, Gross Liability	0	0
Assets and Liabilities, Net, Fair Value Disclosure	0	0
Fair Value, Measurements, Recurring [Member] | Forward Foreign Exchange Contracts [Member] | Fair Value, Inputs, Level 2 [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Derivative Asset, Fair Value, Gross Asset	2	27
Derivative Liability, Fair Value, Gross Liability	(21)	(3)
Assets and Liabilities, Net, Fair Value Disclosure	(19)	24
Fair Value, Measurements, Recurring [Member] | Forward Foreign Exchange Contracts [Member] | Fair Value, Inputs, Level 3 [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Derivative Asset, Fair Value, Gross Asset	0	0
Derivative Liability, Fair Value, Gross Liability	0	0

Assets and Liabilities, Net, Fair Value Disclosure	0	0
Fair Value, Measurements, Recurring [Member] | Forward Foreign Exchange Contracts [Member] | Estimate of Fair Value, Fair Value Disclosure [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Derivative Asset, Fair Value, Gross Asset	2	27
Derivative Liability, Fair Value, Gross Liability	(21)	(3)
Assets and Liabilities, Net, Fair Value Disclosure	$ (19)	$ 24

[1] (2) The effective portion of the cross currency interest rate swaps was recorded to Accumulated other comprehensive loss for $1.2 million and $983,000 as of November 30, 2012 and August 31, 2012, respectively. The Company has recorded a valuation allowance on the related deferred tax asset.

[2] (1) The effective portion of the interest rate swaps was recorded as a loss to Accumulated other comprehensive loss for $102,000 and $162,000 net of tax, as of November 30, 2012 and August 31, 2012, respectively. The Company has recorded a deferred tax asset amount of $33,000 and $54,000 as of November 30, 2012 and August 31, 2012, respectively.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Policies)	3 Months Ended
	Nov. 30, 2012
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [Abstract]	
Principles of Consolidations	**Principles of Consolidation -** The interim consolidated financial statements of the Company included herein include the assets, liabilities and results of operations of the Company's wholly owned subsidiaries. All significant inter-company accounts and transactions have been eliminated in consolidation. The interim consolidated financial statements have been prepared by the Company without audit, pursuant to the rules and regulations of the SEC, and reflect all adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary to fairly present the financial position, results of operations, and cash flows for the interim periods presented. Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") have been condensed or omitted pursuant to such SEC rules and regulations. Management believes that the disclosures made are adequate to make the information presented not misleading. The results for interim periods are not necessarily indicative of the results for the full year.
Use of Estimates	**Use of Estimates –** The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.
Variable Interest Entities	**Variable Interest Entities –** The Company reviews and determines at the start of each arrangement, or subsequently if a reconsideration event occurs, whether any of its investments in joint ventures are a Variable Interest Entity ("VIE") and whether it must consolidate a VIE and/or disclose information about its involvement in a VIE. The Company has determined that the joint ventures for GolfPark Plaza and Price Plaza Alajuela are VIEs. The Company has determined that it is not the primary beneficiary of the VIEs and, therefore, has accounted for these entities under the equity method.
Restricted Cash	**Restricted Cash –** The changes in restricted cash are disclosed within the consolidated statement of cash flows based on the nature of the restriction. The following table summarizes the restricted cash reported by the Company (in thousands):

	November 30, 2012	August 31, 2012
Short-term restricted cash:		
Restricted cash for Honduras loan	$ 1,200	$ 1,200
Other short-term restricted cash (1)	20	41
Total short-term restricted cash	1,220	1,241
Long-term restricted cash:		
Restricted cash for Honduras loan	3,720	3,720
Restricted Cash - Colombia Bank Loans	32,000	32,000
Other long-term restricted cash (1)	800	785
Total long-term restricted cash	36,520	36,505
Total restricted cash	$ 37,740	$ 37,746

(1) The other restricted cash consist mainly of cash deposits held within banking institutions in compliance with federal regulatory requirements in Costa Rica and Panama.

Merchandise Inventories	**Merchandise Inventories –** Merchandise inventories, which include merchandise for resale, are valued at the lower of cost (average cost) or market. The Company provides for estimated inventory losses and obsolescence between physical inventory counts on the basis of a percentage of sales. The provision is adjusted periodically to reflect the trend of actual physical inventory count results, with physical inventories occurring primarily in the second and fourth fiscal quarters. In addition, the Company may be required to take markdowns below the carrying cost of certain inventory to expedite the sale of such merchandise.
Fair Value Measurements	**Fair Value Measurements –** The Company measures the fair value for all financial and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a recurring or nonrecurring basis. The fair value of an asset is the price at which the asset could be sold in an orderly transaction between unrelated, knowledgeable and willing parties able to engage in the transaction. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor in a transaction between such parties, not the amount that would be paid to settle the liability with the creditor.

The Company has established a three-tier fair value hierarchy, which prioritizes the inputs used in measuring and revaluing fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The Company was not required to revalue any assets or liabilities utilizing Level 1 or Level 3 inputs at the balance sheet dates. The Company's Level 2 assets and liabilities revalued at the balance sheet dates, on a recurring basis, primarily included cash flow hedges (interest rate swaps and cross-currency interest rate swaps) and forward foreign exchange contracts. In addition, the Company utilizes Level 2 inputs in determining the fair value of long-term debt. The Company has elected not to revalue long-term debt because this debt will be settled at the recorded costs and not at the fair market value. The Company did not make any significant transfers in and out of Level 1 and Level 2 fair value tiers during the periods reported on herein.

Nonfinancial assets and liabilities are recognized at fair value subsequent to initial recognition when there is evidence of impairment. For the periods reported, no impairment of such nonfinancial assets was recorded.

The disclosure of fair value of certain financial assets and liabilities recorded at cost is as follows:

Cash and cash equivalents: The carrying value approximates fair value due to the short maturity of these instruments.

Short-term restricted cash: The carrying value approximates fair value due to the short maturity of these instruments.

Long-term restricted cash: Long-term restricted cash primarily consists of auto renewable 3-12 month certificates of deposit, which are held as collateral on our long-term debt. The carrying value approximates fair value due to the short maturity of the underlying certificates of deposit.

Accounts receivable: The carrying value approximates fair value due to the short maturity of these accounts.

Short-term debt: The carrying value approximates fair value due to the short maturity of these instruments.

Long-term debt: The fair value of debt is generally measured using a discounted cash flow analysis based on current market interest rates for similar types of financial instruments. These inputs are not quoted prices in active markets but they are either directly or indirectly observable; therefore, they are classified as Level 2 inputs. The carrying value and fair value of the Company’s debt as of November 30, 2012 and August 31, 2012 is as follows (in thousands):

	November 30, 2012		August 31, 2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt, including current portion	$ 80,963	$ 82,227	$ 78,659	$ 80,830

Derivative Instruments and Hedging Activities

Derivatives- The Company uses derivative financial instruments for hedging and non-trading purposes to manage its exposure to changes in interest and currency exchange rates. In using derivative financial instruments for the purpose of hedging the Company’s exposure to interest and currency exchange rate risks, the contractual terms of a hedged instrument closely mirror those of the hedged item, providing a high degree of risk reduction and correlation. Contracts that are effective at meeting the risk reduction and correlation criteria (effective hedge) are recorded using hedge accounting. If a derivative financial instrument is an effective hedge, changes in the fair value of the instrument will be offset in accumulated other comprehensive income (loss) until the hedged item completes its contractual term. If any portion of the hedge is deemed ineffective, the change in fair value of the hedged assets or liabilities will be immediately recognized in earnings during the period. Instruments that do not meet the criteria for hedge accounting, or contracts for which the Company has not elected hedge accounting, are valued at fair value with unrealized gains or losses reported in earnings during the period of the change. Valuation techniques utilized in the fair value measurement of assets and liabilities presented on the Company’s consolidated balance sheets were not changed from previous practice during the reporting period.

Cash Flow Instruments. The Company is a party to receive floating-rate, pay fixed-rate interest rate swaps to hedge the interest rate risk of certain U.S. denominated debt within its international subsidiaries whose functional currency is other than the U.S dollar. The swaps are designated as cash flow hedges of interest expense risk. These instruments are considered effective hedges and are recorded using hedge accounting. The Company is also a party to receive fixed-rate, pay fixed-rate cross-currency interest rate swaps to hedge the currency exposure associated with the expected payments of principal and interest of U.S. denominated debt within its international subsidiaries whose functional currency is other than the U.S dollar. The swaps are designated as cash flow hedges of the currency risk related to payments on the U.S. denominated debt. These instruments are also considered to be effective hedges and are recorded using hedge accounting. Under cash flow hedging, the effective portion of the fair value of the derivative, calculated as the net present value of the future cash flows, is deferred on the consolidated balance sheets in accumulated other comprehensive loss. If any portion of an interest rate swap is determined to be an ineffective hedge, the gains or losses from changes in fair value would be recorded directly in the consolidated statements of income. Amounts recorded in accumulated other comprehensive loss are released to earnings in the same period that the hedged transaction impacts consolidated earnings. See Note 9 - Derivative Instruments and Hedging Activities for information on the fair value of interest rate swaps and cross-currency interest rate swaps as of November 30, 2012 and August 31, 2012.

Fair Value Instruments. The Company is exposed to foreign-currency exchange-rate fluctuations in the normal course of business. The Company is also exposed to foreign-currency exchange-rate fluctuations on U.S. dollar denominated liabilities within its international subsidiaries whose functional currency is other than the U.S. dollar. The Company manages these fluctuations, in part, through the use of non-deliverable forward foreign-exchange contracts that are intended to offset changes in cash flow attributable to currency exchange movements. The contracts are intended primarily to economically address exposure to U.S. dollar merchandise inventory expenditures made by the Company's international subsidiaries whose functional currency is other than the U.S. dollar. Currently, these contracts are treated for accounting purposes as fair value instruments and do not qualify for derivative hedge accounting. The Company seeks to mitigate foreign-currency exchange-rate risk with the use of these contracts and does not intend to engage in speculative transactions. These contracts do not contain any credit-risk-related contingent features.

The Company seeks to manage counterparty risk associated with these contracts by limiting transactions to counterparties with which the Company has an established banking relationship. There can be no assurance, however, that this practice effectively mitigates counterparty risk. The contracts are limited to less than one year in duration. See Note 9 - Derivative Instruments and Hedging Activities for information on the fair value of open, unsettled forward foreign-exchange contracts as of November 30, 2012 and August 31, 2012.

The following table summarizes financial assets and liabilities measured and recorded at fair value on a recurring basis in the Company's consolidated balance sheet as of November 30, 2012 and August 31, 2012 (in thousands) for derivatives that qualify for hedge accounting:

Assets and Liabilities as of November 30, 2012	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Other long-term liabilities – (Interest rate swaps)	$ —	$ (135)	$ —	$ (135)
Other long-term liabilities – (Cross-currency interest rate swaps)	—	(1,249)	—	(1,249)
Total	$ —	$ (1,384)	$ —	$(1,384)

Assets and Liabilities as of August 31, 2012	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Other long-term liabilities – (Interest rate swaps)	$ —	$ (216)	$ —	$ (216)
Other long-term liabilities – (Cross-currency interest rate swaps)	—	(983)	—	(983)
Total	$ —	$ (1,199)	$ —	$(1,199)

The following table summarizes financial assets and liabilities measured and recorded at fair value on a recurring basis in the Company's consolidated balance sheet as of November 30, 2012 and August 31, 2012 (in thousands) for derivatives that do not qualify for hedge accounting:

Assets and Liabilities as of November 30, 2012	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Prepaid expenses and other current assets (Foreign currency forward contracts)	$ —	$ 2	$ —	$ 2
Other accrued expenses (Foreign currency forward contracts)	—	(21)	—	(21)
Net fair value of derivatives designated as hedging instruments that do not qualify for hedge accounting	$ —	$ (19)	$ —	$(19)

Assets and Liabilities as of August 31, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Prepaid expenses and other current assets (Foreign currency forward contracts)	$ —	$ 27	$ —	$ 27
Other accrued expenses (Foreign currency forward contracts)	—	(3)	—	(3)
Net fair value of derivatives designated as hedging instruments that do not qualify for hedge accounting	$ —	$ 24	$ —	$ 24

As of November 30, 2012 and August 31, 2012, the Company had no significant measurements of financial assets or liabilities at fair value on a nonrecurring basis.

Goodwill

Goodwill – The table below presents goodwill resulting from certain business combinations as of November 30, 2012 and August 31, 2012 (in thousands). The change in goodwill is a result of foreign exchange translation losses.

	November 30, 2012	August 31, 2012	Change
Goodwill	$ 36,821	$ 36,886	$ (65)

The Company reviews previously reported goodwill at the entity level for impairment if there has been a significant change in the reporting unit's assets and liabilities since the most recent evaluation, if the reporting unit's most recent fair value determination resulted in an amount that exceeded its carrying amount by a substantial margin or if the likelihood that a current fair value determination would be more likely than not to show that the current fair value of the unit is less than the carrying amount of the reporting unit.

Revenue Recognition

Revenue Recognition – The Company recognizes merchandise sales revenue when title passes to the customer. Membership income represents annual membership fees paid by the Company's warehouse club members, which are recognized ratably over the 12-month term of the membership. Membership refunds are prorated over the remaining term of the membership; accordingly, no refund reserve is required to be established for the periods presented. The Company recognizes and presents revenue-producing transactions on a net of tax basis.

The Company began offering Platinum memberships, in Costa Rica, during fiscal year 2013, that provide members with a 2% rebate, up to a maximum of $500.00, on most items. Platinum members can apply this rebate to future purchases at the warehouse club at the end of the annual membership period. The Company records this 2% rebate as a reduction of revenue, at the time of the rebate generated by the sales transaction. Accordingly, the Company has reduced warehouse sales and has accrued a liability within other accrued expenses. The rebate expires within six months of the membership renewal date. However, the Company has determined that in the absence of relevant historical experience, the Company is not able to make a reasonable estimate of rebate redemptions and accordingly has assumed a 100% redemption rate. The Company will periodically review expired unused rebates outstanding, and the expired unused rebates will be recognized as "Revenues: Other Income" on the consolidated statements of income.

The Company recognizes gift certificates sales revenue when the certificates are redeemed. The outstanding gift certificates are reflected as "Other accrued expenses" in the consolidated balance sheets. These gift certificates generally have a one-year stated expiration date from the date of issuance. However, the absence of a large volume of transactions for gift certificates impairs the Company's ability to make a reasonable estimate of the redemption levels for gift certificates; therefore, the Company assumes a 100% redemption rate. The Company periodically reviews unredeemed outstanding gift certificates, and the gift certificates that have expired are recognized as "Revenues: Other Income" on the consolidated statements of income.

Operating leases, where the Company is the lessor, with lease payments that have fixed and determinable rent increases are recognized as revenue on a straight-line basis over the lease term. The Company also accounts in its straight-line computation for the effect of any "rental holidays." Contingent rental revenue is recognized as the contingent rent becomes due per the individual lease agreements.

Cost of Goods Sold

Cost of Goods Sold – The Company includes the cost of merchandise, food service and bakery raw materials, and one hour photo supplies in cost of goods sold. The Company also includes in cost of goods sold the external and internal distribution and handling costs for supplying merchandise, raw materials and supplies to the warehouse clubs. External costs include inbound freight, duties, drayage, fees, insurance, and non-recoverable value-added tax related to inventory shrink, spoilage and damage. Internal costs include payroll and related costs, utilities, consumable supplies, repair and maintenance, rent expense, building and equipment depreciation at its distribution facilities and payroll and other direct costs for in store demonstrations.

Vendor consideration consists primarily of volume rebates, time-limited product promotions, slotting fees, demonstration reimbursements and prompt payment discounts. Volume rebates that are not threshold based are incorporated into the unit cost of merchandise reducing the inventory cost and cost of goods sold. Volume rebates that are threshold based are recorded as a reduction to cost of good sold when the Company achieves established purchase levels, that are confirmed by the vendor in writing or upon receipt of funds. On a quarterly basis, the Company calculates the amount of rebates recorded in cost of goods sold that relates to inventory on hand and this amount is reclassified as a reduction to inventory, if significant. Product promotions are generally linked to coupons that provide for reimbursement to the Company from vendor rebates for the product being promoted. Slotting fees are related to consideration received by the Company from vendors for End Cap placement ("End Cap") to "obtain space" for the vendor's products within the warehouse club. Demonstration reimbursements are related to consideration received by the Company from vendors for the in store promotion of the vendors products. The Company records the reduction in cost of goods sold on a transactional basis for these programs. Prompt payment discounts are taken in substantially all cases, and therefore, are applied directly to reduce the acquisition cost of the related inventory, with the resulting effect recorded to cost of goods sold when the inventory is sold.

Selling, General and Administrative

Selling, General and Administrative – Selling, general and administrative costs are comprised primarily of expenses associated with warehouse operations. Warehouse operations include the operating costs of the Company's warehouse clubs, including all payroll and related costs, utilities, consumable supplies, repair and maintenance, rent expense, building and equipment depreciation, and bank and credit card processing fees. Also included in selling, general and administrative expenses are the payroll and related costs for the Company's U.S. and regional purchasing and management centers.

Pre-Opening Costs

Pre-Opening Costs – The Company expenses pre-opening costs (the costs of start-up activities, including organization costs and rent) as incurred.

Asset Impairment Costs

Asset Impairment Costs – The Company periodically evaluates its long-lived assets for indicators of impairment. Management's judgments are based on market and operational conditions at the time of the evaluation and can include management's best estimate of future business activity. These periodic evaluations could cause management to conclude that impairment factors exist, requiring an adjustment of these assets to their then-current fair value. Future business conditions and/or activity could differ materially from the projections made by management causing the need for additional impairment charges.

Contingencies and Litigation

Contingencies and Litigation – The Company accounts and reports for loss contingencies if (a) information available prior to issuance of the consolidated financial statements indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the consolidated financial statements and (b) the amount of loss can be reasonably estimated.

Foreign Currency Transaction

Foreign Currency – The assets and liabilities of the Company's foreign operations are translated to U.S. dollars when the functional currency in the Company's international subsidiaries is the local currency and not U.S. dollars. Assets and liabilities of these foreign subsidiaries are translated to U.S. dollars at the exchange rate on the balance sheet date, and revenue, costs and expenses are translated at average rates of exchange in effect during the period. The corresponding translation gains and losses are recorded as a component of accumulated other comprehensive income or loss. These adjustments will affect net income upon the sale or liquidation of the underlying investment.

Monetary assets and liabilities denominated in currencies other than the functional currency of the respective entity, (primarily U.S. Dollars) are revalued to the functional currency using the exchange rate on the balance sheet date. These foreign exchange transaction gains (losses), including repatriation of funds are recorded as Other income (expense) in the Consolidated Statements of Income. The following table summarizes the amounts recorded for the three month periods ending November 30, 2012 and 2011 (in thousands):

	Three Months Ended November 30,	
	2012	**2011**
Currency gain (loss)	$ (1)	$ (1,183)

Income Taxes

Income Taxes – The Company accounts for income taxes using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences and carry-forwards are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is established when necessary to reduce deferred tax assets to amounts expected to be realized.

The Company and its subsidiaries are required to file federal and state income tax returns in the United States and various other tax returns in foreign jurisdictions. The preparation of these tax returns requires the Company to interpret the applicable tax laws and regulations in effect in such jurisdictions, which could affect the amount of tax paid by the Company. The Company, in consultation with its tax advisors, bases its tax returns on interpretations that are believed to be reasonable under the circumstances. The tax returns, however, are subject to routine reviews by the various federal, state and foreign taxing authorities in the jurisdictions in which the Company or one of its subsidiaries file tax returns. As part of these reviews, a taxing authority may disagree with respect to the income tax positions taken by the Company ("uncertain tax positions") and, therefore, require the Company or one of its subsidiaries to pay additional taxes.

The Company accrues an amount for its estimate of probable additional income tax liability. In certain cases, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant tax authority. An uncertain income tax position will not be recognized if it has less than 50% likelihood of being sustained. This requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. When facts and circumstances change, the Company reassess these probabilities and records any changes in the consolidated financial statements as appropriate. There were no material changes in the Company's uncertain income tax positions for the periods ended November 30, 2012 and 2011.

The following tables presents a reconciliation of the effective tax rate for the periods presented:

	Three Months Ended November 30,	
	2012	2011
Federal tax provision at statutory rates	35.0 %	35.0 %
State taxes, net of federal benefit	0.3	1.2
Differences in foreign tax rates	(5.0)	(4.2)
Permanent items and other adjustments	—	1.2
Increase (decrease) in foreign valuation allowance	0.2	2.9
Provision for income taxes	30.5 %	36.2 %

For the first three months of fiscal year 2013, the decrease in the effective tax rate versus the prior year was primarily attributable to the following factors: (i) 3.1% results from a decrease in taxable losses of the Company's Colombia affiliate (for which the Company takes a full valuation allowance); (ii) 1.5% results from reversals of income tax liability for uncertain tax positions in the first three months of fiscal year 2013, compared to additional accruals for the same during the first three months of fiscal year 2012; and (iii) 0.9% results from adoption of California single sales factor apportionment.

Recent Accounting Pronouncements

Recent Accounting Pronouncements

FASB ASC 220

In June 2011, the FASB issued guidance to amend the presentation of comprehensive income to allow an entity the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. The guidance eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. The amended guidance was effective for annual and interim periods within those years beginning after December 15, 2011 and was to be applied retrospectively. The Company adopted this guidance on September 1, 2012. Adoption of this guidance did not have a material impact on the Company’s consolidated financial statements.

FASB ASC 350

In December 2010, the FASB issued amended guidance concerning testing for impairment of goodwill where an entity has one or more reporting units whose carrying value is zero or negative. The amended guidance requires the entity to perform a test to measure the amount, if any, of impairment to goodwill by comparing the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. The Company was required to adopt this amended guidance for fiscal years or interim periods within those years after December 15, 2011. The Company adopted this guidance on September 1, 2012. The adoption of the amended guidance did not have an impact on the Company’s consolidated financial statements or disclosures to those financial statements.