



Costco Wholesale Corporation Reports March Sales Results and the National Rollout of a 2% Annual Reward Program for Executive Members

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ISSAQUAH, Wash.--(BUSINESS WIRE)--April 6, 2000--Costco Wholesale Corporation ("Costco" or the "Company") (Nasdaq:COST) today reported net sales of \$2.81 billion for the five weeks ended April 2, 2000, an increase of 16 percent from \$2.43 billion in the same five-week period of the prior fiscal year. On a comparable warehouse basis, that is warehouses open at least a year, sales increased 12 percent. This year's five-week period included 35 days of sales compared to 34 days during the year-earlier period, reflecting the timing of Easter, which impacted sales positively by an estimated one percent.

For the first thirty-one weeks of its fiscal year 2000 ended April 2, 2000, the Company reported net sales of \$18.34 billion, an increase of 16 percent from \$15.75 billion during the first thirty-one weeks of the prior fiscal year. Comparable warehouse sales for this year-to-date period increased 13 percent over the prior year's level.

This week, the Company is beginning the nationwide rollout of an important new feature to its Executive Membership Program - a 2% reward, up to a maximum of \$500 per year, on all qualified purchases made at Costco. Currently, Costco has approximately 18.5 million member households throughout the six countries in which it operates. Nearly 80% or 14.5 million of these member households are in the United States. In the United States, Business members pay an annual membership fee to Costco of \$35; Gold Star (individual) members pay an annual fee of \$40. Similar membership levels and fee structures are offered in the other countries in which Costco operates. For approximately three years, Costco has offered a third level of membership to its members in the United States. The Executive Membership, available for an annual fee of \$100, is Costco's highest level of membership. In addition to offering access to Costco warehouses, Costco gas stations and Costco.com (the Company's electronic commerce website), Executive Members have access to a growing suite of services. The current services include auto and homeowner insurance; mortgage and real estate services; lending and credit card processing for small businesses; and other services. Approximately 150,000 of the Company's 14.5 million U.S. member households are Executive Members.

The 2% Annual Reward feature of the Executive Membership Program has been tested in the Company's 10 Arizona locations over the past 13 months. The rollout began this week to Costco members in five states in the Northwest, with the nationwide rollout expected to be completed by the end of June 2000. According to Costco President and CEO, Jim Sinegal, "This is consistent with Costco's goal of providing greater value to our members by continually providing incentives for greater use and greater purchases through their Costco membership."

Costco currently operates 305 warehouses, including 231 in the United States, 59 in Canada, eight in the United Kingdom, three in Korea, three in Taiwan, and a warehouse in Japan; as well as 17 additional warehouses in Mexico with a joint venture partner. The Company also operates Costco Online, an electronic commerce web site, at www.costco.com. The Company plans to open an additional 13 to 15 new warehouses (including two to four relocations of existing warehouses to larger and better-located facilities) prior to the end of its fiscal year 2000 on September 3, 2000.

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