



Costco Wholesale Corporation Announces Plans to Consolidate the Administration of its Canadian Operations

January 17, 2001

Quebec--(BUSINESS WIRE)--Jan. 17, 2001--Costco Wholesale Corporation ("Costco" or the "Company") (Nasdaq:COST) today announced its plan to reorganize and consolidate the administration of its operations in Canada. Anticipated costs related to the consolidation are estimated to total \$26 million U.S. pretax (\$15.6 million after-tax, or \$.03 per share), to be taken over the next four fiscal quarters. The Company anticipates annual savings of at least that amount beginning in fiscal 2002.

Since the October, 1993 merger of Costco Wholesale Corporation and The Price Company, the Company's two Canadian Operating Regions have been operated separately, with the Western Canada Region (29 warehouses, fiscal 2000 sales of \$3.48 billion CAD or \$2.36 billion U.S.) operating from offices located in Burnaby, British Columbia; and the Eastern Canada Region (30 warehouses, fiscal 2000 sales of \$3.51 billion CAD or \$2.38 billion U.S.) operating from offices located in Laval, Quebec.

According to Joe Portera, Executive Vice President, C.O.O. Eastern & Canadian Divisions of Costco Wholesale Corporation, "While we are very proud of our two highly successful Canadian regions, we recognize that by combining the two separate administrations into one, substantial saving -- from both (i) significant additional buying synergies; and (ii) central and administration operating efficiencies will be generated. We project that the one-time costs associated with this consolidation will approximate \$26 million U.S. (\$40 million CAD), and will be recorded as incurred over four fiscal quarters, beginning in the Company's second quarter, the twelve weeks ending February 18, 2001. It is anticipated that savings of this amount or greater are projected to be generated on an annual basis, commencing in fiscal 2002".

Under the consolidation plan, a small Western Regional Buying and Administrative Office will remain in Burnaby; and a new Canada Headquarters/Eastern Regional Buying and Administrative Office will be relocated from Laval, Quebec to Nepean, Ontario, in the Ottawa area. According to Mr. Portera, "the decision to locate the new central office in Nepean is based on our belief that it is the best choice to accommodate our employees from both our Burnaby and Laval offices. Ottawa is Canada's national capital, and both the French and English languages are spoken there. Additionally, we believe the cost of living to be favorable relative to the current regional office locations.

Completion of this consolidation is planned on or before the Company's September 2, 2001 fiscal year-end.

Costco currently operates 350 warehouses, including 252 in the United States, 59 in Canada, 11 in the United Kingdom, four in Korea, three in Taiwan, two in Japan and 19 in Mexico. The Company also operates Costco Online, an electronic commerce web site, at www.costco.com.

Certain statements contained in this release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. For these purposes, forward-looking statements are statements that address activities, events, conditions or developments that the Company expects or anticipates may occur in the future. Such forward-looking statements involve risks and uncertainties that may cause actual events, results or performance to differ materially from those indicated by such statements. These risks and uncertainties include, but are not limited to, domestic and international economic conditions including exchange rates, the effects of competition and regulation, conditions affecting the acquisition, development, ownership or use of real estate, actions of vendors, and other risks identified from time to time in the Company's public statements and reports filed with the SEC.

--30--CER/se*

CONTACT: Costco Wholesale Corporation

Richard A. Galanti, 425/313-8203

Bob Nelson, 425/313-8255 - Headquarters - U.S.

Louise Wendling - Laval 450/686-4462

Hubert de Suduiraut - Burnaby 604/444-9917